

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Eighteenth Legislature
16th Day

Monday, March 14, 1977

The Assembly met at 2:00 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

HON. E. WHELAN (Regina North West):— Mr. Speaker, it is a pleasure to introduce to you and through you to all Members of the House, 39 Grade Eight students from Ruth Buck School in Regina northwest. They are seated with their teachers, the principal Mr. Esch and Vern Byrne. They are in the west gallery. Members will join with me, I am sure, in welcoming them to the Legislature and expressing the wish that their stay with us will be pleasant and informative.

HON. MEMBERS:— Hear, hear!

HON. W. E. SMISHEK (Regina North East):— Mr. Speaker, let me extend a warm welcome to a group of Grade Seven and Eight students. There are 37 in number, from the St. Gregory School. They are accompanied by their principal, Mr. Ted Zarowski. I do hope that their visit to the Legislature this afternoon will be a rewarding experience. I hope that the actions that they may see for a while will be reasonably calm and collective and informative.

Mr. Speaker, St. Gregory School is a very new school in Regina, located in Uplands. In fact it was just a matter of a few days ago they had the official opening of this school. It is an excellent facility. I know the students are getting an excellent education in that school. Welcome to the Legislature.

HON. MEMBERS:— Hear, hear!

MR. W. J. G. ALLEN (Regina Rosemont):— Mr. Speaker, I should like to introduce to the Legislature, through you, a group of New Canadians sitting in the Speaker's Gallery. They are taking Occupational English classes at the Wascana Institute. They are 15 in number and are accompanied here this afternoon by Mrs. Zickman. I am sure that all the Members would like to welcome these students to Canada, to the province, and particularly to the Legislature this afternoon.

HON. MEMBERS:— Hear, hear!

QUESTIONS

DEMERIT POINTS ASSESSED ON DRIVERS' LICENCE

MR. S. J. CAMERON (Regina South):— Mr. Speaker, I have a question of the Minister in charge of the Saskatchewan Government Insurance Office.

As he knows the Saskatchewan Auto Insurance Guide 1977, indicates that SGIO intends to assess points against people's drivers' licences who have been involved in accidents irrespective of fault and I should like to ask the Minister how he or Government Insurance can justify assessing demerit points against a

driver's licence for people who are totally innocent?

MR. WHELAN:— Mr. Speaker, in answer to the Hon. Member's question, as he will recall last year we indicated that we will be keeping track of drivers who were involved in accidents effective January 1st and further to that, the outline of how it would be done appeared in the regulations last year. Because of the situation and because of the manner in which the handbook is worded, we have taken a look at it and we plan to take remedial action so that drivers involved and not at fault will not receive ratings and increased insurance premiums.

MR. CAMERON:— Mr. Speaker, by way of supplementary. If I understand the Minister correctly, of course, we will certainly join with him in supporting that, but are you giving us the assurance that immediately Saskatchewan Government Insurance Office will not assess points against people who have been involved in accidents when they are not at fault and there will be no increase in their premiums when they have not been found at fault?

MR. WHELAN:— Yes.

MR. J. G. LANE (Qu'Appelle):— Mr. Speaker, if anyone has already paid his licence fee for this year, will you be prepared to make rebate if they were paid under this misconception or stay a previous policy that existed in the guide?

MR. WHELAN:— I said that we would take remedial action.

MR. CAMERON:— Mr. Speaker, by way of supplementary. May I ask why, this morning, officials from the Saskatchewan Government Insurance Office were indicating the complete opposite of the assurance the Minister has now given us. What action are you taking to ensure that this, in fact, will be the case?

MR. WHELAN:— I cannot explain or speak for all the officials of SGIO.

CITY COUNCIL INQUIRY

MR. F. F. A. MERCHANT (Regina Wascana):— Mr. Speaker, I direct this question to the Minister, the Attorney General. I questioned the Attorney General last week about the inquiry that was requested by City Council into the activities of his colleague the Member for Regina Victoria (Mr. Baker) and I wonder if the Attorney General is yet in a position to indicate whether that inquiry, as requested by City Council, will be proceeding?

HON. R. J. ROMANOW (Attorney General):— Mr. Speaker, I have this matter on my desk as something of high importance in order to dispose of it as quickly as I can but I am not in any position to make any statements or announcements today. Again, I hope that before the end of the week is out, without tying my hands, if it spills into Monday of next week, but before the end of this week is out, I shall be in

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a position to make some kind of statement.

MR. MERCHANT:— A supplementary, Mr. Speaker. Would the Minister indicate - and it is hypothetical but very likely - that a private prosecution could be laid against any one of the three city council members or the mayor? It would appear clearly that they are in breach of the strict wording of the legislation. Would the Government give its assurance to the House that if one of these council members is unseated as a result of what may be viewed as a technical breach, that the Government would bring in legislation to put those council members or a council member back into his council chair as elected in the first place?

MR. ROMANOW:— Mr. Speaker, again I think the question is a good question, but one that I am not able to respond to because I really believe that it is hypothetical. We have to see what, if anything, transpires by way of prosecutions. I try to take the position in past cases as I do in this case and as I hope in future cases that I will not speculate with respect to matters hypothetically based on the question of charges or no charges, whether it is in this area or other areas. So following that rule I just can't make any comment.

MR. MERCHANT:— A supplementary, Mr. Speaker. Would the Minister be prepared to indicate to the House that, perhaps in this Session, amendments would be brought in both to The Urban Municipalities Act and also The Rural Municipalities Act so that this kind of rather curious situation will not arise again, where for instance, alderman Embury faces being kicked off council because he forgot that he owns his own house?

MR. ROMANOW:— Mr. Speaker, on this point certainly it is something that we will continue to keep under consideration and something which I am sure the Minister of Municipal Affairs will undertake to discuss with SUMA to determine how they view the situation and how they would suggest it should be remedied.

OIL REVENUE WINDFALL FUNDS

MR. R. L. COLLVER (Leader of Progressive Conservatives):— Mr. Speaker, I would address a question to the Premier, when on November 24, 1976 the Premier gave categorical assurance to this Assembly that oil revenue windfall funds would not be spent on day to day expenses and in fact said, if spent on day to day expenses there would come a day of reckoning for some future government. Was the Premier aware that \$35 million had been taken as revenue to the province from the Energy and Resource Development Fund, for the year ending March 31, 1976?

HON. A. F. BLAKENEY (Premier):— Yes, of course, I was aware and everyone else was in the House. You can read the Estimates.

MR. COLLVER:— Mr. Speaker, I am very pleased to hear the Premier refer to the Estimates and I presume he is talking about the Budget Speech Estimates and the Estimates from the Blue Book, if I am correct in that assumption.

Would the Premier be prepared to show us in the Blue Book or indicate to me at any time in the Blue Book where the \$35 million is recorded from last year, for the period ended March 31, 1976?

MR. SPEAKER:— Order, order!

SASKATCHEWAN GOVERNMENT INSURANCE

MR. CAMERON:— Mr. Speaker, I won't ask the Premier to do our research here, we do our own, but let me ask the Premier, would he indicate whether the Executive Council has taken a decision to rescind the Order in Council which authorized SGIO to assess points in the manner in which I had indicated earlier and if so, when that decision was taken?

MR. BLAKENEY:— Mr. Speaker, that matter has been considered by my Cabinet colleagues and me and we have made a decision recently to deal with the matter raised by the Hon. Member.

MR. CAMERON:— Mr. Speaker, another supplementary.

May I ask you, when the decision was made? With more precision, was it made after we gave indication to the Speaker that we would be moving priority of debate?

MR. BLAKENEY:— Mr. Speaker, decisions made in Cabinet are of course confidential. I think I am free to admit that the motion made by the Hon. Member drew our attention to this matter. It had not been our intention to produce the result that he so clearly indicated we had produced, and we made that change.

SOME HON. MEMBERS:— Hear, hear!

TABLING OF PROVINCIAL AUDITOR'S REPORT

MR. J. C. LANE (Qu'Appelle):— Mr. Speaker, I should like to direct a question to the Minister of Finance. I understand that you have the provincial auditor's report, that it has been submitted to your office. Can you advise us when it will be tabled in the Assembly?

MR. SMISHEK:— Today.

ADVERTISEMENT FOR PSYCHIATRISTS

MR. MERCHANT:— Mr. Speaker, I wonder if I might direct a question to the Minister of Health. The Minister is aware of it and I wonder if he would explain to the House why an advertisement was carried for psychiatrists authorized by his department which was run in three or four continents including Africa, and all through the United States which in very sexist terms talks about the requirements for senior psychiatrists and then goes on to talk about psychiatrist's wives and psychiatrist's children, clearly implying that in the minds of the Government of Saskatchewan, nobody could conceivably be a psychiatrist and be a female at the same time.

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MR. W. A. ROBBINS (Minister of Health):— Mr. Speaker, that is a totally incorrect conclusion. You are well aware of the fact that there was some criticism of the ad as it originally appeared in the Globe and Mail and an effort was made immediately to attempt to withdraw it. If you read the body of the ad you find that it is a good ad, maybe the heading was a bit unfortunate. We quite readily admit the error that was made in that respect. I think frankly, the Member is making a big thing of this. But the fact is that we are well aware of it. We did not intend to create that situation. We would be glad to get psychiatrists, both male and female.

MR. MERCHANT:— Supplementary, Mr. Speaker. The Minister mentions Toronto. Is it not in fact true that the advertisement was run in Cape Town, Toronto, Montreal, New York, two or three journals in Toronto, the British Medical Journal, the Medical Journal of Australia, the American Psychiatric News? You have done a fairly complete job of convincing psychiatrists around the world that what we want is senior psychiatrists and psychiatrists' wives and children are welcome as well.

MR. ROBBINS:— Mr. Speaker, that is a totally incorrect conclusion. The fact of the matter is the ads were placed and they have not been printed and a lot of them have been caught before they actually appeared.

GRANTS FOR REGIONAL LIBRARIES

MR. R. H. BAILEY (Rosetown-Elrose):— Mr. Speaker, I should like to direct a question to the Minister in charge of the Saskatchewan libraries, the regional library boards. Is it the intention of the Government eventually to leave the regional library boards without any form of operating grants? Is that the projected plan of his department?

HON. E. L. TCHORZEWSKI (Minister of Education):— No.

MR. BAILEY:— In view of the Minister's answer, a supplementary, Mr. Speaker. Can the Minister then explain why in 1975 a regional library received a grant of \$69,512 where the projected grant figure for this year is \$30,000 and next year it will be only \$20,000, about a 300 per cent decrease in grants?

MR. TCHORZEWSKI:— There has been over a 267 per cent increase in grants to regional libraries in Saskatchewan since 1972, Mr. Speaker. I would hardly consider that to be a decrease. There is a further increase in this year's Budget of 10 per cent. I think that is a pretty clear indication of a pretty strong commitment on the part of this Government to regional libraries.

SOME HON. MEMBERS:— Hear, hear!

MR. BAILEY:— A supplementary question, Mr. Speaker. In view of the fact that some of the regional library boards have received or will be receiving a 300 per cent decrease in grant, would the Minister not agree that this rapid decrease in grants available

to certain regional library boards eventually will force a raise in the municipal assessment?

MR. TCHORZEWSKI:— I don't know where the Member gets his information, Mr. Speaker. There isn't any regional library board in Saskatchewan that has received a decrease nor is there any regional library in Saskatchewan that will in this year's Budget receive a decrease. Everyone, in fact, will have an increase.

SOME HON. MEMBERS:— Hear, hear!

WHITE PAPER ON SCHOOL LAW

MR. W. H. STODALKA (Maple Creek):— A question to the Minister of Education. Many of us have been waiting anxiously for your white paper on school law. Do you want to give us any indication as to when it will be brought forth?

MR. TCHORZEWSKI:— Yes, this week on Thursday.

HOG PRICES

MR. R. A. LARTER (Estevan):— A question to the Minister of Agriculture. Does the Minister know that during the past 30 days there has been a \$3 to \$4 spread per hundred weight on hogs sold in Alberta above Saskatchewan?

HON. E. KAEDING (Minister of Agriculture):— No, I am not aware that there has been that kind of discrepancy and I would want to investigate that and see whether it is correct.

MR. LARTER:— A supplementary, Mr. Speaker. The people selling hogs in Alberta have been receiving between \$3 and \$4 a hundred weight more and the people along the border, especially, are penalized. It is against the law to haul the other way. And with the Hog Marketing Commission they are locked in with the government plants for three to four months at a time. Don't you feel there is a real discrimination against the hog producers of Saskatchewan?

MR. KAEDING:— I would suggest, Mr. Speaker, that there are times when Alberta is higher than we are, there are times when we are higher than Alberta. I didn't hear any comment at that time.

OIL REVENUE WINDFALL FUNDS

MR. COLLVER:— Mr. Speaker, I will return to a question to the Premier and I thank him for his advice earlier in looking up information and I will pass that along to my staff as well. Would the Premier kindly explain to this Assembly how he could give the assurances that he gave on November 24, 1976 that Energy Resource Fund moneys would not be used for day to day operations of the Government, yet in the past three years, \$105 million of Energy Fund moneys have, in fact, been used for day to day operation?

MR. BLAKENEY:— Yes, Mr. Speaker, I was

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speaking in the context that Hon. Members would know that the Government policy was to take out an amount, a relatively small amount each year, which has been disclosed each year and discussed each year, of \$35 million. Certainly that is an amount of money which, should it ease the Government of Saskatchewan, would be able to carry on without. However, my point in November was that if we took in all the Energy and Resource money, not only the \$35 million but the whole \$150 million a year or thereabouts, whatever may be coming into the Energy and Resources Fund - and that amount of income ceased, as it will when the oil production stops, this would create a financial difficulty for the Government of Saskatchewan. Accordingly financial prudence dictated that this one-time, relatively short-term money, should be segregated in a special fund and invested in some long-term investment.

That was what I said then and I have said on many other occasions and I think that it has been said a sufficient number of times so that all Members will be aware of the policy of the Government.

MR. COLLVER:— A supplementary, Mr. Speaker. Can the Premier calculate for us or explain to us how the \$105 million that has been taken under consolidated fund auspices into general revenues of the province from the Energy and Resource Development Fund would help to create this so-called accumulated cash-carry forward of \$111 million?

MR. BLAKENEY:— Yes, I suppose it all goes into the pot. What you have at the end represents a surplus or a short-fall. To the extent that anything went into the pot, it obviously could have contributed to the surplus. Any one of the items, tobacco tax, motor vehicle tax, or indeed a transfer from the Energy and Resource Fund could have contributed in part to the surplus. In each case the surplus was not a budgeted surplus but was one which arose because of an increase in revenues during the year.

You will see if you look back over the years in question how the accumulated surplus arose. It was not primarily because the surplus was budgeted for directly. When tax revenues yielded additional money, we did not spend the money but kept it for future needs. A simple look at the Estimates over the period in question will indicate that small surpluses were budgeted for, but large surpluses were achieved because of greater increases in revenue, none from the transfer from the Energy and Resource Fund. The transfer, in each year, stayed at \$35 million and did not increase. The surplus arose because we collected more in E & H tax, more on gasoline tax or more in personal income tax than we had budgeted for. That is the source of the surplus.

SOME HON. MEMBERS:— Hear, hear!

POLICY RE SPENDING OF ENERGY AND RESOURCE FUND

MR. C. P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, I'd like to also direct a question to the Premier in relation to the Energy and Resource Fund.

The other day I asked the Minister of Finance if the Government would please elucidate for Members of the Assembly and for the public of Saskatchewan, what is the policy in relation to

the spending of the Energy and Resource Development Fund? We have seen \$500 million and none of it goes to development. All of it goes to existing jobs and production and the purchase of potash mines which are already in existence, oil wells that are already producing. We now find the Energy and Resource Development Fund almost depleted. Just \$100 million left. Contrast that with the Province of Alberta where they will have \$1 billion . . .

MR. SPEAKER:— Order! I think he has possibly got the question by now.

MR. BLAKENEY:— Yes, I think that the Hon. Member indicates that money is coming out of the Energy and Resources Fund for the purchase of potash mines and he is correct. It is also coming out of the Energy and Resources Fund for the expansion of potash mines, which is an increase in our productive capacity. Money is moving into Saskoil. Saskoil is buying some production, but is drilling a good number of wells and getting some reasonable success. So that means more jobs and more production and more activity. A significant amount of money is going into the Mining Development Corporation and virtually all of it is being spent on exploration. Some of this money, most of it indeed, is spent in partnership with other companies. It is not accurate to say that all of the Energy and Resources Fund or indeed almost all of it is being used to acquire existing assets. Substantial amounts of it are being used to acquire new assets by way of drilling oil and gas wells, by exploring for hard rock minerals and by expanding potash.

SOME HON. MEMBERS:— Hear, hear!

MR. MacDONALD:— Supplementary. Mr. Premier I wonder, it would appear to me and I ask, would you please clearly define what I have asked. You have given us a whole mumbo jumbo and what it really means is the Energy and Resource Fund in the Province of Saskatchewan is there for the wishes of the Government to do with as they see fit, to bring it into consolidated revenue by existing production or use some for exploration and development. Do you not think that succeeding generations, five and ten years from now, will not want an accounting from the NDP Government on the Energy and Resource Development Fund? Do you not think that you have a responsibility to clearly define what energy and resource money you will use for future resources or energy development, the annual \$100 million that is coming in and not just to do whatever you darn well wish?

SOME HON. MEMBERS:— Hear, hear!

MR. BLAKENEY:— Yes, I hope I will be here to give them an accounting ten years hence.

SOME HON. MEMBERS:— Hear, hear!

MR. BLAKENEY:— I have no great confidence in that, but no great confidence that the reverse will be true either. Such are the fortunes of war. I think that we have attempted to give full explanations when the Potash Corporation of Saskatchewan or Saskoil or the Saskatchewan Mining Development Corporation is reviewed in this

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Legislature by the Crown Corporations Committee, a more comprehensive review of Crown corporation activity than occurs in any other legislature in Canada. We would be pleased to answer questions by the Hon. Member. I know that when we come to the consideration of the Estimates in Committee of Supply, which this year will be recorded, the Hon. Member and others, I am sure, will ask detailed questions about the disposition, the income and the outgo of the Energy and Resource Fund and I am sure that the Minister would be happy to give him all the details he wishes.

BEEF STABILIZATION

MR. L. W. BIRKBECK (Moosomin):— Mr. Speaker, a question directed to the Minister of Agriculture. In your submission to the Senate Agricultural Committee Enquiry into beef stabilization, you say development of our national Beef Marketing Agency is the ultimate long-term solution to the industry's problems. The question would be, are these your personal views or do you have your Cabinet's support in making these recommendations public?

HON. E. KAEDING (Minister of Agriculture):— I am sure, Mr. Speaker, that the Cabinet would support me in that position.

SOME HON. MEMBERS:— Hear, hear!

MR. BIRKBECK:— Mr. Speaker, a supplementary question to the Minister of Agriculture. Only last Friday, in reply to a question I had put to you regarding your Government's proposals to implement such a marketing board in the Province of Saskatchewan, the record will show that you assured this House that you will and your Government will not be planning any action regarding beef marketing boards until such time that you receive a recommendation from the various groups now assessing the pros and cons of such a marketing board. Mr. Speaker, will the Minister through his Department and the Government of Saskatchewan be attempting to influence the agricultural organizations so affected by marketing boards, to accept his proposals of a beef marketing board concept in this province?

MR. KAEDING:— Mr. Speaker, I think the farm organizations in this province are quite capable of making their own decisions and they are doing that at the present time. They are having meetings all over the country and you probably well know that and there is a large number of organizations doing this and they will, I am sure, be letting me know what their thoughts are on that particular topic.

MR. BIRKBECK:— Final supplementary, Mr. Speaker. I agree with you 100 per cent that these farm organizations are in fact . . .

SOME HON. MEMBERS:— Hear, hear!

MR. BIRKBECK:— . . . capable of making their own decisions and for that reason I can see no reason why this Government needs to influence these farm organizations towards one concept. Let them make up their own minds, let them make their recommendations to

you and then you can go from there.

MR. KAEDING:— Mr. Speaker, I don't know why the Member is so sensitive. I am sure that if I make a recommendation to farm organizations that they are intelligent enough to look at that recommendation and decide for themselves whether it is a good recommendation or not.

SOME HON. MEMBERS:— Hear, hear!

ENERGY RESOURCE AND DEVELOPMENT FUND

HON. W. E. SMISHEK:— (Minister of Finance) Mr. Speaker, the other day the Hon. Member for Nipawin asked for the amount of money that was in the Energy and Resource Development Fund as of December 31, 1976 and as of February 28, 1977. Mr. Speaker, the amount as at December 31 was \$235,394,000; the amount as at February 28 was \$238,355,000. These are rounded figures. The amounts I gave him are invested in short-term investments, the weighted average rate of return is 8.233 per cent.

SOME HON. MEMBERS:— Hear, hear!

MR. R. L. COLLVER (Leader of Progressive Conservatives):— Mr. Speaker, I also asked the Minister to tell me if there were any commitments against that sum other than the \$108 million. I noticed that there was a substantial amount, obviously spent in the two months between December 31 and February 28. Are there any commitments against that fund?

MR. SMISHEK:— As at February 28 the answer is, No, no firm commitments.

ADJOURNED DEBATES

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Smishek (Minister of Finance) that this Assembly do now resolve itself into a Committee of Finance.

MR. W. C. THATCHER (Thunder Creek):— At the outset of my remarks, I should like to acknowledge the excellent co-operation afforded to me by the Department of Finance and the Deputy Minister, Mr. Wallace, and his many able assistants. They were most co-operative in answering questions or inquiries. I must say that I was impressed by their knowledgeability, their preciseness and their logic.

Mr. Speaker, in the preparation of a budget, the Government of the day must have a clear-cut objective in mind. In other words, it must have a philosophy of what it is attempting to accomplish through budgetary expenditures. I believe it is safe to say that one of the starkest realities of economic conditions affecting us today is a realization that most provinces, including Saskatchewan, are reaching, or have reached, their revenue limits. In Canada, the past ten years have seen tremendous growth in the size of government at all levels. Much of this growth can be attributed to such national factors as an excessive growth of the money supply, with its resulting inflationary pressures and the accepted concept that the great

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benefactors of inflation are governments themselves. These factors are true in Saskatchewan. However, this province differs from many in that it enjoyed record buoyancy in the agricultural sector since 1971, coupled with dramatic rises in the value of our natural resources. In this period of time it was an easy course to increase Government expenditures with the resulting increase in the Government size because of an ever-expanding revenue base. However, this situation has come to a dramatic end.

In presenting the 1977 Budget, this Government's options were highly restricted. They had alternatives of major tax increases. However, this option was difficult since in most areas they have already approached the tax limits. The second alternative was a genuine effort to control its expenditures, to control its growth and control the size of Government operation. The third option was the one they chose. That was deficit financing, or in more explicit terms, allowing its expenditures to outstrip revenues.

It is for this reason that I choose to refer to this Budget as the "Red Budget." It is red in philosophy and the pages of its documentation are red with the red ink of deficit.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— It could have easily been termed the bankrupt Budget because it is certainly bankrupt of ideas and is taking a gigantic step towards ultimately bankrupting this province. It could also be dubbed the "Budget of Cowardice" in the manner the Government refuses to face the Frankenstein it has created and deal with it. It could be dubbed many other names, but I believe the "Red Budget" says it all.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, I should like to say that deficit financing is not always a bad situation. Deficit financing is another economic tool that astute governments, and I emphasize the word, astute, may use to stimulate the economy at certain points in time. It is a mechanism that must be used most carefully and in most irregular circumstances. We shall see later whether this was one of these circumstances.

I believe our provincial economy can best be compared to a high-strung thoroughbred race horse. As that race horse is capable of running races at great speeds, our economy is capable of generating tremendous wealth as it has done in recent years. But like that race horse, it is a high-strung moody individual. As that high-strung temperamental race horse requires the silky hands of its trainer to encourage it, the economy needs the same sort of management from its provincial government. Instead of the soft silken hands the race horse receives, our economy experiences hands like two by fours.

Mr. Speaker, 1976 was one of the truly monumental years in Saskatchewan's history. It was a year when all of the traditional indicators were at record or near record levels. It was a year of record revenues from petroleum and natural gas, record revenues from sales tax, record incomes among our working people. It was a year of record housing starts, a record in retail sales. Probably the most important indicator was the record income

of the agriculture sector. Agricultural incomes make up about 22 per cent of the total overall income in Saskatchewan. However, we all know that its impact on the economy far exceeds that figure. Last year our farmers probably experienced their peak of buoyancy. I am sure most people would tend to agree that balancing your expenditures with your revenues in a year such as 1976 should really not have been a very difficult proposition. In fact, one could almost conclude that last year was one of those years when you would tuck a fairly healthy surplus back into the Treasury for use in those perpetual tough years that Saskatchewan so often experiences. It really shouldn't have required great talent to accomplish that very simple feat. But what did we have in Saskatchewan? Because of arrogance, clumsiness and ineptitude, this Government brought in a deficit of \$45 million for the year 1976. A year of unparalleled prosperity in the Province of Saskatchewan and this Government could not balance the books. An incredible display of a lack of expertise in the most sensitive of positions.

However, Mr. Speaker, this ineptitude and incompetence didn't stop with 1976. Because this group of financial incompetents across the floor were unable to control their expenditures in line with their record intakes in revenue, they refer to 1976 and point to it as an off year in the economy. The sort of an off year, I would point out, that if it could be repeated year after year, Saskatchewan would shortly outstrip her sister Province of Alberta in prosperity.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— However, in the warped financial logic of the Government opposite, they proceeded into 1977 in an identical fashion. The Minister of Finance (Mr. Smishek) refused to face up to the basic economic facts that were staring him in the face. He refused to acknowledge that he and his Government had completely lost control of the Government apparatus they were elected to manage. He refused to acknowledge that his Government was operating totally out of control. He refused to acknowledge that the signs are on the horizon for a slowdown in our provincial economy. On the options discussed earlier, in true socialist fashion, they chose the wrong one.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— They chose deficit financing. Mr. Speaker, this choice of options is inexcusable. At this point in time the economy has not slumped significantly. There is simply no fiscal logic which can justify a deliberate budget deficit at this point in time. Had we had a situation where we were in a five-year cyclical period, where the first one or two years had been relatively buoyant and the succeeding years ones of depressed economic slowdown, there may be, under these circumstances, some justification for deficit budgeting in order to stimulate the economy. But when our financial situation in this province has come to the point that we cannot balance the books in our most buoyant year and must deficit budget in the immediate year following, there is something drastically wrong in the planning of our province.

SOME HON. MEMBERS:— Hear, hear!

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MR. THATCHER:— Mr. Speaker, we, in the Liberal Party view the years from 1972 to the present as perhaps some of the most tragic years in Saskatchewan. During this time Saskatchewan has enjoyed prosperity and buoyance unparalleled in our economic history. The great increase in the value of our natural resources, coupled with the boom in the agricultural sector, provided this province with an opportunity to make a gigantic leap forward, a leap of magnitude that could very well have placed this province on a comparable level of prosperity with our sister Province of Alberta. History will record that in this period of time, Alberta had a free enterprise government, Saskatchewan had a dogmatic doctrinaire socialist government.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Anyone who has read the history of socialism, knows that in 100 years, this philosophy has not had an original idea. Socialism is a levelling-off process. In essence it involves the dragging down of those who possess initiative to the level of those who do not possess such attributes or choose not to. In short, it tends to create collective misery. One can only speculate on just what a responsible, free-thinking government could have accomplished for this province during the period just described. Our potash could have been equivalent to Alberta's oil. Our oil industry could have perhaps reached the potential many people believe that it has, had it not been for Bill 42. The prospects were endless. However, we were blessed with the Blakeney Government with their regressive philosophy.

Mr. Speaker, I believe that 1977 should have been the year of tax cuts in this province. Specifically, I believe here was an opportunity had this Government controlled its expenditures and its huge growth, to either eliminate or reduce the sales tax. At the very least, the sales tax should have been reduced to 3 per cent. It is estimated that Saskatchewan residents will pay \$187 million of sales tax to the Provincial Government. This, in essence, means that the average wage earner will pay over \$400 in sales tax to this Government. Four hundred dollars! Contrast this with an Alberta resident. That is \$400 it costs a person to be a resident of this socialist province.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— There are those who will argue that the sales tax is the fairest form of taxation. The logic is that it is a tax on ability to pay. Mr. Speaker, I do not accept this logic. I believe a sales tax to be a most regressive tax, particularly on lowest income people. To the affluent people, the additional 5 per cent on virtually every item in this province is not a consideration as to whether a commodity will be purchased or not. But to someone in the lower income brackets, that 5 per cent can be the difference between being able to make the purchase or not. Let us take a look at automobiles.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— I believe the Minister of Industry (Mr. Vickar) is an expert in that field. When one purchases a car in 1977 and the price is \$10,000 he is by no means purchasing a Cadillac. If that vehicle is a straight outright purchase, the sales tax on

that car is \$500. An affluent person will begrudgingly pay it because it is not the difference between buying or not buying that car. A company or a business simply writes it off. A wage earner can not. If it is a smaller car, \$8,000 is fairly common and the sales tax is \$400. Mr. Speaker, I suggest that \$400 is far more of a hardship to anyone on a salary who cannot deduct it as a business expense, than to people in the higher income brackets. I suggest to this Assembly today that in contrast to the sales tax being a fair means of taxation, it is quite the contrary. It is a tax that makes life miserable for a young family starting out to purchase their first furniture, that first vehicle or any of the bare essentials one needs to exist in today's society. A straight cost for living in Saskatchewan compared with one step beyond that invisible border to the West.

Mr. Speaker, I believe Saskatchewan should have been looking very seriously at a tax reduction in provincial income tax. I am sure . . .

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— . . . most of us noted with some amusement the gymnastics the Minister performed to demonstrate Saskatchewan residents will not pay any more tax in 1977 than in 1976. Mental gymnastics they are but not very effective ones. In the field of provincial income tax, the record of the NDP Government is atrocious. It was the NDP Government that raised the provincial income tax from 37 per cent to 40 per cent. It is the NDP Government that raised the provincial income tax rate from 37 per cent to 40 per cent. It is the NDP Government that last December announced an increase in the basic 40 per cent rate to 45 per cent of the federal tax payable. It is again an NDP Government that last week announced an increase in the provincial income tax rate to 58.5 per cent of the federal tax rate. Mr. Speaker, cut that any way you want, but it is a rise in the provincial income tax rate of very nearly 50 per cent. Now, Mr. Speaker, we all know very well that no one in this province pays taxes in percentages. You pay them in dollars and the Minister has gone to great pains to explain that Saskatchewan residents will not be paying any more total federal and provincial income tax than in 1976.

What exactly does this mean to a Saskatchewan taxpayer? I believe this situation can best be characterized by a vulture and a buzzard picking away at the remains of an individual's pocketbook. The vulture, being the Federal Government has moved off and left more than he took in other years. The buzzard being the NDP, have simply jumped in and ravenously devoured what the vulture had decided to leave.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, who is kidding whom over this whole business? The Federal Liberal Government has basically said to the Canadian taxpayers, you are overtaxed. Because we think you are paying too much tax, we are vacating the field of personal taxation by ten points of income. The Federal Government has not said to the provinces they are required to pick up these ten points. But if they insist, if they need the money that badly, if the Government is far enough out of control and cannot control expenditures, there it is. I emphasize, the provincial

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governments do not have to pick up these ten points. They could well be left in the pockets of the taxpayer. I am well aware that most provincial governments are proceeding in a similar manner, but make no mistake, this is a provincial option. If the Government was sincere about truly wishing to reduce taxes to its residents, it could have tightened its belt, run a tighter ship and cut the fat from its Budget and left those 10 points of income in the pockets of Saskatchewan residents.

Mr. Speaker, let us very quickly run a comparison with Alberta in regard to the provincial income tax. In the new Alberta Budget of last Friday, Alberta announced that its new provincial tax rate would rise from 26 per cent to 38.6. Let us take the chart the Minister places such great pride in on Page 29 of the Budget and examine some of the income levels he has gone to great pains to prove their new affluency. Let's assume the same hypothetical taxpayer, who has a wife and two children under the age of 16. Give him the same basic exemptions of \$2,270 - \$1,990 for his wife and two children at \$430 each. Then we will deduct his medical of \$100 and take his employment exemption of three per cent earnings up to the maximum of \$150. We shall assume the new provisions of Bill C37 are in effect. Mr. Speaker, on a gross income level of \$10,000 our hypothetical taxpayer in the Province of Alberta would pay a provincial income tax of \$279.

Contrast that with the same taxpayer living in Saskatchewan with the same deductions having a new provincial income tax of \$303. Mr. Speaker, it has cost that taxpayer \$24 a year to live in this socialist Utopia. Let's elevate the same taxpayer to \$15,000, same deductions, same provisions. In the Province of Alberta this taxpayer would have a new provincial tax of \$666. Contrast that with Saskatchewan where he would pay a provincial income tax of \$889. Again our hypothetical taxpayer designated by the Minister of Finance pays a premium of \$223 on his provincial income tax to live in this socialist haven. At \$20,000, in Alberta he would pay a provincial income tax of \$1,122. Contrast that with Saskatchewan where he would pay tax of \$1,580. Mr. Speaker, at that income our hypothetical taxpayer pays a premium of \$458 for a socialist Utopia. At \$25,000 provincial income tax in Alberta is \$1,651, - in Saskatchewan \$2,381. He is now paying \$730 so he can live in our fool's paradise. At \$30,000, in Alberta he would pay a provincial tax of \$2,266, - in Saskatchewan \$3,312. A premium of \$1,046. Mr. Speaker, I wish to emphasize this is the same taxpayer designated by the Minister of Finance as Mr. Average.

Mr. Speaker, these provincial income tax calculations and the amount of sales tax an individual in Saskatchewan pays on a yearly basis, are just part of the price that is extracted from Saskatchewan residents as their contributions to the socialist Utopia, visualized by our friends opposite. It is a pretty stiff price when you place it into dollars. To any taxpayer it is irrelevant to whom he is paying his tax, federal or provincial, but I believe it bears repeating, the Federal Government in no way required the province to pick up the tax room it vacated. It was done so as a provincial option. I'm on record in the Assembly of criticizing the fiscal policies of the Federal Government rather harshly. I apologize for none of those past criticisms, and can almost promise there will be more in the future. But I believe this is an example of the Federal Liberal Government in Ottawa attempting to clean up its act. I believe this province should have trimmed its expenditures and brought the size of government under control. Realistically, it should have picked up some of

this tax room. However, I believe that with efficiency within our Government, it would not have been necessary to pick up the entire package.

Mr. Speaker, before I move on to the other areas, I believe a few passing words of comment on the provincial debts is in order. To most taxpayers, the debt load of the province is a nebulous thing that seems far removed. It is difficult for many taxpayers to comprehend exactly how the debt load and per capita debt can directly relate to them. Most people are aware that as the debt load of the province increases, somewhere along the line they are paying for it. This Government takes pride in that it has one of the lowest provincial debts in Canada. Mr. Speaker, I was advised on Budget today by the Department of Finance that the total provincial debt was \$1,304,329,383. In the Budget Speech, the Minister announced \$340 million of additional funds would be borrowed. This means that our total provincial debt will have risen to very close to \$1,700 million at the end of this fiscal year. Depending upon what figure you use for Saskatchewan's population, our per capita debt will have risen to almost \$1,700 for every man, woman and child in this province. Mr. Speaker, this is \$1,700 that every wage earner in this province must pay yearly interest upon. I predict the debt servicing of this load will very nearly approach 9 per cent of the gross revenues of this province when the actual figures are in. Mr. Speaker, while this may be low in relation to other provinces on a per capita basis, it is still an alarming figure. In 1972 our per capita debt was \$758. Contrast that to 1977 - five years later - when we have a per capita debt approaching \$1,700 for every man, woman and child. Mr. Speaker, any way you cut it, the provincial debt and the per capita debt has more than doubled - far more than doubled - in the past five year period. Mr. Speaker, in five years of unprecedented prosperity in this province, this record of borrowing must be judged as shameful. I say to the people of Saskatchewan, thank God for seven years between 1964 and 1971 when we had a Government with fiscal sanity and responsibility.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Because if we had not, it makes one shudder when you think just how far these fuzzy headed socialist theoreticians would have plunged us. These past five years of socialism will be paid for dearly by our sons and grandsons.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— One had to be amused as the Minister did his flip flop attempting to justify the province's sudden decision to abolish the estate and the gift tax. Frankly Mr. Minister, why don't you admit the truth? The Liberal Opposition finally shamed you into it.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— When one reflects upon it, it is really quite a different step in a different direction from the NDP traditional philosophy. I'm sure it would be most interesting to listen to conversations with some of the die-hard supporters who advocate that the assets an individual accumulates in his lifetime should revert solely and totally to the state. Obviously, Mr. Speaker

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this Government was having trouble with their hard core supporters particularly those in rural Saskatchewan who have seen their potential estates increase dramatically under the rates of inflation. Obviously they were telling you, "Hey, look fellas, we're affected and you better get rid of that tax or else we are going to vote Liberal." Well, Mr. Speaker, it certainly demonstrates where the principles of this government lie. When the possibility arises that many of you across the floor would have to go back and make an honest living in the real world, well, in a situation like that philosophy comes second and practicality first.

All that aside, Mr. Speaker, I can only say that I am pleased and wish to congratulate the Government for this positive course. I can only say it is most unfortunate for those who have suffered under this regressive tax. I no way suggest that the elimination of this tax should be made retroactive, however, if I may make a suggestion, I believe that you could extend this to include wills that have not been probated as of January 1, 1977. One can really only speculate on how much capital and funds for future investment this province has lost in the past five years. Certainly better late than never but it is unfortunate it had to wait until it became politically expedient for this Government to do so.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, I have mentioned the growth of government not only in this province but at the federal level as being one of the primary concerns, and one of the truly real problems facing not only Canadians but particularly residents of Saskatchewan. It is very easy for a government to proceed on a deliberate course in which it will increase the size of government to intrude further into the private sector. It is becoming increasingly difficult for succeeding governments to alter that course of action. Certainly steps can be taken but they are awkward and unpleasant. In analyzing the 1977 Budget of Saskatchewan I believe it is a fair statement to say that very close to 80 per cent of this province's expenditures are at the uncontrollable level. One of the problems of this Government is that the Federal Government is finding some ways to control its spending. As the Federal Government is being more successful in this area, they are in turn suggesting that the provincial governments take similar steps and are proceeding to step back from many of the open-ended programs in which they were involved, and passing many of the policing costs of these programs back to the provinces. Naturally a province like Saskatchewan that has depended upon revenue from the Federal Government to go as high as 27 per cent of total receipts - this has become a major problem. Actually for a responsible government, it isn't all that difficult a situation. But it would appear that this NDP Government is either unwilling or unable to accept this responsibility.

SOME HON. MEMBERS:— Hear, hear

MR. THATCHER:— I believe that taxpayers are beginning to see through the hollow cries of fury and anguish directed to Ottawa for the shabby treatment it is supposedly according to Saskatchewan. I point to the hysterical meanderings of the Minister emanating back from Ottawa from the various Federal - Provincial conferences of late 1976.

Obviously step one in curtailing the size and growth of government is to acknowledge a problem exists. Such an acknowledgement would be difficult for this Government because they have deliberately embarked on a course to increase the size of government and the number of civil servants. I couldn't help but be amused at an editorial that appeared in Saturday night's Leader-Post by Jim Roe. Jim Roe is one of the few editorial writers of the staff of the Leader-Post who makes sense. In fact Jim Roe's analysis of most situations is usually quite accurate and often very penetrating. His subject on Saturday evening was the phenomenal growth of the public service, I suppose that I was amused at some of his comments because we had experienced similar difficulties. It would appear that last week we both set out to find out just how big the Saskatchewan Civil Service really was. We both wanted to find out how many full-time employees, how many temporary and part-time employees and how many are hidden under the guise of what is affectionately known as personal service contracts.

Mr. Speaker, let me tell you it was an experience - an experience and a half. It almost became funny as you got shunted from one telephone number to another, from one individual to another and the way the circle continued to grow. Anyway, Mr. Speaker, let's take a look at some of the findings of Jim Roe last week and I believe they are essentially correct. Because of the tight lip stance taken by people in the Public Service Commission, it is necessary to go to the Canadian Tax Foundation and their analysis of Canadian labour statistics. Of course, the latest information you have in that area is in 1974. Their statistics separate public and private employment in the respective sectors. According to the tax foundation tally for that year, Saskatchewan mustered 13,481 full-time employees in departmental service and an additional 8,192 in the Crown corporations for a huge and unbelievable total of 21,673. As Mr. Roe points out this works out to one bureaucrat for every 45 citizens. I don't believe that Mr. Roe is being unfair when he suggests that the size of the Civil Service has grown at a rate of about 10 per cent since that time. If so, the total department and Crown corporation employees at the end of 1976 would have been something in excess of 26,000. Mr. Speaker, that is the unbelievable figure of one civil servant for every 37 Saskatchewan residents, a staggering unbelievable figure. If one wishes to go to the depths of 1984 horror stories take that figure and keep compounding 10 per cent every year. The drop of proportion from one to 45 in 1974 to one to 37 just two years later speaks for itself. We know it to be true, the Leader-Post said it.

Of course we know the Minister, in his Budget Speech, went to great pains to tell us that his Government has controlled the growth of the civil service. The Government will say the numbers which have just been presented are ludicrous and out of proportion and inaccurate. When the Premier debates on the 1977 Budget I challenge him to tell this Assembly and the people of Saskatchewan exactly who is occupying the growing number of Provincial Government buildings throughout this province. Who is occupying all the space the Government has leased in downtown Regina and Saskatoon? Will the Premier tell us who is going to occupy the huge Taj Mahal that is being built in Wascana Centre? And, better, Mr. Speaker, I challenge the Premier to refute some of the numbers that have just been put forward. However, Mr. Speaker, the numbers of civil servants are part of the overall package in the size of government. As I just indicated they must be housed, have desks, many of them

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must have vehicles which have high operating costs. There is interest to be computed on these office buildings, depreciation and the whole process becomes endless. In short, Mr. Speaker, exactly what is the cost of an internal government in Saskatchewan today? Does anyone really know? I really don't think so. To establish such a cost would take a team of chartered accountants months working full-time. It has simply become so big, buried in a mass of files, stenos and bureaucrats that I don't know if the figure is attainable. Perhaps it is just as well. It would be such a frightening statistic many of us would probably give up.

Obviously the size of the civil service must be reduced if it is the intention to control expenditures in years ahead. If one accepts the hypothesis that revenues have almost reached their limits, obviously cost-cutting programs must be implemented. Mr. Speaker, I propose to this Assembly today that immediate steps should be introduced with the objective of reducing the size of the civil service by 20 per cent as quickly as realistically attainable.

SOME HON. MEMBERS:— Hear, hear.

MR. THATCHER:— In making that statement I, in no way suggest tomorrow, that 20 per cent of our civil servants be handed pink slips. However, we do know that every year there are large numbers of retirements, resignations, as well as many other factors which cause public servants to leave the employ of the provincial Government. Skilfully done, the process of attrition can reduce the size of the public service in a significant fashion in a short period of time. Non-essential jobs could be phased out as the retirements of those individuals become effective. As the number of employees does begin to decrease there is simply no reason there cannot be added incentives to public servants for extra productivity reflected by dollars in their pocket. Any position that becomes vacant should be evaluated as to whether it could be eliminated. A difficult proposition but a possible one. But a government must want to accomplish such an objective before it undertakes it. Since this Government has created the problem it is unlikely they would care for such an undertaking. However, it is an undertaking that must be started by a government of the future. I am confident this process will begin in about 27 months when this Government exits and a new era in Saskatchewan begins.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, by no stretch of the imagination is this new huge extravagant office building in Wascana Centre essential. I am advised that the cost of this building is going to be the bizarre figure of almost \$100 per square foot. It exceeds even Henry Baker's most grandiose dreams. An absolute mind-boggling figure.

I further suggest, Mr. Speaker, that proposals such as the Provincial Government entering into proposed shopping malls such as Weyburn are absurd. There are private developers who are much more knowledgeable, effective and capable of such ventures. I suggest that the much larger promotion presently being constructed in downtown Regina is equally

bizarre. Mr. Speaker, I say the Government entering into apartment building operations is equally ludicrous. Again, this is an area that should be left to the private sector which is quite capable of providing the kinds of accommodation for which there is a market. They can provide it, if you leave them an incentive. In other words, Mr. Speaker, regulate with fairness, no arguments.

You cannot regulate incentive. This now brings us to the most ludicrous adventure of all, the nationalization of the potash industry.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, 1976 has given us an opportunity to assess the proposed potash nationalization in something more tangible than the philosophical arguments that raged in this House about one year ago. We can now tangibly see \$272 million of taxpayers' money being invested into the potash scene.

I do not propose to do a rerun of that debate which is now past history. However, I would like to repeat a challenge which the Liberal Opposition issued to the Premier and his Cabinet during that great debate. Over a year has gone by and you have spent \$272 million of our money. Would anyone on the Government side of this House stand up and tell the people of Saskatchewan just how many new jobs you have created, how much brand new investment you have generated and how much new potash production you have created? Spare us the socialist doctrinaire philosophy. Stand up and give us numbers and figures. We have put the challenge to you on so many occasions and on an equal number of occasions you have declined. I rather doubt you will do so now.

Mr. Speaker, I believe that recent events have exploded once and for all the Government's contention that this potash nationalization would be on the basis of a self liquidating debt. And interestingly enough it is the Government itself that has done much to explode this myth. Mr. Speaker, the people of Saskatchewan were stunned when they became aware of a \$45 million deficit in actual figures for the year 1976 and that the Government was proceeding to budget for a \$40 million deficit in 1977. They were stunned because just three days prior to the presentation of this Budget, the Government had walked into this Assembly and announced it was spending \$144 million for the purchase of another potash mine. Under scrutiny the Minister of Finance informed the House that of the \$144 million, \$108 million would come directly from the Energy Fund, the balance being borrowed. He termed this a debt ratio of three to one. So what?

On so many occasions the Government has boasted the potash nationalization would not cost the people of Saskatchewan \$1 out of general taxation revenue, that it would be a self-liquidating debt.

Mr. Speaker, the Energy Fund is one of the more mysterious aspects of the province. Its function and its use have always been unclear and the manner in which it is being administrated has been equally unclear.

The Minister of Finance has indicated that the Energy Fund increases at the rate of approximately \$10 million per month. We all know the bulk of this revenue comes primarily from the production of oil and gas. Yet with \$10 million per month entering

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the provincial coffers from oil and gas, this Government has turned to its taxpayers and placed an extra four cent per gallon gasoline tax.

SOME HON. MEMBERS:— Hear, hear.

MR. THATCHER:— Record production in the petroleum fields and record taxation of our residents. And then three days before this tax is announced the Government announces that it has bought a potash mine and uses the Energy Fund for the bulk of the financing. Mr. Speaker, every time a Saskatchewan resident fills up his car or truck at the gas pumps, and sees that dial clicking faster than he can blink, he can say, well here is my contribution to own a potash mine.

SOME HON. MEMBERS:— Hear, hear.

MR. THATCHER:— Mr. Speaker, the moment the Government used the Energy Fund for the purpose of acquiring potash mines, they exploded their own myth that it would be done on the basis of a self-liquidating debt. The Energy Fund was set up for the purpose of developing resources for the future. Instead they are buying the production of today. The feeble explanation that the Potash Corporation of Saskatchewan will some day repay these funds to the Energy Fund is simply not good enough. They are too vague and too nebulous. The Government has refused to tell us on what terms the advances are being made to the Potash Corporation of Saskatchewan from the Energy Fund or provide us with any details as to the interest rate, etc. Mr. Speaker, I don't believe that any arrangements have been made for repayment into the Energy Fund, because I really don't believe they are intended. In fact, Mr. Speaker, there are so many questions about the Energy Fund that I sincerely hope that the Premier, upon entering debate, will elaborate and be more specific. However, until the Premier does reveal on what basis these funds are being advanced, never let us hear again that we are acquiring these mines on the basis of a self-liquidating debt.

Mr. Speaker, this brings me to an area in which I deem one of the great rip-offs in Canada today, that is the price of a gallon of gas. But I use the term rip-off, Mr. Speaker, and I mean precisely that. I contend to you today that Canadians are being taken to the cleaners on gasoline not by the oil companies, but by government. Basically the argument used for heavy taxation on gasoline is on the basis of conservation. In other words the higher the price, the lower will be the consumption level. Mr. Speaker, this simply does not hold water. The motor vehicle is an integral part of living in today's society. It is not a luxury but an essential item, particularly in a country like Canada where our distances are so far flung. Heavy taxation of gasoline has in no way discouraged consumption of the product. What it has done is simply placed more economic difficulties on the backs of our wage earners and raised the cost of living. Commercial businesses and companies can deduct the entire price of a gallon of gas right off the top of their tax. A wage earner can't. Therefore, taxing a gallon of gas in the heavy manner of which all levels of government do, is adding to the economic problems of our working people, but not to any business or multinational corporation. The notion that we are all going to orbit to mass transportation system is bureaucratic gibberish. Frankly

what sort of a mass transportation system would we use? If we were required to, tomorrow, what exactly would we orbit to? The Regina bus system? Get serious. Rail transportation, that's an even bigger laugh. Where would you go tomorrow, if required?

MR. ROLFES:— Use your big Cadillac.

MR. THATCHER:— What I am in essence saying . . . I'm sorry, the Minister of Industry owns the Cadillac, I've just got a little fellow.

What I am in essence saying is that gasoline is as essential as food and water in today's existence.

Mr. Speaker, let me break down the cost of a gallon of gas in the city of Regina. Today's price of a gallon of regular gasoline at an Esso service station in Regina is 82.4 cents. Let's break that down. 49.1 cents goes to Imperial Esso, 4.3 cents goes into Canada sales tax. Exactly 10 cents is a federal excise tax. As of today, 19 cents is a provincial motor fuel tax. Total those figures up and you'll come to the figure of 82.4 cents. Let's look at it percentage wise. The total federal tax amounts to 17.4 per cent of a gallon of gas. The total provincial tax amounts to 23 per cent. In other words the total government tax on a gallon of gas in Regina amounts to the incredibly high figure of 40.4 per cent. Mr. Speaker, who is ripping whom off? It is the wage earner who is being ripped off, the person who has no deductions under the standard exemptions allowance under the basic Income Tax Act.

Mr. Speaker, residents of Saskatchewan have become accustomed to hearing the wailings and howls of protest from this Government as the Federal Liberal Government attempts to clean up its act in regard to its open-ended grants towards post-secondary education, medicare and hospital insurance. Residents have become accustomed to the Minister of Finance and the Premier broadcasting how Ottawa is backing out or reneging on agreements. They even go so far as to suggest that many of these programs are in jeopardy because of Ottawa's attitude. Once again, Mr. Speaker, I have to say that the position of this Government is one of nonsense and as usual not based on fact.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— I expect this area will be thoroughly explored in the Committee of Finance, so I am not going to go into it as extensively as originally intended. However, Mr. Speaker, I cannot let the Minister get away with repetition of the assertions as to how Ottawa is depriving this Government of revenue. Mr. Speaker, I refer to documents which were tabled Tuesday, March 8th, in the House of Commons on the Finance, Trade and Economic Commission. And basically what these documents tell us are a vastly different story from what we are hearing from the Minister of Finance. Under the new established program of financing, Saskatchewan over the next five year period, will receive vastly larger sums of money than any previous arrangement. Established program financing groups the three primary categories of post-secondary education, medicare and hospital insurance into one big bag.

Very quickly allow me to compare the old and the new system. In 1977-78 Saskatchewan would have received grants of \$223 million

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under the old system and under the new they will receive \$245.9. In 1978-79 under the old system \$246.3 million and under the new system they will receive \$292.2 million. For 1979-80 under the old system they would receive \$271.8 million, under the new system, \$342.8. For the year 1980-81, under the old system \$298.4, under the new system \$381.3. For 1981-82, the old system \$324.7 and under the new system, a whopping \$420.8 million. Mr. Speaker, this hardly adds up to a decrease in federal revenue. I do not argue because of our changing economy, equalization payments may decrease.

However, when we put these items into one big large overall package and calculate what the total revenue over the next five year period will be to Saskatchewan from the Federal Government of Canada, we have some very interesting numbers. For the years 1977-78 under the present system they would have received 333 million and under the new system we would also receive 333 million. For 1978-79 the old system would have realized 349.3 million, the new system will bring 380.2 million. For 1979-80, the old system would bring 375.8 million, the new system will bring a whopping 436.8 million. For 1980-81 the present system would have yielded 400.4 million, the new system the huge figure of 479.3 million. For year 1981-82 the present system would have brought 418.7, the new system will bring the incredible figure of 518.8 million.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, even the Minister of Finance can compare those figures. What is the basis for the Minister's howls of protest? Well, there simply is no basis. But the Minister refuses to acknowledge when he calculates how much he would have yielded to Ottawa, that Ottawa has yielded ten points of taxation room to him. Adding the revenues from these ten points of income, you come up to these huge figures which I have just given you. Mr. Speaker, the assertions of the Minister of Finance of attempting to shift the blame for his mismanagement to Ottawa simply doesn't hold water. To say the least I shall await the Premier's reaction to these numbers with a great deal of interest.

Mr. Speaker, I propose now to move to the field of health. Mr. Speaker, I do not propose to dissect the Estimates proposed for spending in this field. These numbers simply do not reflect the problems presently being experienced. I make no pretence of being an expert in this field. However, I don't believe that you have to be an expert in order to assess our overall health problem today. I believe that you simply have to be a taxpayer who occasionally must use the system from time to time. And I suggest to you that any Saskatchewan resident who has occasion to use the system can tell you about the terrible deterioration that has occurred in Saskatchewan in our health programs. It goes far beyond a financial statement or budgetary estimates. It is in that intangible area known as quality. Mr. Speaker, no system works effectively unless its basic components are sound. In the field of health your basic components have to be the doctor and the hospital. These two areas are paramount over all else.

Let's start with the hospital. You know full well that the number of hospital beds in operative use has declined drastically in the past two years. All of us have a great deal of respect for the people who staff and run these hospitals. But under this Government they have been pressed mercilessly for cutbacks by restriction of funds which you make available for them.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— You know full well that our hospital boards have no taxation power and that they must rely on the provincial Government or their local government for funding. You know full well that the funds they receive from the Provincial Government are the most indicative of the service they can provide.

Today, Saskatchewan residents must wait long periods until a bed is available in a hospital. I'm sure the Government is aware that many of the emergency facilities at hospitals in the province have been turned into nothing more than out-patient centres. Mr. Speaker, I do not make these comments in a sustained criticism of our hospital system. I make these observations because they are consistent with the observations of any Saskatchewan resident who must use the system.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, it takes a tremendous volume of dollars to run our hospital system. The situation is not going to decrease in costs but rather increase unless a solution can be found to curb these incredibly rising hospital and general health costs. It is of maximum importance that solutions be found so that required funds can be available for a first rate hospital system. Along with the other component, which are the doctors, this must be the number one priority in health. Until this is accomplished, it is pointless to look in other directions as this Government has done.

Mr. Speaker, I should like now to take a few brief moments and comment on the situation pertaining to our medical doctors. Mr. Speaker, we in Canada can take great pride in our university system. It is an established fact that graduates of Canadian universities are second to none anywhere in the world. This situation is also true in the field of medicine.

Mr. Speaker, I suggest to you that the situation as to our medical doctors in this province has become alarming if not serious. I'm sure the Government would agree that our Canadian trained doctors are among the best, if not the best trained in the world. The Government must also be fully aware that the proportion of Canadian trained doctors in this area has declined to the point where they make up only 40 per cent of the total, the balance being foreign trained. This in no way suggests that all of our foreign trained doctors are not up to Canadian specifications. This is very definitely not the case. We have many American trained doctors with superb qualifications. Many British doctors with faultless qualifications, and we have many doctors from other parts of the world who are superb physicians. There can only be one means of evaluating a doctor. That is his qualifications and his ability. Absolutely nothing else.

It is an alarming situation when one notes that many of the doctors practising in the province with degrees from countries other than Canada, have never had to write Canadian examinations. Mr. Speaker, this Government owes it to the people of Saskatchewan to ensure them that they have only the best in their medical doctors. At this point in time they do not provide such assurances. We have many doctors presently practising in the Province who are from very far-away places with academic standards of which we know very little.

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They have found their way to Great Britain and have taken what is known as a triple conjoint board exam which gains them recognition in the British Medical Society. They are then able to come directly to Saskatchewan, ask for and receive privileges to practise medicine in Saskatchewan. Mr. Speaker, this cannot happen in British Columbia, Alberta, Manitoba, Ontario or Quebec. It should not be allowed to happen here.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— I am fully aware that the Government is contemplating changes. I suggest these changes do not confine us and the Government move directly to correct this situation.

Mr. Speaker, this is what I would say when I refer to the quality of medical care. The two basic components, the hospital and the doctor, before we undertake anything else, must be of the very highest quality that we can afford and then when we have established that degree of quality, then branch out in the other areas of concern. Mr. Speaker, I contend in this House, today, that this Government has moved far too quickly in the field of health. I do not dispute their motives, but I do question their results. The result has been a hodgepodge which on paper look most impressive. We have a drug plan which is far from comprehensive. We have a dental plan which our dentists view as substandard.

Mr. Speaker, it is not a question of how these programs look on paper but how they are performing. Mr. Speaker, because we have not perfected the basic components of the system, namely the doctor and hospital, because we haven't perfected these, the balance of the entire program becomes suspect.

I think it is fair to say that the universal concept of medicare, where there are no user charges involved for using the system, has failed. I believe it to be a common denominator in any program that a user must pay more for using the system than a nonuser. This Government has made great political mileage out of the utilization of deterrent fees that were imposed by the previous Government.

Deterrent fees were hated by everyone concerned. They were hated by that Government, they were hated by the doctors, they were hated by the hospitals and above all they were hated by the people of Saskatchewan. Mr. Speaker, there must be an alternative; there must be an equitable way for the user of our medical system to pay some form of a user fee. I wish I could stand here before you and solve this problem. However, Mr. Speaker, all but the most politically irresponsible and the most politically motivated will agree with me.

Take a look at your own Budget. Last year in committee the Minister of Finance bragged that he would hold health costs down to no more than a 15 per cent increase for the 1977 year. Mr. Speaker, you will note that this Budget for 1977 contains a 19.5 per cent increase and when the actual figures are in, it will probably be significantly higher than that.

I suggest to this House today that one of the priorities facing it is to find the means of curbing our health cost and yet at the same time providing the level of service desired by the people of this Province. I, again, repeat that the users of

our system must begin to pay more than the non-users up to a maximum limit.

Mr. Speaker, I should like now to turn to the field of agriculture. We all know how a prosperous agriculture sector affects the entire economy of this province. We know very well when our farmers are prosperous, everyone in Saskatchewan is prosperous. Their effect in the economy far exceeds their 22 per cent of the income sector as I have pointed out previously. Mr. Speaker, you will note in this Budget for 1977 agriculture has received perhaps the lowest priority of any department in Government. Their increase and budget expenditures for the year 1977 is a mere 1 per cent increase over that which was budgeted last year. Such an increase would hardly even cover the increase in salaries to administrative personnel. Mr. Speaker, we have now had one year to assess the present Minister. We have now seen his performance in the bitter give and take sessions of budgeting and we see him a pitiful loser for agriculture.

Mr. Speaker, we in agriculture, have always been accustomed to relatively dynamic Ministers. I can think back to the days of Toby Nollet, who was an extremely colourful figure. We then had Hammy MacDonald, who, I think, could probably be described in a similar fashion; Doug McFarlane, who was certainly one of the able Ministers. Even since 1971 a Minister, with whom I disagreed philosophically, with whatever he did, but I had to agree with his colourful character and the direction that he brought to the Department of Agriculture because that is where the action was. I hated his philosophy, but I respected him.

Mr. Speaker, what have we had in Agriculture the past year? We have had an example of a Minister tripping around the province trying to promote a marketing board which cattlemen have not asked for and do not want. Instead of budgeting funds as a contingency that if rain does not come that our pastures won't even turn green, that our dugouts will not fill up, he runs around talking about a silly foolish thing as a marketing board which we need like a hole in the head.

Mr. Speaker, things don't look good in agriculture right now. Unfortunately nature holds the balance on most of them, but unquestionably, governments can do some things to help.

What exactly has this Government done to help its cattlemen? Well, they jacked up the lease fees. And then there was the classic example that was brought to me last week, where a farmer who for the past seven years had seven years of renting land from the Lands Branch. Last year his total tax bill was \$1,070; this year the lease expired and it was turned over to the Land Bank. Now of course the Land Bank said, I guess if you want first crack at it, you can have it, but there is a little change in the bill, the bill is now \$2,350. Ironically enough, this same cattleman qualified for help under your Cow/Calf Assistance Program. I don't know what he received, but at the same time the Government established that level of welfare that they just raked it out of his hands as quickly as they could, as they put up his fees for the pasture, the fees for his hay land and most else that he must deal with the Government for.

And yet this Government has the audacity to suggest that Ottawa is behaving in a shameful manner when they proceed to tax moneys received under this Cow/Calf Program.

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Mr. Speaker, as per usual, this Government has no respect for the cattle industry. This welfare program was nothing more than a sham and as you pass them something with your right hand you hit them with a sledgehammer with the left.

Mr. Speaker, before taking my seat I wish to make some forecasts that I hope are not true, but I am very fearful that they will be. I suggest to this Assembly today that we are not looking at a \$40 million deficit as budgeted, but rather a deficit for 1977 that could run as high as \$80 million. I will further say to this Assembly that it may well be that budgetary deficits could become a way of life for Saskatchewan taxpayers. Once started they are very difficult to move away from. One only has to point to Ottawa and look at the terrible deficits we have had in the Federal Government for so many years, a legacy from the Diefenbaker Government of the late '50s and early '60s.

Mr. Speaker, if there is a downturn in the economy, this Government will have no hesitation whatsoever in budgeting for a deficit in 1978. Regardless of the economy in 1979, the year of a provincial election in Saskatchewan, it has always been and it will be the Government's philosophy to bribe the taxpayer with his own money. Mr. Speaker, I believe this Government will have no hesitation whatsoever in again budgeting for a deficit in 1979. In short then, Mr. Speaker, we could very well have four consecutive years of deficit financing in Saskatchewan. Fortunately, for all of us, the life of this Government is only 27 months more.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— The question to be asked in Saskatchewan today, is can we afford you for 27 months?

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— Mr. Speaker, this really up sets me the way in which an Opposition Member cannot present a speech without being heckled to death by the Government Members and I am surprised that you are allowing it to continue.

Mr. Speaker, the financial performance of this Government in the past five years is shameful, disgusting and our grandchildren, sons and daughters are going to pay for this. It is simply an incredible situation, it is simply incredible that this Government can continue in such a fashion. Some governments with a degree of respectability would resign but, of course, this Government has no respectability or credibility.

Mr. Speaker, I am pleased on behalf of the Liberal Opposition to place a motion which, I believe, amounts to a vote of non-confidence in this Government. Mr. Speaker, it is a motion that when it is weighed by some of the back bench Members of your Government and when they hear the arguments behind this and weigh it very carefully, they may decide to vote against this Government and overturn them and we can perhaps have a provincial election, because we all know, Mr. Speaker, that this Government is in deep trouble. In fact, I think it is safe to say that this Government is probably counting its days, counting the days when it will be replaced by a free enterprise government, which is going to inherit one of the most unbelievable messes that any

government anywhere has been forced to take over.

I, therefore, would like to move, seconded by the Member for Regina South (Mr. Cameron):

That all the words after the word “that” be deleted and the following substituted therefor:

This Assembly while pleased that The Succession and Gift Tax Acts are to be repealed, expresses its regret that the Government of Saskatchewan in a time of unprecedented prosperity, has failed to manage the economic affairs of the Province, to prevent the introduction of a second successive deficit Budget; necessitated substantial tax increases and has continued to perpetuate the growth and size of government.

SOME HON. MEMBERS:— Hear, hear!

MR. THATCHER:— I will not be supporting the Budget.

MR. R. L. COLLVER:— (Leader of Progressive Conservatives) Mr. Speaker, it gives me great pleasure to rise and enter this Budget Debate.

I should like first of all to compliment the Minister of Finance (Mr. Smishek) on one phrase which he used in the Budget Speech the other day, Thursday last, when he said:

I believe there is a job to do in demonstrating that Confederation works and in persuading the people of Quebec that Confederation is a better idea.

I think that if we all remember that phrase as Members of this Assembly and as citizens of the Province of Saskatchewan, I sincerely believe that Confederation will work and that all of us, as Canadians, can feel proud of ourselves as Canadians if we demonstrate that it does work. I compliment the Minister of Finance for that suggestion.

Other than the estate taxes and the succession duties and the increased commitment to health care, that is just about all that I have to compliment the Minister of Finance for in this Budget, Mr. Speaker. I would very much like to read one other line he said:

By an index of the quality and availability of health services, Saskatchewan stands in the front line.

They have to stand in the front line for six months or eight months, or 12 months, or 24 months. I am sorry to see that the Minister of Health has left his chair. Would you take notes for him please because I should like to relate a story to the rest of you about one of my constituents in Nipawin, who telephoned me about six months ago and said that she had cancer of the bladder. She said that she had been in touch with her doctor in Saskatoon and the doctor said that this is not a life or death situation. In other words it wasn't an emergency. Unfortunately this woman could not get into the hospital, had to go on the waiting list and had to wait, until she could be admitted to hospital. When she asked him how long it would be, the reply to her was, “I don't know, but it will be upwards of six months.”

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She said to him, "What will happen in the meantime?" He said, "You will probably become an emergency." In other words, your life will be threatened; you will then be in a life and death situation and we will be able to admit you as an emergency patient at the hospital.

The Minister of Health will be very happy to confirm this exact and precise story. I then became extremely concerned; the woman was distraught; I telephoned the Minister of Health to ask him whether he could use his influence to get this woman into hospital in Saskatoon. I want to tell you today that the Minister of Health did, in fact, use his influence and the woman was admitted to hospital in Saskatoon and was treated at that time; went back to Nipawin, a healthier woman than when she went into the hospital. However, her life was threatened. Does every citizen in Saskatchewan, who needs health care and attention, have to have special pull with the Minister of Health to be admitted to hospital?

Unfortunately, this Government has forgotten that it is individual citizens who have to be cared for in Saskatchewan, not statistics and not the people as a whole. It is persons who have to be looked after, not people. The people, I hear the Government refer to all the time, and that's what they are referring to, the mass of the people. But it is individual citizens when faced with this kind of personal tragedy and a bureaucratic system that doesn't seem to be meeting those personal needs, where this Government's policies fall apart. That, Mr. Speaker, is why the Government made no inroads during the recent by-elections. In fact, in Saskatoon-Sutherland, and a matter of fact the old town of Sutherland, which was a bastion of NDP strength, where in past elections they got upwards of 80 per cent of the popular vote, they lost every poll but one. Every poll but one in the old town of Sutherland, because they have forgotten that it is individual people that count and not masses and not statistics.

Mr. Speaker, we have listened to the masters of double speak during the last few days. The masters of double speak as it relates to budgeting processes in the Province of Saskatchewan. We have listened to a Premier who, during his Throne Speech on the 24th of November, 1976, refers to the Energy and Development Fund and at no time does he mention the fact that 35 millions of dollars have been transferred out of that fund yearly, for two straight years. At no time does he mention that. He says, and I will refer to what he said for the other group on my right, this is what he says when he refers to us. "Others say we should, if we collect the money, we should be spending it on current expenses for "current purposes" and daily we hear them say - referring to the PCS - "You shouldn't be spending money on potash mines, you shouldn't be spending the money on potash, you should be spending it on nursing homes, or hospital costs, or the like."

Now we were referring to the long lines of waiting lists at major hospitals in Saskatchewan. We were referring to the individuals who had to stand in line and still have to stand in line to have needed hospital work done in the Province of Saskatchewan. He answers thus. "We disagree, we believe this extra money should be invested in long-term capital projects." He goes on to say, "If we spent these windfall funds on day to day expenses now there would come a day of reckoning for some future government." Then we hear the Premier say on radio, on television, the newspaper, we have 111 millions of dollars of cumulative cash carry

forward. The term he uses is accumulated cash carry forward.

We hear the Minister of Finance talk about funds at the end of March 1976, totalling some \$382 million, adding that \$382 to the \$111, you are coming up with supposedly \$493 million in accumulated cash or funds. But, in fact, the Consolidated Fund the entire Government of Saskatchewan, excluding Crown corporations, had on hand at March 31, 1976 only \$250,748,000. That is all it had altogether, to supposedly cover the Community Capital Fund, the Energy and Resource Development Fund, the Market Development Fund, the Liquor Board Fund and the cumulative cash carry forward. In other words, it had just over half of the amount of so-called funds and cash that it said it had at its disposal. It had only just half of that in cash and investments, the remainder was invested so-called in Crown corporations, other government agencies and the like. The masters of the double speak.

MR. SNYDER:— What is wrong with that?

MR. COLLVER:— What is wrong with that, the Minister of Labour says! What is wrong with that is, that when you use the word fund you mislead everyone and you say, you imply, that you have the funds. But you don't have the funds, do you? When you say you have accumulated cash carry forward you make people believe that you have cash! But you don't have the cash, do you? No, you don't have the cash and you don't have the funds. What you have is just over half of the funds in cash that you said you had at your disposal.

Then you have a leader, who spouts that we should never use, never use, this windfall profit for day to day expenses. Never! Let people stand in line for needed hospital services, let people stand in line for upwards of two years to have their health care needs looked after. But we must not touch that money. And in the very next breath, \$35 millions transferred from the Energy and Development Fund over to the Consolidated Fund as revenue, make people believe that you are accumulating all of these windfall profits, all of them, and you are investing them in oil and potash and the like and then transfer it into revenue. Why? In order that you can show a surplus when in fact you have a deficit. A transfer from one fund to another fund to up your revenue and show a \$20 million surplus, instead of a \$15 million deficit for the year ended March 31, 1976. That's double speak.

What did you do, for example, with the \$155 million short-term advances you say went into Crown corporations? What did you do with the \$155 million? Here is what you did with it, you put it into Crown corporations to finance their day to day operations until you could get the long-term borrowing that you were going to be committed for at a future session of the Legislature. In other words, when you sat down to prepare the Budget for 1976-77, and when you were preparing the Legislative Authority to get the loans through your Crown corporations that this Legislature would have an opportunity to look at and would have an opportunity to review, you had already advanced the funds to the Crown corporations for their use to buy their equipment and to cover their day to day operations. I will be interested to hear someone refute that statement. Very interested!

Mr. Speaker, some comment I think might be in order with regard to the results of the two by-elections that were recently concluded. There were a number of issues that came up out of

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these by-elections. I notice the Member for Regina Rosemont (Mr. Allen), spent most of his time in Prince Albert.

He got a very good impression of Prince Albert, 61 fewer votes than they had the time before. I am sure that the Members across the way who spent their time in Saskatoon certainly had an interesting time of it, including the Member for Saskatoon Centre (Mr. Mostoway) who gave his entire reputation and laid it on the line for that seat. His reputation was worth less than half of what it was before.

MR. MOSTOWAY:— Mine isn't challenged by anyone!

MR. COLLVER:— It isn't eh! Well I suggest to you it was challenged by half the voters in Saskatoon Sutherland! Half the voters in Saskatoon Sutherland challenged the NDP record, half the voters who formerly voted NDP have now voted Progressive Conservative.

MR. MERCHANT:— It was not . . .

MR. COLLVER:— A large number, for the Member for Regina . . . where are you from, Regina somewhere, from Regina Wascana. He makes a comment. I think that anyone who has just seen two of their seats go down the tube, wouldn't make any comment on by-elections being held, especially not when their leader suggested that this was going to be the leadership contest to decide who would be the next Government of Saskatchewan as published in several newspapers. That they were going to prick the Conservative balloon.

MR. MERCHANT:— That's what I said!

MR. COLLVER:— I am sure you did. So did the leader. Some balloon you pricked there!

Mr. Speaker, I don't believe that this Budget represents the desires and the real aspirations of the people of this province. It is not forward looking, it does not look ahead, it looks back. I'll have more to say on that later, I beg leave to adjourn the debate.

Debate adjourned.

MOTION FOR PRIORITY OF DEBATE WITHDRAWN - DRIVERS' LICENCES

MR. CAMERON:— Mr. Speaker, may I return temporarily to Orders of the Day and before Orders of the Day, Mr. Speaker, you are aware of the fact that I was going to ask for priority of debate under Rule 17 to debate the question of Government Insurance assessing points against drivers' licences in certain events when people are innocent of any fault but had their premiums increased as a consequence.

Between the time I notified your office of my intention to do that, 10:40 o'clock and the time we resumed here at 2:00, Cabinet obviously met and decided to rectify the situation. Therefore, Mr. Speaker, with leave of the Assembly I would withdraw that motion.

MR. SPEAKER:— I think, if I may advise the Member, for future reference it is unnecessary to withdraw it in that manner, just not move it is sufficient. It will have the same technical effect.

SECOND READINGS

HON. E. C. WHELAN (Minister of Consumer Affairs) moved second reading of Bill No. 65 - An Act respecting Warranties on Consumer Products.

He said: Mr. Speaker, I should like to inform the House about an important new piece of legislation now before us, The Consumer Products Warranties Bill. This legislation represents a major step toward better consumer protection in this province. This is one of the first bills in Canada to deal systematically and comprehensively with warranties on consumer products and we are hopeful that other provinces in Canada will follow our lead.

Existing warranty law is no longer adequate to meet the needs of Saskatchewan consumers. Purchases of consumer goods are currently regulated by The Saskatchewan Sale of Goods Act along with a vast and sometimes incomprehensible body of common law. This legislation has remained virtually unchanged since it was enacted nearly a century ago, yet the market for consumer products has changed dramatically. Complex technology and the mass production and distribution of consumer goods has replaced the personal relationship between seller and buyer that existed in the pioneer days of this province. It follows that laws that were adequate for consumers in the early 1900s are no longer realistic or fair to the consumer.

Other jurisdictions have recognized the need to take a new look at the laws regulating consumer purchases; for example, in 1973 the English Parliament passed new legislation to protect consumer purchasers of products and several states in the United States have improved their warranty legislation over the past few years. A federal Act was recently passed in that country to protect purchases of consumer products. It is interesting to reflect that Canadian consumers buying goods manufactured in the United States are probably paying for these higher American standards but receiving none of the protection afforded to United States' consumers. Several provinces in Canada have disallowed disclaimer clauses which disclaim the retailer's obligations and responsibilities for implied warranties.

In Canada, the whole area of product warranties legislation has been the subject of intensive analysis. The Ontario Law Reform Commission undertook a major study of this area several years ago and released a report in 1972 which outlined the need for change and recommended new legislation to protect consumers. That Commission identified the main shortcomings of Sale of Goods legislation. The Commission stated that Ontario's Sale of Goods Act:

... proceeds from the fictitious premise that the parties are bargaining from positions of equal strength and sophistication and it uses concepts to describe it and distinguish between different types of obligations that are now obsolete and difficult to apply. It supplies the framework of remedies for breaches of the seller's obligations that are unrelated to practical realities.

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Especially serious is the Act's preoccupation with the bilateral relationship between the seller and the buyer, which totally ignores the powerful position of the manufacturer in today's marketing structure. This results, at least in the Anglo-Canadian law, in shielding the manufacturer from contractual responsibility to the consumer. By the same token the law has largely ignored the impact of manufacturer's express warranties and the defects in their contents and administration. Finally, our sales law is private law and it has failed to provide any meaningful machinery for the redress of consumer grievances. This last weakness is perhaps the most serious of all weaknesses, for as has been frequently observed, a right is only as strong as the remedy available to enforce it.

The same criticisms can be directed at Saskatchewan's Sale of Goods Act as it applies to consumer purchases and, indeed, to any other provincial law governing the sale of goods.

Since the Department of Consumer Affairs was formed in 1972, we have received many complaints from consumers about the poor quality of consumer products. The complaints indicate that many Saskatchewan consumers have often paid good money for products which have turned out to fall far below the standards of quality that honest and reasonable consumers are entitled to expect.

Our present marketplace and legal system allow dealers and manufacturers to use various legal devices to pass on losses arising out of poor quality goods to a few unlucky consumers. Even if we conclude that our complex technology and our system of mass production and distribution of consumer goods will inevitably turn out a certain percentage of defective or substandard products, the cost of these defective products should be borne by the manufacturers who have sufficient market power to distribute the cost among all people buying the product. If mass production of products inevitably results in a certain number of 'lemons' being produced, it has been assumed that the few unlucky consumers would be the ones to bear the cost. I ask, should they be the ones to bear the costs for such products? Under the present laws, manufacturers are forcing a certain number of consumers to pay them an indirect subsidy - that is, to carry a cost that should be absorbed by the manufacturers as one of the expenses incurred in producing their income.

The Province of Saskatchewan has been a leader in ensuring a standard of quality for farm machinery and ensuring adequate repair facilities and spare parts and has imposed the liability for defective farm implements where it belongs, on the manufacturer. Our farm machinery legislation and the experience we have gained in protecting Saskatchewan farmers under this legislation has been a useful precedent in considering new steps that should be taken to protect Saskatchewan consumers.

We have concluded, therefore, that not only retailers but also manufacturers should be subject to the warranties implied in contracts of sale. If a consumer product is defective and does not work, the manufacturer of that product should be responsible for the resulting loss and should not be allowed to deny liability merely because there is no contract between the manufacturer and the consumer. This principle was embodied in our farm machinery legislation several decades ago and it is time to extend it to all consumer products. It has been our experience that any reputable manufacturer will stand behind

his product and, in fact, briefs received from manufacturers on our White Paper indicate that they accept this principle.

Turning now to the written warranties that manufacturers provide with their products, it is our opinion that in many cases manufacturers do not say what they mean and they do not mean what they say in written warranties. Therefore, we believe that some statutory guidelines should be established to make these warranties more understandable and to forbid the unfair clauses and small print which many have contained in the past. For example, many manufacturers' written warranties contain disclaimers which might read as follows, and I quote:

. . . these warranties replace all other warranties, conditions, or guarantees, express or implied, statutory or otherwise, as to quality or fitness for any purpose.

What the consumer often does not realize is that he is agreeing to disclaim or give up all the rights that he would have under The Sale of Goods Act and instead, accepting the narrow obligations that the manufacturer is setting out in his written warranty.

Mr. Speaker, consumers often find that written warranties provide them with very little in the way of compensation should the product turn out to be defective. For example, many written warranties cover only part of the cost of repairing the product; such as, covering parts but not labour or transportation costs necessary to repair the product. As we all know, the cost of the defective part may be very small compared to the labour and transportation costs necessary to replace that part. With the use of pre-printed standard contracts and written warranties, the consumer is not able to negotiate a better deal and must either accept the contract or warranty as it is written or not buy the product at all.

I should like, Mr. Speaker, to turn now to the matter of verbal promises made to the consumer by the seller or the manufacturer. These promises might arise at the point of sale or through advertising. Consumers have always tended to rely strongly on statements made about the product by the seller. In addition, mass media advertising has tended to have a significant impact on purchasing decisions. However, consumers often find that when the product does not perform as was promised by the seller or by the advertising, the consumer has no recourse. Verbal promises made are often not binding and in many cases tend to mislead the consumer into thinking that the product has qualities which it does not have. It is our belief, Mr. Speaker, that if sellers or manufacturers make promises about a product, they should be required to stand behind those promises when the product does not perform as promised.

A further problem that consumers have had over the years, particularly in the rural areas, is the lack of adequate repair facilities and the unavailability of spare parts for consumer products requiring repairs. Many consumer products become virtually useless when some minor part breaks down and cannot be replaced. We believe that those people who put consumer products on the market should also be responsible for ensuring that there is some means of repairing the product when it breaks down.

My Department has studied the problems consumers have had with the products they buy and has reached the conclusion, Mr. Speaker, that new legislation is needed. We recognize the impact

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that such new legislation would have, not only on consumers, but also on the business community. Therefore, in April of 1975 we tabled in the Legislature a White Paper on Consumer Products Warranties, including a draft Bill to try to obtain the views of the public and the business community on our suggested solutions to product warranty problems.

Mr. Speaker, the response to our White Paper has been encouraging. We have sent out approximately 650 copies of the White Paper to consumers and consumer organizations, sellers, manufacturers and various business organizations. We have received approximately 20 briefs from consumer and business groups and have met with several of these groups to discuss their concerns. The Bill which is before you now, was drafted taking into account the concerns expressed, although the essential elements of the Bill were not compromised.

The Consumer Products Warranties Bill is intended to deal systematically and comprehensively with the problems facing purchasers of consumer products. Although many of the proposals are a restatement of existing legislation or common law principles, a number of proposals are designed to improve the consumer's position and to shift the risk of loss for defective products from the consumer to the manufacturer or retailer responsible for the defect.

In general, Mr. Speaker, the objectives of the Bill are as follows:

1. To update and clarify the law related to the sale of consumer products.
2. To provide a basic minimum standard applicable to every transaction.
3. To make manufacturers responsible for defects arising out of the manufacturing process.
4. To ensure that written warranties given voluntarily by manufacturers or retailers are understandable and fair.
5. To make retailers and manufacturers responsible for the promises and statements they make about the product.
6. To provide adequate remedies for the consumer.
7. To ensure an adequate redress procedure for consumers when their rights have been denied.

The Bill applies to all purchases of consumer products from a retail seller excluding goods purchased for resale or for use in a business. Consumer products are any items ordinarily used for personal, family or household purposes. The Bill covers large consumer durables such as automobiles and major household appliances as well, Mr. Speaker, as small household appliances, toys, clothing, etc. Consumers who purchase used goods from retail sellers are also protected although it should be noted that private sales between two individuals are not covered by this Bill, but will continue to be covered by The Sale of Goods Act.

Ordinarily, Mr. Speaker, The Sale of Goods Act does not cover a consumer product which is attached to real property, such as a furnace, a water heater, etc; however, we believe the consumer should have the same rights on these products as on any other consumer products. We have provided these rights in this Bill.

The Bill also applies to contracts for services which are supplied to the consumer along with consumer products. For

example, a contract to shingle a roof or to pour a concrete driveway involves a product as well as a service, both of which would be covered by this Bill.

The Bill also covers leased goods. This is particularly important when consumers are leasing a product on a long-term basis. The consumer should be entitled to the same level of protection against defective leased goods as compared to defective purchased goods, e.g. if a consumer leased a water softener or a car, he would have the same rights as if he had purchased the items.

Mr. Speaker, the Department continues to receive complaints about products used in farming operations which are not covered under The Agricultural Implements Act. We feel it is only fair that farmers buying these products should be entitled to the same protection as persons buying consumer products and therefore, Mr. Speaker, products used in farming operations that are not covered under The Agricultural Implements Act will be covered under The Consumer Products Warranties Act.

The Bill outlines three types of warranties and the consumer's rights under each of these warranties. The first and most important warranty outlined in the Bill is the basic statutory warranty. This warranty represents a minimum core of protection which will apply to every sale of a consumer product. Manufacturers and sellers will not be able to disclaim their responsibilities under these basic statutory warranties which include some of the implied warranties presently contained in The Sale of Goods Act such as the warranties of title, freedom from encumbrance, description and sale by sample. The basic statutory warranties also include a warranty that the goods will be fit not only for their usual purposes but for any other purpose that is specified by the consumer. That is, if a consumer makes known a special purpose for which he requires the goods, such as an electric kettle which can be used for another purpose, and the seller sells the goods to him knowing that special purpose, then the goods must be fit for that special purpose. In the example mentioned, the kettle should shut off automatically when empty and not be a fire hazard.

The basic statutory warranties also include a warranty that the goods must be of acceptable quality and durable for a reasonable period of time after the date of sale. This means that the goods must not only work at the time of sale but also for a certain period of time after that. It would be absurd to deny the buyer of a new car any remedies because his car worked perfectly at the time of sale but broke down ten minutes later, when the consumer was driving it home. Several industry groups have objected to this warranty of durability as they believe it will cause too much uncertainty as to their risks and obligations for defective products. Instead, they propose setting a minimum period of time for each consumer product during which inherent defects existing at the time of sale should become apparent. We believe that this proposal is too restrictive as well as being impractical, as it would be impossible to establish such a period for each and every consumer product on the market. The warranty of durability is an essential part of the Act and is based on the premise that the product should be of reasonable quality and fit for its purpose not only at the time of sale, but for a reasonable period of time after that date. This period of time would be determined by such things as the price of the product, promises made about the product by the seller or in advertising, how the product was used and how it was maintained by the consumer.

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This Bill also contains a basic statutory warranty that spare parts and repair facilities must be available for a reasonable period of time after the date of sale for those products which normally require repairs. Many consumer products today are highly technical and need adjustments, repairs and new parts; otherwise, they are of no use to the consumer. The manufacturer producing these types of goods should not sell them unless he has made some provision for repair facilities and spare parts. If he does not and consumers suffer losses as a result, the manufacturer should be the one to bear the loss, not the consumer. There is a precedent for this type of requirement in Saskatchewan in that our Agricultural Implements legislation requires spare parts to be available in Saskatchewan for ten years after the date of sale.

The second type of warranty set out in the Bill is the express warranty which includes all promises and statements made about the product or its performance either verbally, in writing or in advertising. Under the Bill, sellers and manufacturers would be held responsible for such statements and promises. For example, if a manufacturer advertises that a certain car will get 40 miles to the gallon, then he is responsible if that make of car does not provide consumers with 40 miles to the gallon.

The third type of warranty is the additional written warranty. The written warranties that manufacturers presently provide would be an example of an additional written warranty. The Bill states that these additional written warranties are optional on the part of the manufacturer or seller. However, written warranties cannot take away from the consumers' rights under the statutory warranties. The Bill establishes certain guidelines which must be adhered to if any additional written warranties are given, to ensure that they are clear and fair to the consumer.

The Bill also sets out the remedies that the consumer will be entitled to should any of the warranties be breached. The Bill provides that if the breach of warranty is major and fundamental to the working of the product, the consumer has the option of requiring the defect to be repaired or returning the product and recovering the amount he has paid for the product less a deduction for usage. If the defect is major but cannot be repaired, the consumer is entitled to return the product and recover the amount he paid for the product less a deduction for usage.

If the breach is remediable and not substantial, the seller or manufacturer responsible for the defect will be required to repair the product within a reasonable period of time.

Regardless of the type of breach, the consumer would be entitled to damages for losses suffered as a result of the breach. Under the present law in Saskatchewan a seller of defective goods is liable not only for the decreased value of the goods, but for any loss suffered by the buyer which at the time of the sale was reasonably foreseeable as liable to result from the breach of contract. However, at the present time, sellers or manufacturers are allowed to disclaim responsibility for any damage claims. Under the Consumer Product Warranties Bill, no such disclaimers are allowed. Some of the submissions received from manufacturers and dealers have suggested that this old common-law principle of responsibility for damages should be limited to the price of the goods. Alternatively they suggest that claims for damages be left to product liability law and not be included as part of a consumer's contractual rights. We believe it is essential that consumers be protected not only for the value of the product but

also for the value of any damages they suffer as a result of a defective product. This is obvious when one takes the example of a child's toy costing only a few dollars but as the result of a defect in the toy, the child loses an eye. It would be ludicrous and highly unfair to limit the damages for the loss of the child's eye to the price of the toy.

We recognize that providing rights to consumers under The Consumer Products Warranties Bill is not sufficient. We must also provide some means of ensuring that those rights are enforced.

The Bill, therefore, provides that the Department of Consumer Affairs will mediate a complaint where the consumer has been unable to obtain the remedies he is entitled to. The Department may also submit the dispute to arbitration with the consent of both parties. Consumers will, of course, still be entitled to seek resolution to their problems through the courts, including the Small Claims Court.

The last item that I should like to deal with is the question of the seller's liability to the consumer. I should make it clear that our experience has shown that most Saskatchewan retailers firmly believe in the principle of standing behind the products they sell. Our experience has shown that in many cases of defective products, Saskatchewan retailers are caught between the growing demands of consumers and the pressures of manufacturers who are mainly concerned with increasing their volume of sales and decreasing the cost of payments for defective goods and warranty administration. We believe that if goods are defective as the result of the manufacturing process, the loss should be absorbed by the manufacturer who is the party at fault rather than the consumer or the seller. The Bill therefore gives retailers a right of recourse against the manufacturer of a defective product even when there is no contract between the two.

We believe that this Consumer Products Warranties Bill is a major step forward in the protection of Saskatchewan consumers, a step which is long overdue, and which if passed, should provide the impetus for similar legislation across Canada. I urge all Members of the Legislature to support this Bill. I am proud to move second reading of this Bill.

MR. E. F. A. MERCHANT (Regina Wascana):— Mr. Speaker, I felt badly as I listened to the Hon. Minister that he wasn't around to assist the Hon. Attorney General and me when we were taking our court liability courses in university. I am sure that his paper would have merited perhaps a B- and the Attorney General and I could never seem to muster better than a C+. I noted that he had learned from the Attorney General that if you don't know too much at least you should be long in the hopes that you might pick up a few points.

Mr. Speaker, it is interesting that the NDP, in doing exactly the same thing that I would have wanted to do, find a way to do that in a smothering way. I have spoken in this House about the Ontario Green Paper; I have talked in this House about "holder in due course legislation" which has been introduced in the United States; I have talked in this House about the homeowner program that exists in Ontario.

The Ontario Government for instance, seeking to do exactly the same thing, has found a way to do what this legislation does without such an overwhelming degree involving themselves

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in the working of business and involving themselves in the way that business will have to react now in dealing with its customers. I accept, as the Government I am sure would suggest, that to some extent you have to interfere into people's lives if you are going to do some protecting. I still, Mr. Speaker, am always frightened by the ability of this Government, I say, to meddle too far.

Mr. Speaker, there are a couple of things that the Minister has said that concern me. One of those is an assumption that by passing legislation in this province that we, so easily, will pass responsibility on to the manufacturers. In fact, that is not what will happen. The result will be that the responsibility that should have been the manufacturers', will rest on the Saskatchewan company, because if the Saskatchewan company is here to receive the writ, it will be the Saskatchewan company against whom the litigation will be commenced. That may be fair enough because, indeed, if you are going to have consumer protection you know that you are going to have to have actions against companies that are available here to respond to that litigation.

It may, indeed, be fair enough to say that with consumer legislation we are going to make all the buyers pay part of the cost. That is what really consumer legislation does, it is like an insurance policy. That is the other factor that I hope to have an opportunity to consider. This will increase the cost of some of the products sold in this province. It has to. It means that the lemons are insured against and paid for by the consumers in general. It also means, and perhaps that is fair enough again, that we are going to punish the smart buyer to protect the less than smart buyer.

Again, Mr. Speaker, that may be an acceptable aim, but that problem, the problem of an absence of "holder in due course legislation", I should have thought that if the Government were going to move into this area, that the Government would have looked at the real problem of companies selling a product.

The Hon. Member for Saskatoon Centre might buy a car and he would finance it and then the car goes back; the "holder in due course legislation" nonetheless is responsible to pay off the debt. The United States has moved against that and has said, rightly I think, finance companies and the banks that finance consumer purchases are really a part of that purchase and that they will put the banks in a position to deal with the large manufacturers. I must say that I am disappointed that that kind of legislation is not included here.

Mr. Speaker, I want an opportunity to consider the remarks of the Hon. Minister. I thought, though I dealt with it in a jocular way, that he made some good points about the legislation and I should like to review his speech and I beg leave to adjourn debate.

Debate adjourned.

MR. WHELAN moved second reading of Bill No. 66 - An Act respecting Auctioneers.

He said: Mr. Speaker, the other day I introduced a new Auctioneers Act. This new Bill is intended to replace and repeal the present Auctioneers Act of Saskatchewan.

I wish to point out that it is not the intention of the new Bill to change the law of governing sales by auction, but to improve consumer protection, as well as simplify and modernize the licensing procedures.

Consumers' complaints have indicated major problems with the existing Act. As a result, the Department contacted various auctioneers in the province and reviewed legislation of other jurisdictions in the preparation of this Bill. I might also indicate that this Bill has been agreed to in principle by the Legislative Committee of the Saskatchewan Auctioneers' Association.

The present Auctioneers Act originated in 1912 and distinguished the classes of licences issued to auctioneers on the basis of the area or the region in which the auctioneer was allowed to conduct sales. This is no longer necessary nor equitable. Licence fees are also structured on this regional basis. Under the existing Act, licences are issued on an annual basis, an unnecessarily cumbersome process for auctioneers doing business in this province.

Most important, the existing Act provides no means of compensating consumers or persons who sell their goods by auction when they suffer a loss as a result of the actions of an auctioneer. The new Bill introduced for second reading today is intended to correct these deficiencies. Specifically the Bill will:

- (a) provide that all auctioneers licensed by the Department file a penal bond with the Department. This bond could be forfeited if the auctioneer was convicted of an offence under this Act or the regulations or other offence involving fraud or theft under the Criminal Code; the bond could also be forfeited if the courts gave final judgement in respect of a claim. If the auctioneer committed an act of bankruptcy, if he failed to comply with the terms or conditions of his licence, or he left the province, the proceeds of such a penal bond could then be paid out to creditors and consumers who suffered the loss as a result of the actions of the auctioneer.
- (b) provide for a five-year licence instead of the present one-year licence. This will reduce the cost to the Government licensing administration and generally reduce the paper work and the cost to the auctioneer.
- (c) provide for one licence which will allow the licensee to conduct auctions anywhere in the province, however, we do not intend to make any changes in the licensing requirements of municipalities.
- (d) provide for the appointment of a member of the public service to act as registrar under the Act and provide a hearing and appeal process for applicants who are not satisfied with the registrar's decision.
- (e) require that adequate records be maintained regarding goods sold by the auctioneer.
- (f) ensure uniformity with other licensing statutes.

This new legislation is necessary to give consumers some measure of protection as well as setting up a licensing process that is practical and acceptable to auctioneers doing business in this province.

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Mr. Speaker, I move second reading of this Bill.

MR. A. N. McMILLAN:— (Kindersley) Mr. Speaker, on behalf of our caucus we certainly have no objections to the legislation in principle. No doubt it will go a long way towards tightening up and perhaps clarifying in the minds of the public the roles of an auctioneer and the safeguards provided to the public as far as auctioneering services are concerned. We may in fact be delving in a little more detail into the Act when it comes before Committee of the Whole, but we will be supporting it in principle.

Motion agreed to and Bill read a second time.

HON. W. A. ROBBINS (Minister of Health) moved second reading of Bill No. 64 - An Act respecting The Saskatchewan Psychiatric Nurses Association.

He said: The Saskatchewan Psychiatric Nurses Association, Mr. Speaker, have been anxious to improve their particular Act. They want to provide contemporary provisions in their legislation. They also want explicit power to license in Saskatchewan qualified psychiatric nurses from other provinces in Canada who wish to work in Saskatchewan. The reverse is already true in relation to other provinces accepting psychiatric nurses from Saskatchewan. Because the Act is relatively short and because there was a need to make a large number of amendments to bring it up to date, it was concluded that we ought to completely revise the old Psychiatric Nurses Act. This new Act will now allow for the Council of the Psychiatric Nurses Association to prescribe regulations with regard to registration qualifications as well as standards of practice and proficiency, limitations and conditions for licensing. These regulations made by the Council of the Psychiatric Nurses Association will be subject to ministerial approval. If regulations are made which are contrary to the public good or if regulations are not made by the Council but are deemed to be necessary, the Lieutenant-Governor-in-Council will be given the responsibility to see that regulations in the public interest are made.

Mr. Speaker, you may have heard that the Psychiatric Nurses Association and the Department of Health are making a very special effort to attract more students to the psychiatric nursing education program. A special effort is also being made to attract more graduate psychiatric nurses for employment within the province.

The benefits of a career in psychiatric nursing are not as well known in Saskatchewan as they might be. Because there are many other attractive careers in the health field which young people can take, we want to initiate now a number of actions which can assure Saskatchewan of an adequate supply of psychiatric nurses over the next five years when a great number of the current psychiatric nurses will be retiring. The new provisions in The Psychiatric Nurses Act will be one of several ways that the Government can help their association to attract and license more psychiatric nurses in the province.

Other features of the Bill allow the Council of the Psychiatric Nurses Association to make regulations defining professional misconduct and to prescribe features for the investigation of complaints or allegations of professional misconduct or professional incompetence on the part of a member of the Association. This particular feature is consistent with other

professional health legislation which we will bring before the Legislative Assembly in the current Session.

Special provisions have been made for the disciplining of a psychiatric nurse. Other provisions have been made for appeal procedure for a psychiatric nurse who has been disciplined. A period for the commencement of a negligence action has also been prescribed.

The new Act provides the authority of the Lieutenant-Governor-in-Council to appoint one or two persons as members of the Council of the Saskatchewan Psychiatric Nurses Association. In other words, some public representation is on this professional body. We hope that these public representatives will promote more public interest in the profession of psychiatric nursing. The Bill was requested by the Psychiatric Nurses Association and it has the support of psychiatric nurses generally.

Mr. Speaker, I therefore move that this Bill be given second reading and be referred to the Select Standing Committee on Law Amendments and Delegated Powers.

SOME HON. MEMBERS:— Hear, hear!

MR. R. H. BAILEY (Rosetown-Elrose):— Mr. Speaker, just a few words on the Bill as introduced by the Minister of Health.

I am sure he is quite right in that the Bill should be completely revamped rather than try to add amendments to it. Just one or two points that I have that I should like to raise with the Minister at this particular time.

I don't know whether the psychiatric nurses are in more of a position to be more discreet in their operations than other societies within the province, but I find in Section 16 of the Act that in the manner in which the Association, I assume, with the advice of the Minister, is to discipline themselves. I notice that the fine which is to be levied for a person found guilty of professional misconduct or professional incompetence seems to be somewhat not in keeping with other fines of similar organizations within the province. A fine of \$500, Mr. Minister, which is a fine which greatly exceeds most fines in this province for even most court decisions handed down, very seldom reaches that amount. This is one thing which concerns me about that particular section of the Act.

Another thing Mr. Minister, I think that we have to look at and I'm sure that I will be looking at when the Act comes up again for further study is the possibility of this particular association which you have mentioned do (if I understand correctly in reading it) they really license themselves, or they have the power within themselves to license others coming in from other parts of Saskatchewan. If I read this correctly I have a little bit of concern here in that sometimes we will find in an association like this that it must have and it should have some overriding regulations which are, if you like, superimposed by the Department or its training institution under which it works. And I suggest that perhaps you would like to examine that and we will have further examination of this particular Act when it comes into the House.

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MR. C. P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, just a couple of comments. I have no general objections to the Act but I should like to make a suggestion.

Very often Members of the House over the past four or five, eight or ten years, have been concerned about the proliferation of professional acts in the Province of Saskatchewan and on many occasions it has been suggested or recommended that a committee of the Legislature or perhaps even some technical people be encouraged to review and advise the Government and the Legislature on whether or not the proliferation of professional associations is getting out of hand in the Province of Saskatchewan. We have everybody from plumbers to nurses to doctors to - you name it - coming before us in relation to professional acts and I think that the Government and the Attorney General in particular should take this under advisement. I disagree with my colleague, the Member for Elrose (Mr. Bailey), in the Opposition, I certainly don't want the Government or the Department deciding who is going to be a licensed psychiatric nurse and if they are a profession and have any stature at all and have any ability to have an act and a piece of legislation establishing them as a profession, then certainly they should have the power to license themselves and govern themselves without any super watchdog which is the Government or the Department itself. I shall have a few more comments to make in the Committee of the Whole when we come to clause by clause study.

Motion agreed to and Bill read a second time.

MR. W. A. ROBBINS moved second reading of Bill No. 63 - An Act to amend The Marriage Act.

He said: Mr. Speaker, I want to draw to the attention of the Assembly that almost annually there have been amendments to The Marriage Act not only when this Government is in power, but when I sat in the Opposition I was always amazed at the fact that amendments seem to come annually to the House. Part of the amendments to the current Act are proposed in the hope that they will eliminate that necessity to some degree. I want to assure you that there are only a few clauses of major significance in the amendments here. Most of the changes are made in order that we may move the forms from the Act so that this House doesn't have to be concerned in the future with minor amendments to those forms.

The main objectives of the proposed amendments to The Marriage Act are intended to remove from the law much of the unnecessary inconvenience which is forced upon the public and the clergy in adhering to certain procedures outlined in the present Marriage Act which are felt to be outdated.

Moreover, when reviewing the present Act one can perceive an underlying assumption that the public could be dishonest to some degree in making statements about marital status. Frankly, departmental experience in the Division of Vital Statistics has shown us that the public in general is not dishonest at all and moreover we do not believe that the officials of the division of Vital Statistics ought to act as a police force. At the present time extensive documentation is required of individuals who are intending to marry. Not only is this inconvenient and at times costly for the couple who intend to marry, but this documentation presents a cumbersome administrative problem for the division of Vital Statistics when we know that extensive documentation is simply not warranted. At the present time there is a five-day

waiting period between the date when one applies for a marriage licence and the date on which the marriage licence is issued. This can create a very real inconvenience for those who are intending to marry, particularly if the couple come from rural Saskatchewan to one of our cities to obtain the marriage licence. It is also an inconvenience where one of the marital partners is coming from outside Saskatchewan to be married in the province.

The amendment we propose to correct this situation is that a licence be issued at the time when the application is made, but the licence is dated for the day after the application. This means that a couple can apply for a marriage licence on one day, receive it the same day and marry the next day. Now I must say that we have had representations with respect to this. I must also point out that Alberta already permits this procedure, so does Manitoba and I understand Ontario and British Columbia are in the process. I must say that we have had some representation from some clergymen of the Roman Catholic Church, from the United Church and the Anglican denomination, some of them asking for extensions of the waiting period. I think their basic argument has been that they can provide counselling to the couple. We contend that this is not really logical because if a couple is going to a clergyman for counselling they are usually using the banns of marriage announcement in the churches and that is usually over a fairly prolonged period of time, two to three weeks and gives them ample time. We are simply contending that the others will not go for counselling in any event.

Another amendment would remove the requirement that evidence of death of a spouse in a previous marriage be submitted to the Division of Vital Statistics. We have noted that the widow or widower (and I stress this) is already required to sign a statutory declaration concerning their marital status before they can receive the marriage licence. Our experience has shown that intending married couples virtually never attempt to give incorrect information about their present marital status. For the public, particularly if the death of an earlier spouse occurs outside of the country, evidence of this death at times is very difficult and occasionally it is impossible to obtain. We believe that a statutory declaration made by the intending marital couple regarding their previous marital status should be adequate to meet the requirements of Saskatchewan marriage law.

An additional amendment is proposed whereby divorce and annulment documents and health certificates would no longer need to be sent to the Director of Vital Statistics. These documents are presently reviewed by the issuers of marriage licences and by the clergy before a marriage can take place. If there is a problem with the documentation the difficulties are presently cleared up before the marriage occurs. It is simply irrelevant that these documents must then be sent to the Division of Vital Statistics. It is unnecessary for the clergy and it is costly for the government to receive these documents and then return them to the individuals involved, always after the marriage has occurred.

We are also proposing an amendment to the premarital medical examination. We want to preserve the importance of the premarital medical examination; we want to improve the feature, so that the premarital medical examination becomes more meaningful both for the marital couple and also for the physicians that are required to conduct the examination. Changes to this section have been requested by the Saskatchewan Medical Association and the Government of Saskatchewan has agreed with those changes.

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The Department of Health is presently working with the Saskatchewan Medical Association concerning the premarital medical interview and laying down better definitions of diseases which should prevent a marriage from taking place. These definitions and standards will be contained in regulations which will be promulgated subsequent to the passage of this Bill.

I should also like to inform the House, Mr. Speaker, that there are two House amendments which will be coming up on this particular Bill. One is related to an error in drafting where a statement “in a communicable state”, which is in the present Act was omitted in the new drafting and the second amendment deals with the parties in a Doukhobor marriage. I can’t give you too much information on that and I shall dig out some more with respect to it in Committee of the Whole.

Mr. Speaker, I, therefore, move that this Bill be given second reading.

SOME HON. MEMBERS:— Hear, hear!

The Assembly recessed from 5:00 o’clock p.m. until 7:00 o’clock p.m.

MR. C. P. MacDONALD (Indian Head-Wolseley):— In discussing The Marriage Act, I have one objection that merits consideration by the Assembly. In doing so, I don’t want to sound too moralistic.

We are living in an age of marriage breakdown, family breakdown, divorce, with all of its tragic results. Statistics in North America in particular, where specifically the Canadian divorce rate is increasing every day, statistics show an increasing number of people who are getting married, separating, and leaving their children to the tragedy of breakdown. All of a sudden we are introducing an Act in this Assembly which points out one thing. It is attempting to make marriage easier, to make the process as simple and as quick as possible within the law. Perhaps we as legislators in this Province and right across the nation should be examining ways and means where young people who are considering marriage should be encouraged to take their time, should be encouraged to seek out counsel, should be encouraged to go to their minister or their pastor and ensure that decisions of such importance are carefully considered.

Mr. Speaker, instead, it seems to be the trend of the times in all legislatures that what we do at this time is to ensure that we make it as simple as possible. I am not sure that the hasty passing and endorsing of this kind of legislation is a good thing. Perhaps this kind of bill merits real debate in this Assembly, really careful consideration. Even though we look at the technicality of forms, applications and all the rest of the things which the Minister has indicated, perhaps we should stop and take a look and let’s do what we can to prevent marriage breakdown.

Those are the only comments I would make, Mr. Minister, at this time. I see nothing obnoxious in the simplification of the procedures you are talking about, except that perhaps we should be looking at it in its broadest context, and looking at it from the ultimate goal of doing something positive and worthwhile to prevent the kind of thing we seem to be making so much easier

with all its effects and costs to society. For that reason, Mr. Speaker, I will not oppose the Bill, but I throw this out for the Government and for the Minister that perhaps we should be doing something more positive rather than making it as easy as possible and try to slow down tragedies which are occurring in society today.

SOME HON. MEMBERS:— Hear, hear!

MR. R. H. BAILEY:— (Rosetown-Elrose) In recent years, in particular, the last two or three years, we have been subjected to a recent discovery. It is a rather amazing discovery - it seems every decade we have to come up with a discovery - that society is made up of men and women and that somehow little boys are different from little girls. So we have got ourselves into the battle of the sexes. I am wondering if the Minister is aware that in writing up this particular Act if he has checked with the human rights people, I note that there are some very definite discriminatory wordings within the Act itself. You talk about “clergyman” when indeed I would expect that the people who are really looking at this may question that, because we do have females in the clergy. We have the pronoun “he” being used consistently, when it could be he/she. I am wondering in effect, Mr. Minister, in looking at this if you have checked this out with the Human Rights Commission.

Debate adjourned on the motion of Mr. Merchant.

HON. E. L. TCHORZEWSKI (Minister of Culture and Youth) moved second reading of Bill No. 62 - An Act respecting the Provision of Financial Assistance to Municipalities and Non-Profit Societies for Capital Works Projects involving Recreation and Cultural Facilities.

He said: Mr. Speaker, I am pleased to have this opportunity to introduce the new Recreation and Cultural Facilities Grants Act . . .

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI: — . . . which I feel and I know that Members on this side as well as the other side of the House will agree is a major step forward in the development of recreation, cultural and leisure opportunities for all of the residents of Saskatchewan.

Mr. Speaker, this program is designed to provide substantial grants to all communities in the province regardless of their size or location. And as a result will have a significant impact on the development of recreation and cultural opportunities throughout Saskatchewan. Since it is designed to provide assistance to all communities both large and small I expect that each municipality will be directly involved in the program during the next four years.

This Recreation and Cultural Facilities Grant Program represents a very major thrust in the Government’s continuing efforts to improve the quality of life throughout our province. It is the result of several years of research study and intensive planning. It is not an isolated program, it is but a part of a comprehensive long range plan to increase and improve opportunities for individuals throughout Saskatchewan to engage in recreation, sports and multicultural activity.

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SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— Mr. Speaker, work on this program and other recently expanded services of the Department of Culture and Youth began with a policy and program consideration by our Government prior to the establishment of that department in 1972. The purpose of the study was to identify the deficiencies, overlaps and conflicts in government services for sports, recreation, cultural, multicultural and leisure services. Our review identified the limited and haphazard government activities in cultural and multicultural activities which had existed during the 1960s, and presented alternative proposals, policies and strategies to co-ordinate and improve government support for recreation, cultural and multicultural activity.

In identifying the problems and suggesting alternate solutions we naturally became involved with some very basic policy issues in management alternatives. The establishment of a new department was deemed to be the most effective way to co-ordinate government support for a broad range of leisure services.

I have to wonder, Mr. Speaker, whether the Members opposite consider this Department and many of its programs as frills. They speak a great deal about frills when they talk on this Budget and talk in the country to the people of Saskatchewan. They have a tough time identifying what they mean when they talk about these general things they call frills. All we can then conclude is that because they generalize to such an extent, the Tories in particular, that in their so-called zero-budgeting approach they would very likely eliminate many of the programs we have which have benefited so many people in Saskatchewan.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— Mr. Speaker, a capital grants program for recreation and cultural facilities was one of several areas that the newly established department began to study. Intensive research and painstaking planning were carried on in the following years to develop what we believe to be the best overall program of assistance for recreation and cultural facilities in Canada. As a matter of fact, records will show that almost every province in this country has come to Saskatchewan within the last year and a half to study the kind of recreational programming that we have, because they also consider it to be the best in Canada.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— Mr. Speaker, this Recreation and Cultural Facilities Grant Program was therefore something that has developed over a considerable period of time. Activities carried on during this period of time included an analysis of other provincial programs, a study of problems in other provinces, a continual monitoring of suggestions and requests for capital assistance emanating from municipalities, from organizations and from individuals. Our Government considers it essential to involve local government in planning programs to meet their needs. We have talked to them and we have listened to them. We are providing a program that allows them to make their own decisions on the needs that they consider to be most important to them.

The increasing demand for assistance for the development of recreation and cultural facilities had led to the establishment of several bandaid types of minor programming in past years located in several departments. Knowing that this shotgun approach was inefficient and ineffective, Government was concerned with the development of a coordinated program.

Mr. Speaker, I should now like to discuss the program and this legislation in a little more detail. During the four-year period from April 1, 1977 to March 31, 1981, the Government of Saskatchewan will provide more than \$26 million to assist municipalities and voluntary organizations to improve, to expand and build new facilities to house recreation and cultural activities.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— This we expect will generate more than \$60 million worth of construction or an average of \$15 million in each of the next four years. Obviously this will have a significant effect on the economy at the local level and will create meaningful employment. The employment generated by this program will not be meaningless make-work employment as has been the case in some odd programs in the past. Instead the product of the labour in this program will leave us with a rich heritage of facilities which will enhance community life throughout Saskatchewan for many years to come. The program provides for a grant of \$25 per capita during the four-year period from April 1, 1977 to March 31, 1981. It is available for both urban, and I wish to stress, both urban and rural residents alike. It is therefore one of the few grant programs which addresses itself to a concept of community which includes both urban and rural residents.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— A further \$5 per capita bonus for projects which are jointly planned and supported by more than one municipality provides an incentive for rural urban co-operative action in planning and operating facilities and programs to serve the total community. This bonus also provides an incentive for small urban centres to jointly plan and share facilities to maximize the use of facilities and to reduce operating costs. An example of this is illustrated by two small urban centres getting together and agreeing that one would build and operate a new skating rink to serve both communities, and another might build and operate a new swimming pool to serve both communities.

Increasing demands for more and better services suggest to us that we must take full advantage of the potential of each facility and piece of equipment so that we can provide additional services and still stay within the financial capabilities of the community. It is therefore extremely important that we as a government encourage and assist with co-operative action at the community level and that municipal representatives explore the possibility of joint action programs to ensure full utilization of existing resources in order to accommodate some of the demands for new or extended services.

Mr. Speaker, Saskatchewan was built by people working together. I know that there are some politicians in this province, across the way who would probably leave them on their own. Our Government is prepared to assist them. Since 1971 through our

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assistance, rural Saskatchewan has grown, as well as urban Saskatchewan. They are strong and we have helped them to be strong.

Mr. Speaker, with the maximum of \$25 per capita or \$30 per capita as the case may be, the grant will cover up to 50 per cent of the cost of the project. The stacking of this grant with other provincial or federal grants is permitted up to a maximum of 60 per cent of the cost of the project, except in cases where the community capital fund is involved. The regulations of the community capital fund permits stacking of grants to a maximum of 75 per cent of the cost of the project.

Now a major difference in this program from most programs is that it recognizes volunteer labour as an acceptable part of the community's share of the cost. In recognizing volunteer labour as part of the community's share it gives the community the option of raising their 50 per cent in cash or reducing the cash required by recruiting volunteer help. The community contribution may therefore be 25 per cent of the project in cash and 25 per cent of the cost of the project in volunteer labour. Because of the difficulty involved in processing claims involving volunteer labour it is necessary to establish a set hourly rate allowable for volunteer labour of this kind. This rate will be established at \$3.50 per hour for volunteer help, except when it involves the services of a skilled tradesman such as a journeyman, a plumber, electrician, carpenter and so on, where we will allow the going rate for these services in computing the labour costs. We will not require that cheques be issued to volunteers to verify labour costs as has been the case in the past, but we will require a responsible person to keep accurate time records and verify these records. This change will eliminate many accounting problems at the community level, such as income tax recording, unemployment insurance deductions, and so on.

However, we as a government have a responsibility to properly account for the spending of public funds and therefore will require accurate and validated time certificates to submit to our auditors to substantiate the claim for the grant. It is therefore essential that procedures for accurate recording of volunteer time be established before work begins on the project.

Mr. Speaker, as I indicated earlier we as a government are concerned that maximum service is derived from every resource in order to be able to finance additional services and opportunities. Maximum use of every recreation and cultural facilities is therefore essential if we are to provide more and better facilities and programs. One of the major objectives of this program is therefore to encourage the development of multi-use and multipurpose facilities. All too often in the past facilities have been designed and built to serve a single use or a limited function, as such are used only a fraction of the day, during only one season of the year. Many skating rinks are examples of this limited use. But with modifications in design and structure they could become multi-use facilities, catering to the needs of a variety of programs at all times of the day, throughout all of the year.

Insufficient preplanning and long range planning has been largely responsible for the development of limited use of facilities in the past. Facilities must be well planned if they are to serve a variety of functions. Heretofore the Government has only been able to offer to municipalities limited help

in the planning process. Many grant programs, such as the Young Canada Works, the Local Initiative Program have encouraged crisis planning in that they require a community to mount their program and begin construction within the month they are to receive the maximum benefits. To ensure maximum use of a facility, it must be properly located and designed to serve the total needs of the community. Planning the facility should therefore begin by all the groups and the public at large submitting their facility needs and suggestions. All these facility needs should then be incorporated into the design of the facility which is then publicized and subject to revisions as a result of further suggestions. Limited funds may prohibit the incorporation of all the requested facilities at one time, therefore priorities may have to be established with provision made for future expansion at a later date.

Facilities must be designed to serve programs and to serve people. This program which we are considering in this legislation, Mr. Speaker, is designed to assist in improving the planning process in two ways.

First, we have made it a four-year program, so that communities will have time to undertake careful planning without fear of losing the grant and secondly we have acquired the services of an experienced facility consultant who is able to assist communities in planning their facilities. While the primary objective of this capital grant program is to assist in improving or expanding facilities, winter employment, as in the previous Winter Works Program, will be a major concern of the Government in reviewing applications for assistance. The program does not limit work on facilities to the winter months, but it does encourage maximum practical use for winter employment by providing a higher percentage of cost-sharing labour costs during the period of November 1 to May 31. As well, project sponsors will be required to submit a construction timetable with their application. The department may suggest postponement of certain aspects of the project to the winter season if they can be as easily and efficiently done in the winter as in the summer.

Mr. Speaker, in 1980 the Province of Saskatchewan will be celebrating its 75th birthday. Planning for these jubilee celebrations has already begun. Construction of community facilities has been a significant part of the past celebrations of this nature, with funds for facilities coming out of a one shot special fund for the celebrations. Because these were one shot programs, funds were limited and the amount available to smaller communities was inadequate to enable them to undertake a very major construction program. Communities were further restricted due to the time limitation. One of the objectives of this program is to co-ordinate recreation and cultural facility development with the activities planned for the 1980 Jubilee celebrations.

In summary, Mr. Speaker, the major objectives encompassed in the Bill on this program are as follows; to encourage and to assist in developing functional multi-youth cultural and recreation facilities; to assist in upgrading and improving existing facilities; to encourage intercommunity co-operation in the planning, the development and the operation of a greater variety of facilities within easy access of every one in the province; to co-ordinate government assistance in communities constructing, renovating or expanding cultural and recreational facilities; and to co-ordinate cultural recreational planning and construction with the 1980 Jubilee Celebrations.

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Mr. Speaker, it is clear that this Government has made every effort to keep the financial assistance to communities increasing in proportion to the overall development of recreational and cultural activity in Saskatchewan.

Mr. Speaker, Saskatchewan people maybe sure that it is our intention to continue to increase the financial support to municipalities in proportion to the demand for more and better leisure programs. During the past five years this Government has done more for Saskatchewan communities than Liberals and Tories could ever even think of doing.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— Therefore, Mr. Speaker, at this time it is a pleasure and an honour for me to move second reading of this Bill.

MR. A. N. McMILLAN (Kindersley):— Mr. Speaker, I will be fairly brief in my remarks and let me at the outset attempt to put the Minister's unnatural paranoia of the Opposition to rest. He suggested that we may have some comments to make about it being a frills program. Under these circumstances I suggest that probably the people of Saskatchewan will be the ones to decide this because in fact there has been some considerable demands on the local level for a program of this nature, the demand has been there for a long time. It was there when the Winter Works Program was in. I must commend the Minister on having switched one with the other. The Winter Works Program, while it did go a long way towards helping communities provide recreational and cultural facilities, it had severe problems in its administration and in the way the Act was written. It urged people to employ the program as a capital construction program although it was supposedly designed as labour incentive and this new program when taken in that context merely expands the old Winter Works Program or at least expands the effect of the old Winter Works Program. I commend the Minister and his Department for reacting to a need the people of Saskatchewan have demonstrated is there.

SOME HON. MEMBERS:— Hear, hear!

MR. McMILLAN:— Whether or not the program is a frills program, I say it will be decided by the people of Saskatchewan. I would like to take this opportunity to commend the Minister on being able to squeeze this money out of his Cabinet and in so many other obvious examples money that is necessary to upgrade our highways, wasn't apparently there for the Ministers involved. The same may be said to some degree of certainty about the Department of Health as well, but those questions will be decided on other debates.

I should like to commend the Minister for bringing in the program. I think it is going to fill a very worthwhile need in rural Saskatchewan particularly. There has been some concern indicated on the local level already that there may be an imbalance in recreational facilities constructed under the program and I would encourage the Minister to make sure that his Department looks very closely at the applications that come in to ensure that there is a balance in the type of recreational facilities that is proposed for construction or expansion on the local level.

I suspect that the Minister can be assured that support will be coming from this side of the House. Our caucus can't speak for the other Members on our left. As far as this program goes I hope it works out well and, as I say, whether or not it is a frill program will be decided by the people of Saskatchewan.

I have nothing further to say on this. I suspect that my colleague in the Conservative caucus would like to say a few words.

MR. R. H. BAILEY (Rosetown-Elrose):— Mr. Speaker, I should like to congratulate the Minister for the introduction of this Bill. I think that there is a obvious need in Saskatchewan for this type of assistance as he has well stated.

I should caution the Minister, however, to keep in mind that if you are bringing in new speech writers you should let them do the speech writing on their own rather than come up with some of this political jargon at this time. Because, Mr. Speaker, the real people who keep these organizations going, sponsored in part by Culture and Youth, are not the Government, are not the Government departments, but rather those people out in the community of Saskatchewan who work very hard, voluntarily in keeping curling rinks, baseball diamonds and so on, going. They are the ones who really keep it going and the Government should not try, at this particular time, to take, as the Minister did, all the credit.

The grant structure, of course, that the Minister has been talking about will be very welcome indeed in the Province of Saskatchewan. However, the amount of money that has been mentioned, Mr. Minister, is less than that of the contribution to the Energy Fund to the general revenue of \$35 million. I think that is a pretty dangerous thing to mention at this particular time, when the people in Saskatchewan are not very happy with this Government's expenditures of millions and millions of dollars in the potash industry.

A point I should like to mention as well, Mr. Speaker, to the Minister. Early this year, I believe it was in January, we were discussing some of the problems of budgeting with the department people. I would hope that the Department of Culture and Youth could get together with the Department of Education (they are both headed by the same Minister), and get some facts straightened out at this particular time before this legislation goes out to some of the people in Culture and Youth.

I found in a meeting not too long ago, Mr. Minister, when a senior official of the Department of Culture and Youth indicated to the Recreation Board present that all they had to do to receive funds from the Department of Education was to send in the bill for the cost of the total operation of that particular facility. I questioned them on this, of course, and he didn't have anything on paper. I later phoned the Department of Education official and he indicated that this is what the grant formula is going to be for Education using other facilities. Two months have gone by, Mr. Minister, and this policy has not yet been clarified and I suggest that this policy had best be clarified before you get your own two departments chewing away at each other.

Mr. Speaker, in looking at a structure such as this there is just one more point that I wish the Minister to make. I have

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discussed this particular point, Mr. Minister, with people in Culture and Youth as well as people in Education and the same problem exists in the rural areas of Saskatchewan as far as the application of grants of the Culture and Youth as there are in Education. I am wondering if the Minister has given any consideration at all to the concept of graduating the grants based on population. The reason I mention this Mr. Speaker, is that the areas in rural Saskatchewan which would be most deserving of a grant or working with the Department of Culture and Youth, really cannot get too much accomplished on the straight per capita grant.

Let me give you an example Mr. Minister. If you have a community, say drawing from an area where you have 3,000 people, whereas down the way you have a community of 1,500 people, 20 miles away that needs a certain recreational facility and both will have virtually the same expenditure to make in putting up the facility and yet according to your grant, one would receive twice the amount of money to do so. Now obviously as we look over the next few years and we look into the 1980s, it is going to be imperative not only in the Department of Culture and Youth but also the Department of Education to take a look at this type of funding, graduated funding according to population. And I would hope that the Minister would carefully consider this for the benefit of those who need facilities and need them very badly, but simply do not have the population which they can draw on or claim for grant purposes.

Mr. Speaker, I again should like to commend the Minister for the introduction of this Bill and I am sure that everyone in this caucus will be supporting him.

MR. TCHORZEWSKI:— Mr. Speaker, first of all let me extend my appreciation to the Members opposite for their support of this legislation. I appreciate that and I am glad that they realized the program is a good one.

I am a little worried though by the comments of the Member of the Liberal caucus because he is acting more and more like his colleagues from the Conservative caucus. I hear so much said these days about frill programs and when I listen carefully to what the Member had to say in agreeing to this Bill, I couldn't really find him clearly saying to this House whether he specifically agreed or disagreed, that it was a frill program. He left himself all kinds of room to be able to say anything he wants out in the country by being so general in his comments to this House. I submit, Mr. Speaker, that I am prepared to go on record as saying that it is not a frill program. I am prepared to go on record in saying that programs geared to provide recreation and leisure and cultural activities for people in Saskatchewan no matter where they live ...

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— . . . whether those be in a town or a rural municipality or a village or a city. These programs are not frill programs.

SOME HON. MEMBERS:— Hear, hear!

MR. TCHORZEWSKI:— And if the program will be judged on the basis of that, Mr. Speaker, I know what the decision of the people of Saskatchewan is going to be. Now the Member also mentions that he wants

us to look at the applications that come to the department and he seemed to suggest that after looking at those applications we should be dictating to the municipalities what they ought to do. That bothers me a little bit because I believe locally elected municipal authorities are responsible people. And I believe because they are responsible people and because they are elected that they are in the best position to make those decisions. We will certainly assist in any way that we can and that is why we have allocated the personnel that we have in the Department to assist with this program. But the ultimate decisions will have to be made by the municipal councils and the recreation boards and other organizations in the towns, cities and villages of Saskatchewan.

Mr. Speaker, the Member for Rosetown-Elrose (Mr. Bailey) also agreed with the legislation and I want to thank him for that as well. He did make some valid suggestions. But I think his attack on defenceless officials who work for the Government, in the civil service is unfortunate.

He alluded that the people who were out in the field, whom he was meeting with were giving him the wrong information. Let me suggest that as a school superintendent if he would read the directions and memos that come out from the department and try to understand them he would know what the policies are and he would not have to depend on those officials that he does not trust so very much.

Mr. Speaker, I am convinced that it is a good program. I am not going to pretend that it is a perfect program, I don't think there is such a program. No doubt there will be some shortcomings that we will have to look at over time. If we find that we need to make some improvements, we will seriously look at making them.

So at this time, Mr. Speaker, I am glad that this legislation will get the unanimous support of this House.

Motion agreed to and Bill read a second time.

MR. TCHORZEWSKI (Minister of Culture and Youth) moved second reading of Bill No. 61 - An Act to amend The Theatre and Cinematographs Act, 1968.

He said: Mr. Speaker, just a few brief comments on this Bill. It is like other legislation, that from time to time we bring before this House. It is legislation that has not received consideration in the House for some time. It has essentially been a good piece of legislation and I think for Saskatchewan did an excellent job. And this Act to amend The Theatre and Cinematographs Act, 1968 is by and large a piece of housekeeping legislation. Responsibility for this Act was transferred to the Department of Culture and Youth from the Department of Labour and the amendment to Section 2, clause (f) notes this change. The change in the definition of film, miniature film and reel, takes into account the present technology of the film industry. Presently much of this new technology, Mr. Speaker, is not covered by the legislation and because of the changes in the kinds of things that are done or used in the film industry I think it is necessary to bring about these new definitions.

The amendments to Section 3 to 6 involve the transferring of administrative responsibilities from the Minister to the Board.

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The deletion of Section 7 and amendments to Section 8 and subsection (1) clarify the size and the appointments to the Board.

Mr. Speaker, for a number of years the film classification board has used a special "X Category" on a trial basis, with the agreement of the theatre operators as an additional category to the general, the adult and restricted adult classifications. This along with the use of captions has allowed the board to more accurately inform the public as to the content of movie films. This experiment has been successful. For that reason the addition in the definition of the special X classification and the definition of the restricted adult classification has been included in these amendments.

This is not a change in policy, or a change in practice, Mr. Speaker, it simply puts into law what is now being done. It provides an opportunity for enforcement if and when it might be needed at some time.

At this time with these few explanatory comments, I move second reading of this Bill.

MR. A. N. McMILLAN (Kindersley):— Despite the fact that the Minister's preceding comments make it difficult for me to be charitable as a representative of this caucus, I am certainly prepared to admit that the danger represented in this legislation would have to be minimal to the people of Saskatchewan. There will be no problem with support from our caucus and I don't know if I provided you with some incentive to get up and give us another thousand "Hail Marys" on it. It is far beyond me. But certainly you will have the support of our caucus.

Motion agreed to and Bill read a second time.

HON. C. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill No. 58 - An Act to amend The Gas and Electrical Rates (Public Corporations) Act.

He said: This Bill proposes an amendment to The Gas and Electrical Rates Act which will empower the Local Government Board to review the price of energy sold to a customer on request.

The statute presently provides for a corporation, company or a person to be able to apply to the Local Government Board for review of the rates being charged. This legislation will grant to the supplier the same right of appeal. Since 1973 the value of natural gas, oil and other energy resources has risen dramatically. It is the policy of the Government in Ottawa that Canadian consumers should pay the world price for oil and natural gas and that this price should be reached by increases staged every few months.

Much of the energy consumed in Canada comes from Alberta and Saskatchewan, so this policy will mean even greater revenue for the two provinces as the prices rise.

Most Members of this Assembly are aware that pipe lines carry natural gas from West to East. This means that communities downstream buy from producers upstream on the pipeline. It means that a good deal of the natural gas consumed in Saskatchewan is Alberta gas, while our Saskatchewan product is sold downstream

in Manitoba and Ontario. We are therefore subject directly to the increased prices, though there is a degree of compensation from downstream sales.

Certain users of natural gas receive their supplies under arrangements other than monthly pricing. Where long-term arrangements exist and gas is supplied at a price below the going rate, other customers must make up the difference. The fixed rate customers are generally industrial users. So this means that homeowners must pay an increasing share of the cost of gas they do not use. It may well be that some industrial consumers require a reduced rate of some sort due to the economics of their operation. An independent judgment is useful, perhaps necessary to mediate between the interests of the Saskatchewan Power Corporation in protecting the average customer or the homeowner and the interests of the industrial corporation which of course will seek to retain its low price.

This Bill permits the Local Government Board to act as the independent adjudicator, not only when a customer appeals a rate, but also when a supplier feels it must appeal in the interest of better balance or fairness in prices between customers. The amendment will give a gas utility the same right as its customers presently have, that being the right to apply to the Local Government Board for a variation of the rates where gas is being supplied in a rural municipality. Under present legislation the gas utility may apply to the Local Government Board for a variation of the rates where it is supplying gas in a city, town, village or hamlet.

Mr. Speaker, our Local Government Board has a long reputation for objectivity and fairness. It contains the necessary expertise to make a judgment between the economics of a corporate enterprise and price equity. We are confident this Bill will produce an acceptable method of arranging a reasonable relationship in prices as compared to cost, and as between different users with different needs, I move second reading of the said Bill.

MR. C. P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

HON. E. KRAMER (Minister of Department of Highways) moved second reading of Bill No. 46 - An Act to amend The Highways Act.

He said: Mr. Speaker, there are a couple of minor amendments to The Highways Act. The first, Section 67(1). The present Act is difficult for truckers who have been unfortunate enough to be caught with a violation, whether it be an overload or another. If the fine is not immediately available, if he doesn't have the money, the magistrate has no alternative but to seize his vehicle for at least five days. This, of course, takes away the trucker's livelihood.

A change in the Act will allow the magistrate to act otherwise. It will enable the magistrate to issue a distress warrant, have a sheriff seize the offender's goods to satisfy an unpaid fine, if he does not pay it after he has been allowed to continue to work. It allows the judge, as I said, to give the offender time to pay and leave him his truck during that period of time

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while collecting the fine and expenses. The distress warrant procedure will allow the magistrate or the judge to do this. By allowing time to pay, the accused would likely be in a better position to pay than if the source of his livelihood had been seized at the time of conviction.

The second, Section 81, the authority does not exist for the Minister to prohibit parking on highway shoulders at the present time. There are a number of cases where truckers will pull off the road to rest or to sleep and they do at times, especially during storms, provide a hazard. They also cause damage to the shoulders of the highways which are not heavily enough paved to withstand their heavy loads. This should not be allowed to happen and this change in the Act will allow us to take faster action than the present Act allows us to do.

There is another example that some of us experienced here in Regina in the last summer with the construction on the No. 1 bypass. Last summer when it became muddy on the construction area there was just a constant row of trucks parked on both sides of the road and it provided a serious hazard. We just can't permit those kinds of things to go on. We have to have this extra bit of power or jurisdiction to keep from going through the longer process of applying to the Highway Traffic Board first before we can get an order, it takes two or three days. That is really all these two minor changes consist of. I move second reading of Bill No. 46.

MR. E. ANDERSON (Shaunavon): —Mr. Speaker, I should like to address a few words to this Bill.

It would appear to me judging by the one section amending the Act is for the purpose of hitting at the inland terminals. It seems rather odd at this time why it is necessary to change the Act from just seizing the truck and paying the fine as you can now seize other chattels, and you can offer them for sale.

The Government, I believe, knows that public opinion is not with them on their Inland terminal stand and I think they are trying to strengthen their hand to stop them by any legislation they feel necessary.

I do believe that this action is being taken for that reason and it is going to infringe upon the basic right of our farmers to start out a market system that they wish to try and to deliver that market system.

Because I should like to have a closer look at the Minister's comments in Hansard, I would beg leave to adjourn debate at this time.

Debate adjourned.

HON. J. R. MESSER (Minister of Mineral Resources) moved second reading of Bill No. 39 - An Act respecting the Saskatchewan Mining Development Corporation.

He said: Mr. Speaker, I take pleasure in moving second reading of an Act respecting The Saskatchewan Mining Development Corporation, Bill No. 39. This Bill, Mr. Speaker, will endeavour to ensure for the people of Saskatchewan a major role in

the development of the mineral potential of primarily northern Saskatchewan.

Through the Saskatchewan Mining Development Corporation, the people of Saskatchewan will be guaranteed the opportunity of an equity position in all new mines that will be developed in northern Saskatchewan. I believe that this is a most important step forward, in that an equity position in development gives Saskatchewan people a strong voice in matters pertaining to the expansion of mining enterprise as well as the related problems of conservation and environmental concerns in the North.

Secondly, the possibility of greater revenues to our citizens is greatly enhanced by holding an ownership position in our minerals. For these reasons the Saskatchewan Mining Development Corporation was formed in June of 1974 by Order in Council passed under the authority of The Crown Corporations Act. It has operated very efficiently on that basis since that time. Indeed, the Saskatchewan Mining Development Corporation could continue to operate on its present authorities. But the activities of the corporation have expanded to such an extent that more independence is now warranted.

Another reason, Mr. Speaker, for introducing this legislation is to establish beyond any doubt the right of the corporation to acquire mineral properties both through joint ventures with other mining companies and in its own right. Section 7 of The Crown Corporations Act limits the right of a corporation formed under the Act to acquire real property by placing a \$5,000 ceiling on the value of such property that may be acquired without an Order in Council. Most lawyers are of the opinion that mineral claims are personal rather than real property and hence are not included in the limitations stated in Section 7 of the Act. A minority of lawyers, however, believe that mineral dispositions could be regarded as real property so that the Saskatchewan Mining Development Corporation would require an Order in Council each time it acquired a mineral claim whose value could be in excess of \$5,000. In the extreme, the principle could be extended to imply that an Order in Council would be required for each time SMDC wishes to spend more than \$5,000 on a mineral disposition.

While we don't agree with the interpretation, this Bill will remove all doubt about the authority of SMDC to acquire mineral properties. The proposed legislation is not retroactive so the legality of the acquisitions made to date by SMDC has been assured, and will be assured by passing any necessary Orders in Council required by Section 7 of The Crown Corporations Act.

Sections 1 to 10 of the Bill - I am sure that all Members will be familiar with the first ten sections of the Bill, due to their similarity to sections in other Bills considered and passed by this House. These sections establish the name of the corporation, provide for the continuance of SMDC as now established and outline the method by which the board of directors is to be appointed and how it is to operate, the authority to acquire staff and to establish employee benefit plans are also included in those first ten sections.

Section 11, this section may be described as the heart of the Bill in that it sets out the sphere of activities for the Saskatchewan Mining Development Corporation. While it is

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intended that the main thrust of the corporation will be in the field of metallic minerals occurring in northern Saskatchewan, Saskatchewan Mining Development Corporation is not excluded from dealing with industrial minerals such as coal, clay and silica sand that occur in the southern part of the province. This is not to say that the Government has decided that SMDC is the agency of the Crown that will be responsible for implementing initiatives that may be taken with respect to these types of minerals. But only that it is not prohibited from dealing with them. In fact, as stated in Section 11, the only specific exclusions among the minerals that are normally mined are potash and sodium sulphate.

Section 11 also extends to SMDC powers that would normally be exercised by any fully integrated independent mining company. Rights to enter into joint ventures with other mining companies, to obtain patents to issue concessions, to form subsidiary companies and all included.

The right to form subsidiaries is of particular importance because mineral deposits are no respecters of political boundaries so that to protect its position SMDC must have authority to operate in other areas of Canada, particularly in adjacent parts of Alberta, Manitoba and the North West Territories.

Section 13 - it will be noted that Section 13 places no limitation on the powers of the corporation to acquire and dispose of property. The reason for the absence of limitations is that we intend this corporation to participate in mining activities with mining companies and it is important that in doing so its board of directors have powers similar to those of a private company in the acquisition of mineral property. There are, of course, limitations placed on the corporation in that the approval of the Lieutenant-Governor-in-Council is required for SMDC to obtain its funds.

Sections 14 to 18 - these sections deal with the financing of the corporation and are normal in all bills of this type. Section 14 allows the Minister of Finance to advance money to SMDC from the consolidated fund and Section 15 permits the borrowing of money with the approval of the Lieutenant-Governor-in-Council. In practice, most of the financing of the corporation will be carried out using moneys borrowed from the Energy and Resource Development Fund.

Section 17 provides authority for the province to guarantee any loans, bonds or other debts that may be incurred so that SMDC can take advantage of the excellent 'AAA' credit rating of the Province of Saskatchewan.

Section 19 provides for a fiscal year that ends on March 31, although this date can be altered by the Lieutenant-Governor-in-Council; March 31 is a preferred date as most mineral exploration activity in northern Saskatchewan is carried out during the summer and winter months. By choosing March 31, the expenditure for each year's work program can be cleared through the records of the corporation before the end of the fiscal year. In this way the financial statements presented in the annual report will accurately represent the activities carried out during the year covered.

Section 20 permits for the appointment of an auditor other than the provincial auditor. Since we view SMDC as an independent mining company that operates on a basis similar to a mining company in the private sector we feel that it is only reasonable that it should be audited by an accounting firm accustomed to and

having specialized knowledge of mining operations.

Mr. Speaker, I want to address some remarks to the nature of the corporation. In order to assist the Members in their consideration of the Bill, I want to discuss some of the philosophy behind the formation of the Saskatchewan Mining Development Corporation and to review its activities to date and planned activities for the future.

Mr. Speaker, underlying the formation of the Saskatchewan Mining Development Corporation is the belief that mineral resources can best be developed by the public and the private sectors working closely together. For years in most parts of Canada it has been assumed that these two sectors have entirely separate and distinct roles to play in the development of mineral resources. The philosophy behind the programs of Conservative and Liberal provincial governments has been twofold. One, that the government confine itself to determining conditions under which the mineral lands will be explored and/or developed and to conduct geological and other scientific surveys for purposes of providing basic data, and to the establishment of a royalty and tax regime suitable to encourage exploration of minerals by the private sector. Secondly, industry provides the expertise and capital necessary to search for, develop and market minerals and takes all the financial risk involved. This has led to major resource giveaways and I think there have been examples of them not only in this province but all across Canada.

Let me, Mr. Speaker, give you brief examples. Take Tory Ontario. The Ontario Government's construction of their Temiskaming and Northern Ontario Railway led directly to the discovery of a rich mineral field. The Ontario Government then proceeded to parcel out the field to private companies. Between 1906 and 1965 this mining area produced \$115 million in revenue but the provincial government was compensated by a paltry \$66,000 in royalties. During the Liberal regime of the early 1940s Hudson Bay Mining and Smelting Company was responsible for approximately 90 per cent of quartz mining production in this province. In 1949 on production of 1.7 million tons of ore worth approximately \$18 million, the company paid to the province \$180,908 in royalties on profits exceeding \$4.2 million.

Now, Mr. Speaker, some Hon. Members are saying that this was in the past. Governments of the present are much more enlightened. Let me remind you of the situation in 1970 when Saskatchewan was producing nearly 90 million barrels of oil, a rapidly depleting resource. Yet the Liberal administration of the day, the Liberal administration of 1970, was collecting only 25 cents per barrel in royalties. Governments have been and continue to subsidize private mining development but have not taken, Mr. Speaker, an equity position in resources which belong to all that that government represents.

SOME HON. MEMBERS:— Hear, hear!

MR. MESSER:— We, Mr. Speaker, are of the opinion that this long established philosophy of mineral resource development is out of date and not relative to the second half of the 20th century, and that government can and, indeed should, play an active role in all phases of the mineral industry including exploration and financing of mine construction. Through the Department of Mineral Resources we will continue to determine by means of regulation the conditions under which Crown owned minerals will be

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developed and we will continue to maintain active programs of geological and scientific surveys that are so essential to mineral exploration. The recent development in Saskatchewan of uranium royalty structures that are acceptable to both industry and government indicates the need for the government to obtain a fair return to the province for its mineral wealth, need not necessarily conflict with the objectives of the industry. It is by means of the Saskatchewan Mining Development Corporation that we intend to participate in the exploration for and the development of Saskatchewan minerals, a field previously left entirely to private industry.

In entering into this aspect of mineral development we have no misapprehensions as to the risks involved and we intend to share those risks with industry as equal partners. We know, for example, that statistical studies indicate that it costs about \$30 million to find a mine in Canada with the average company spending \$3 million annually over a ten-year period of time before realizing success. But statistically studies also indicate that successful companies realize a considerably greater return on capital than do most other business ventures. We are, of course, Mr. Speaker, interested in much more than a return on the money that we invest. Whenever an ore body is discovered and a mine established all residents of the province are virtually affected by the decisions made by the company owning that discovery. We feel that the people of Saskatchewan, the people of this province, should be involved in the decision-making process surrounding the construction of the mine and that the fairest way to obtain such representation is to participate in the venture from its initial stages onward, sharing in all the risk.

Based on the experience of the Saskatchewan Mining Development Corporation since it was founded in June of 1974, it would appear that industry does not seriously quarrel with that philosophy. More than 50 companies have voluntarily sought to participate with the Saskatchewan Mining Development Corporation in their exploration ventures. A total of 30 agreements have been signed or are in the final process of now being negotiated. As noted previously most of the activities of the Saskatchewan Mining Development Corporation to date have been confined to so-called hard rock or metallic minerals that occur in northern Saskatchewan where the Corporation participates in mineral exploration and development in two ways: one, by joint venture with the private sector, and two, by exploring for minerals in its own right.

Joint ventures with industry to explore for minerals may take two forms and I want to explain those to Members of the House. On terms acquired by industry prior to March 1, 1975 the disposition holder may at his option approach the Saskatchewan Mining Development Corporation on a voluntary basis to seek the Corporation as a partner. In this type of venture the Saskatchewan Mining Development Corporation usually holds the minority position and the company offering the ventures acts as its operator. The venture is controlled by a management committee in which each participant votes according to its cost share and, as I noted previously, about 50 companies have come forward on this basis and so far 30 agreements have been concluded or are in the final process of being concluded.

Secondly, on terms acquired by industry after March 1, 1975 the disposition holder is required to offer the Crown a 50 per cent joint venture when it is first intended to expend more than

\$10,000 on a particular disposition in any one given year. Until very recently joint ventures of this type were handled by the Department of Mineral Resources, but effective December 1, 1976 this activity was transferred to the Saskatchewan Mining Development Corporation. We feel the transfer is logical as the Corporation is better equipped to deal with the mineral industry in all phases from exploration through the development of a mine. Usually the company acquiring the property acts as an operator, although the Saskatchewan Mining Development Corporation will assume that role if it is requested. The joint venture is controlled by a management committee with each party voting according to its cost share as is the case in volunteer ventures.

In addition to its joint venture activities, the Saskatchewan Mining Development Corporation also explores for minerals in its own right on ground held by the Corporation. The Corporation may seek a joint venture partner for some particular area or areas but in doing so it usually retains a majority interest and acts as the operator.

On April 1st of 1975 about 37,000 square miles of Crown mineral reserves in northern Saskatchewan were transferred to the Saskatchewan Mining Development Corporation for exploration and development. These areas were received from the Department of Mineral Resources in the form of permits that are subject to all the regulations governing such dispositions. All permits were advertised for joint venture partners and agreements with companies from Canada, the United States, West Germany and Japan covering most areas have now been completed and signed.

In addition to the permits covering the Crown reserves, the Saskatchewan Mining Development Corporation has acquired mineral claims totalling 343,789 acres and additional permits totalling 1,325,573 acres. During the 1976 field season 11 exploration projects were carried out — nine in the search for uranium, one for base metals and one for graphite. A total of 14 exploration projects are planned for the 1977 field season. The Saskatchewan Mining Development Corporation has extended also its operations beyond the provincial boundaries, both in joint ventures with the private sector and in direct exploration. In terms of joint ventures, one such venture is in Alberta, two are in the North West Territories and one is in the Province of Manitoba. In terms of direct exploration the Corporation is actively engaged in exploration in Manitoba and in the North West Territories. All the grounds outside of Saskatchewan are held in the name of a wholly owned subsidiary, SMD Mining Company Limited. The Saskatchewan Mining Development Corporation has been involved in a major mining development at Key Lake, as I think most Members are aware. Although most of the activity is now directed towards the search of uranium we see the Corporation becoming increasingly active in exploration for base metals, particularly in the La Ronge, South end, Flin Flon triangle. A possibility exists that a graphite mine could be established within the next few years in that area.

Mr. Speaker, mineral exploration activity in northern Saskatchewan is proceeding at an unprecedented level with about \$20 million annually being spent in the search for minerals, as compared to less than \$3.5 million in the early 1970s. The Saskatchewan Mining Development Corporation is a Crown corporation that is in the right place and at the right time. By providing mineral exploration and mine development expertise and providing much needed capital, it has already played a significant role in stimulating mineral exploration activity in

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northern Saskatchewan and that role, Mr. Speaker, I suggest to the Members of this Assembly, will increase in the future. In fulfilling this role it will not only benefit the people in the northern part of this province, but also every one resident in the Province of Saskatchewan.

Having addressed these words to the second reading of Bill No. 39, it is a pleasure to move this Bill for second reading.

SOME HON. MEMBERS:— Hear, hear!

MR. C. P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, I don't know how many Members have read this Bill. This Bill, Mr. Speaker, is the last nail in the coffin of the free mining industry in the Province of Saskatchewan. This Bill is about the fourth or fifth of its kind that has been introduced since 1971 in this Assembly. I would like to ask all the Members to review, very briefly, what has happened in the resource industry since 1971 in this province.

First of all we got into the oil industry with Bill 42. For the last ten years until Bill 42 we averaged 1,000 wells a year in exploration and development. Since Bill 42 it is about 200 a year, the majority by SPC and Saskoil. The oil industry has practically died as far as exploration and development is concerned in the Province of Saskatchewan because of government interference.

Let us look, second, into the potash industry. In the last five years we have seen practically every single potash mine want to expand their present operation and increase their productivity. But all of a sudden we found that the Saskatchewan Government got into the potash industry. In the last five years we have not increased the productivity of potash in the midst of a starving world, one single iota. The potash exploration and development has been dead.

Watch what happened in the timber industry and except for a few socialist enterprises that are costing the taxpayers millions of dollars and use the abortion at Hudson Bay and the tremendous costs at Carrot River and the over-utilization of the forests as examples, the forest industry has been dead.

We turn around and look and now they are going into the mineral industry in northern Saskatchewan. No one in this country and no one in this province objects to joint ventures. There is the occasion when private industry requires the capital and can join on a free and voluntary basis with the public sector for growth and development, but when they are forced to by legislative action, when the Government determines that they, the Government, are the ones that are going to control the development of the resource industry of this province, then we are going to find that the private sector is going to leave and never return. Mr. Speaker, let's not kid ourselves, private initiative has built and developed the resource industry in this province, private initiative has no objection to paying its fair share, no objection, but now we find that the Government has determined that they are going to monopolize the resource development at much sacrifice by citizens of Saskatchewan. What will the benefits be? When are we going to have new oil development? When are we going to have a new potash mine? The only thing you people can do is spend our money on jobs that are already there and development that has already happened.

SOME HON. MEMBERS:— Hear, hear!

MR. MacDONALD:— It is rather interesting, the Minister said most of the capital will be borrowed from the Energy Fund. I wonder why they didn't say they had borrowed the money for the potash purchase of Sylvite and Duval from the Energy Fund? Because they know they are going to show a bad profit and loss statement. For example, the \$108 million they took from the Energy and Resource Development Fund, that is \$10 million lost revenue to the Province of Saskatchewan just in interest. No wonder they don't want to pay interest. It will be very interesting to see what happens to the balance sheet when they come to the Saskatchewan potash Corporation. No, Mr. Speaker, I suggest to you that this Bill requires a great deal of care and a great deal of consideration. I suggest that the resource record in the Province of Saskatchewan is a disaster. You have not one single accomplishment to point out in five years and I challenge the Minister to give us one. Not one new oil field; not one more new ton of potash; no new timber development of any worthwhile magnitude; no hardrock minerals. Mr. Speaker, the resource record of the NDP in Saskatchewan is a disaster and this Bill ensures that it will continue to be a disaster in the hardrock mining field.

SOME HON. MEMBERS:— Hear, hear!

MR. MacDONALD:— Mr. Speaker, what are the arguments that the Minister uses? To examine the fallacy of his argument he goes back to 1906.

MR. MOSTOWAY:— . . . Liberal . . .

MR. MacDONALD:— Oh, no, Mr. Mostoway, the Member for Saskatoon Centre, he should know what has happened in Duval, already production is down; railway workers are being laid off. No, Mr. Speaker, I suggest to you that this Bill, Bill No. 42, The Potash Corporation Acts have all been disastrous in the resource field. I suggest to you that in the years ahead, in 1979, the NDP is going to have to stand on its feet and defend its resource policy. Up until this date, as I have said, they have not one single thing they can point to where there is a success, all that they can point to is the expenditure of hundreds of millions of dollars of the taxpayers' money in this province without one single penny of return.

Mr. Speaker, I beg leave to adjourn the debate. Debate adjourned.

COMMITTEE OF THE WHOLE ON BILL NO. 2 - An Act to amend The Summary Of fences Procedure Act, 1969.

MR. CHAIRMAN: We are dealing with Bill No. 2.

Section 1 agreed to.

Section 2 as amended agreed to.

Section 6 as amended agreed to.

Section 4 - Deleted.

Bill No. 2 agreed to and Bill read a third time.

BILL NO. 3 - An Act to amend The Limitation of Civil Rights Act

Section 1

MR. MacDONALD:— Mr. Chairman, I just want to make a comment or two on this Act. Not being a lawyer, I am not going to pretend to go into The Limitation of Civil Rights Act, but there are two or three things that I should like to bring forward. From what I understand, this Bill has never really been reviewed for some four years. I should like to suggest that it is time that both this one and The Land Contracts Act were reviewed by the Law Reform Commission. I say that in all honesty but I suppose I should wait until The Land Contracts Act comes up, but you know the original intentions of the Act were very valid. They have served their purposes but now there are many injustices before the Act.

I should like to give you one simple example of an old age couple who have nothing to live on but their old age pension. They own their house, then they sell their house and they use the income from the house to supplement their pension. The people to whom they sell their house refuse to make the payments. Under The Land Contracts Act, as I understand it, the only recourse that these people have is to sue but by the time they go through a judge, go through this and that, it could take up to two years. The only recourse they have is to get back their house. I just use this as a simple illustration of the fact that perhaps now the Attorney General should consider taking these two Acts and others of their kind back to the Law Reform Commission and have them upgraded and reviewed. There is certainly nothing within the Act that I can see, in this particular Amendment, that causes any concern but I do think that it is time that these old Acts, that have been on the Statute Books for many, many years, be brought up-to-date. Perhaps some of my legal colleagues might comment on that to see if they have anything to add.

MR. ROMANOW:— Mr. Chairman, I shall only take up the time of the House for half a minute to say that this was a point that was raised by the Member for Regina South (Mr. Cameron) in connection with The Land Contracts (Actions) Act. I suppose the comment is as equally applicable for this Act.

I indicated to the Member for Regina South at that time, as I would to the Member tonight, that I think it is a good suggestion that the Law Reform Commission should take a look at some of these Bills on an ongoing basis. I am not sure how we can solve the problem that you use in your example. While it is important that the sellers have their rights protected, it is equally important to the purchasers and that is the purpose of The Land Contracts (Actions) Act. They have their rights as well, reasonably protected and understood. With respect to your problem it could be difficult to come to a satisfactory conclusion.

The general overall proposition says that we should be looking at this Bill as to its fundamentals, as to whether or not it is applicable these days; I can see no quarrel with that. As I said to the Member for Regina South I am certainly going to consider the suggestion. I am not able to announce, of course, that we are going to refer to the Law Reform Commission as yet. I want to check with the chairman of the Law Reform Commission and others to see what they think about this and the workload, but it is a suggestion that I will take under advisement.

MR. J. G. LANE (Qu'Appelle):— Would the Attorney General also, if you are considering that, consider the possibility of the Commission in both Acts attempting to determine the added costs to the cost of housing by reason of this particular Bill. I think it has been discussed in the Assembly beforehand. Because of the inability of lending institutions to collect their funds, they have jacked up the prices to some extent and I think that is taken into account into the cost of doing business and it is an added cost in the Province of Saskatchewan.

Assuming that to be a valid point, would the Attorney General not feel it would be proper for the Commission to consider the economic aspects of the particular pieces of legislation? With regard to a second item that came up and that was, how does one deal with a particular situation that has been raised in the Assembly, I think that simple amendments to the legislation would be in order, in that we have provisions, for example, in The Divorce Act where interim alimony can be obtained simply by proving necessity. That could allow us a proof of necessity and could allow the judge to waive the provisions of the Act, procedural provisions not the substantive, I think that it would be in order for amendments along that line. I think it can be done and I think as we have given the discretion to the judge already, that the reverse discretion to protect people in need, that are harmed by the Act, would also be in order. I should like, if the Attorney General is considering sending this to the Commission, those two specific points be considered.

MR. ROMANOW:— Mr. Chairman, I can certainly undertake that. If we refer this to the Law Reform Commission, I don't want to place this at a too high level of expectation on behalf of the Hon. Members in terms of reference to the Law Reform Commission. I think that there is a need to perhaps look at this. If the world was perfect, if we had the priorities of the Commission in such a way that we could give this and other Bills to it, I think it would be fairly easy for me to simply say we are bouncing it to the Commission, as the Member will know for a further review.

I think, with respect to the two points raised, the question of the cost of doing business and the question related to giving relief to sellers in this kind of a situation, those are valid points. Certainly in such a reference to the Commission I would undertake to specifically draw those two matters to its attention as well.

Motion agreed to and Bill read a third time.

BILL NO. 4 - An Act to amend The Regulations Act.

MR. LANE (Qu'Appelle):— Is there any particular reason, Mr. Minister, for the retroactivity of the legislation? I am assuming that a particular proclamation does come into question and could you explain that.

MR. ROMANOW:— Mr. Chairman, this arises from a court decision where there was at least a judicial comment expressing uncertainty about this point. In order to clarify that, the Department recommended — I think, in fact, the judge in his comments said that it should be clarified by the court, that we should take it from that date, which is the date of the application of The Regulations Act. (I see that my acting deputy Attorney General, Mr. Hugh Ketcheson

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is here). That is basically the reason for the Bill.

Motion agreed to and Bill read a third time.

BILL NO. 5 - An Act to amend The Land Contracts (Actions) Act.

Motion agreed to and Bill read a third time.

BILL NO. 6 - An Act to amend The Reciprocal Enforcement of Maintenance Orders Act, 1968.

Section 1

MR. LANE (Qu'Appelle):— Just a couple of questions Mr. Minister. I understand that there is legislation proposed in Ottawa which would establish a general clearing house for the enforcement of maintenance orders, correct me if I am wrong, also that decrees absolute in divorces would be filed and could be enforced in all provinces. Now could you advise me what the status of that particular legislation is and how it will affect this proposed Bill?

MR. ROMANOW:— Mr. Chairman, for a while I thought the Hon. Member was referring basically to a uniformity of The Law Commissioners Bill, relating to the question of custody orders, but I don't believe there is anything that we have seen yet at the departmental level with respect to a uniform clearing house or with respect to maintenance orders or divorce absolutes or anything of that nature. I don't think that the acting deputy is aware of that either. That is not to say that it is not kicking around. If it is, it hasn't been elevated to the level where it's involved ministerial involvement yet or, at least, a high level departmental involvement. So, therefore, I don't think this would have any impact on it.

Section 1 agreed to.

Section 2 deleted.

Bill No. 6 agreed to and read a third time.

BILL NO. 9 - An Act to amend The Securities Act, 1967.

Section 1

MR. LANE:— He has taken out the ceiling on the number of articling students and the matter had been raised in second reading. How many articling students has the Department hired this year or is intending to hire?

MR. ROMANOW:— We have three on stream now and for the coming graduation year there will be three, but there is an overlap. There is one person, I think, from the current situation who will be continuing for some time and if we get three additional, we will be over the three. By statute we are limited to the three, so that's the purpose.

Section 1 agreed to.

Section 2 deleted.

Motion agreed to and Bill read a third time.

BILL NO. 20 - An Act to amend The Securities Act, 1967.

Section 1

MR. LANE:— Will there be, upon assent to the Bill or shortly thereafter, Bill 20, Section 1, amending Section 26 on the forfeiture of the bond, are there any forfeitures now that will be paid as a result of this Act upon the day of assent or thereafter?

MR. ROMANOW:— I am not sure that I can answer that. I am not sure that I can get advice which will help me to answer. The only thing that I would like to point out to the Members is that this Section is identical to what the law has been for some years - that was in the review by the Department. In fact, I think it came up by review of the statutes, the Revised Statutes Committee. You may have noticed a typographical error. This really should have gone to Non-controversial Bills Committee. So, however the operation of this Section was and is now under the law, it will so be in the future under this revised Section because all that it does is correct the typographical error.

MR. LANE:— I should like to suggest to the Minister that perhaps if the Government could come up with a policy on the drafting of amendments where there are typographical errors, because sometimes we get the word that's changed and in others we get the whole section that is changed. However, that, you know, is a suggestion or a comment. I was asking whether or not there were going to be any forfeitures. If the Minister can't give me the answer, but would undertake to supply me with that information at a later date, that would be acceptable.

MR. ROMANOW:— Yes, I will get the deputy to check that out and we will get that to you from Mr. Ketcheson in the next several days.

Section 1 agreed to.

Section 2 deleted.

Motion agreed to and Bill read a third time.

BILL NO. 21 - An Act to amend The Police Act, 1974.

Sections 1, 2, 3, agreed to.

Section 4

MR. LANE:— Does the Minister not foresee some problems in smaller centres where three members of the council may be designated to hear. If an intense situation develops, in the local police force, would these people not be put on the spot and perhaps have abnormal pressures on them? I see some situations developing which may be somewhat unfair and I think that perhaps an added burden is being placed on the local councils if a dispute arises.

MR. ROMANOW:— I grant you it is possible all right, especially in some smaller communities. The only thing I can say by way of rebuttal or by way of defence of this Section is that in looking at the way the Act is operating now or not operating now, the police commission in consultation with the local bodies, felt

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that this was a good way to try to go. If, indeed, in practice such a controversy or difficulty arose, we may very well have to come back to the House at some later date and make some amendment. It is possible this could arise. The local authorities seem to think that they can live with this kind of a section and so does the police commission. On that advice I am prepared to give it a try as well. So I don't know. All I can say with respect to your suggestion is that there possibly may be some difficulty. I think we should see how the Section works.

MR. LANE:— Two comments on that. One, that should a situation develop in a smaller community, it is then too late to amend the legislation, but was the matter taken up with the Saskatchewan Urban Municipality Association and did this meet with their approval? If it did, I am quite prepared to ride.

MR. ROMANOW:— Mr. Chairman, I believe that it was. I don't have my file of communications with me here, but I am almost positive that it was in terms of the correspondence. Furthermore, I know for sure that we met with all the local municipalities. The police commission meets on a regular once or twice a year basis with the Chiefs of Police and with the Boards of Police Commissioners involved. I am advised that at one of these sessions these proposed amendments were submitted and approved and that the thrust of them came from these areas. Now as to the SUMA one, I am just a little bit hazy because I haven't looked at the file, to be very frank with you, for some months. I will make another check of it. I don't think there will be any problem in that area because I have been in contact with SUMA quite regularly and I think they would have said something about this Section. I haven't heard a thing from them.

MR. LANE:— I don't know whether my concerns are valid, but I do recall some years ago in the city of Regina the matter involving Chief Cookson and the particular problems that developed. At that time I was fairly new in town, but the intensity of the reaction of the public, either one way or the other, was extremely strong and there was a great deal of concern on both sides. It would seem to me that if that type of intensity were to develop in a smaller community, we would really be putting an unfair burden on some of the councillors.

MR. ROMANOW:— I am just trying to think who actually heard the Cookson inquiry and I think you are probably right, it was the police commissioners. But in any event, as I read this Section, it says, "where a Chief of Police or officer is prohibited from hearing pursuant to subsection (8) and there is no other officer of that force, the member charged may request that the charge be heard by the Board or by an officer of another police force or, in the further alternative," and this is where your argument says, "by the three municipalities where there may be this intense pressure." As I say, I don't know if I can give you an adequate response other than to say that in my belief the local authorities, even in delicate situations, while this may be very onerous on them, will have to discharge their duties. I mean we all have to make tough decisions from time to time in our respective capacities and I just don't anticipate that much problem with respect to this matter. If it becomes a serious problem, of course, there is also an avenue of appeal which is available. There is an avenue of appeal set out in the legislation, so that if there is

an unfair decision as a result of these Boards of Commissioners' decision there is a subsequent avenue of appeal. We will have to give it, I think, some trial and error. This is really what prompts these amendments in the first place.

Sections 4 and 5 agreed to.

Section 6 deleted.

Motion agreed to and Bill read a third time.

BILL NO. 11 - An Act to amend The Local Improvement Act.

Motion agreed to and Bill read a third time.

BILL NO. 14 - An Act to amend The Planning and Development Act, 1973.

Section 1

MR. LANE:— What proposals does the Minister have in mind with regard to anything in the Qu'Appelle Valley and any special planning area commission to be established for the Qu'Appelle Valley in the general environment?

MR. MacMURCHY:— Mr. Chairman, I think this legislation is brought forward relating directly to the Qu'Appelle Valley and the development in the Qu'Appelle Basin. I think the Hon. Member knows that the present Act requires that the Minister assume the planning responsibilities of a council where a special planning area is created. The proposal is that under the agreement with the Federal Government that planning areas should be established. Rather than have the Minister with the responsibility of the planning areas we are authorizing the appointment of a commission comprised of the representatives nominated by the municipality together with people that are involved or have a genuine interest in the development in the Valley. They would then handle the planning in the specific areas that have been laid out.

There has been a considerable discussion by both the Department of the Environment and the Department of Municipal Affairs with the municipal councils, village councils, town councils in the area. The agreement from those meetings was to, in fact, go this route.

MR. LANE:— Well, there is an obvious possibility that the ministerial appointments in the discretion set out in subclause (2) subclause (b) that the ministerial discretion can appoint the majority of the members to the Commission. I have some concern about that. There is a feeling developing among many in the Qu'Appelle Valley that because too much is happening at once that they are not necessarily being listened to. Although I am quite aware of the attempts of the Government to hold public meetings, I think it is a practical matter that the public attends public meetings when the problem becomes immediate and not for any long-term planning or any such proposals.

It is a concern. I don't know what the Minister can do but I would hope that in the Qu'Appelle Valley and as far as the Special Planning Area Commission is concerned that the majority of the people of the Commission would be locally elected officials in some form or another. For the Minister to appoint a commission, where the majority of commissioners are really at

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the discretion of the Minister and not subject to local influence in the proper sense, then I think that this Commission is going to have a lot of problems because the people in the Qu'Appelle Valley are concerned. They are not sure exactly what the long-term plans are, they are not sure, in some cases what the immediate proposals are. They don't know whether their farms or homes are going to be moved, or going to stay in the same place, whether there is really an intention to buy them out, whether there is going to be a major tourist development along there which could displace the present economic activity. There are a lot of concerns and I think it would be incumbent upon the Minister to assure the people in the Valley that locally elected officials would have the majority of the Commission.

MR. MacMURCHY:— Mr. Chairman, may I say to the Hon. Member for Qu'Appelle that the concern that he has just expressed was expressed to us during the meetings and I have a share of municipalities along with him in the Qu'Appelle area. You will note that in the Act under 193(a) sub (3) that persons appointed pursuant to clause (a) meaning, I would assume the municipalities would in fact have a majority. That is the basis upon which I am intending to proceed - that the municipal representation as he suggests would outweigh the representation from other areas because they are the people who are there on a day to day basis and we would want them to assume the proper responsibility.

MR. MacDONALD:— Just exactly what is the authority of this Commission? Is it strictly a planning commission? Where do their recommendations go? Who makes the final decision? How far advanced are any plans in the Qu'Appelle Valley now? When will they be made public?

MR. MacMURCHY:— Well, they operate in the area of planning, and no other area. They would assume the responsibility for planning from the individual municipalities whether they be rural or urban in the Valley. In terms of the development itself, meaning the development of the Qu'Appelle, in terms of actual work, I think there is an item within this Budget for some channelling. I don't know where that channelling will be done. But there is specific work to be done in this area.

In terms of the kind of development that will go into the Qu'Appelle area, there is no decision made on that and it is subject to the development of the planning commissions.

Section 1 and 2 agreed to.

Motion agreed to and Bill read a third time.

BILL NO. 12 - An Act to amend The Rural Municipality Act, 1972.

Section 1 agreed.

Section 2 as amended agreed.

Section 3: Section 6.

MR. LANE:— I understand that there are more evident concerns of those people in Local Improvement Districts and are now being organized into a municipality. There seems to be either some uncertainty or

dislike of the idea. The matter has obviously been before the Legislature in the past. Has the Minister been advised by any Local Improvement Districts of their concerns and has the Department withheld any organizing of a Local Improvement District into a municipality in any area of the province pending resolution or further discussions or meetings with departmental officials?

MR. MacMURCHY:— I have received, Mr. Chairman, some concern not relative to the issue of autonomy, not relative to the issue of the Local Improvement Districts forming a rural municipality but rather some concerns to suggestions that have come forward from the Department for an organized area. When the Department goes out to hold discussions with councils and the LID Committees they talk about alternatives, alternatives that might involve joining together to form an area larger than the LID, it is this kind of concern that I have had feedback on. As a matter of fact in the first one in the Meadow Lake area, the Department proposal was to join the Meadow Lake area with the LID at Pierceland to form a fairly large area. That was rejected and there was the formation of the Meadow Lake Rural Municipality. In terms of a most recent discussion in the Prince Albert area, it was proposed joining, I think, two LIDs and two municipalities together. There was a very strong opposition to that and the Department as a result has withdrawn and is considering other proposals to take back to the LIDS.

One concern and I think it is a legitimate one is where you have a very, very small unit with a very, very low assessment — it becomes difficult to provide the kind of an autonomy that I think is necessary for a rural municipality. We must, I think, seek to achieve some amalgamation whether it be two LIDs going together or whatever, in order to do a decent job. A most recent proposal that has come to me as a suggestion from some of the people in the area surrounding Big River in northern Saskatchewan is that the community, the village and the surrounding area join together to form a municipality rather than the rural part joining with the RM of Canwood.

Those are the kinds of suggestions that we are getting and some suggestions we are taking out. But in terms of any concern about autonomy that has not come forward, what is of concern are the alternatives put forward with respect to how to make a reasonably sized unit to give them the power and the tax base which they require to do the job in an autonomous way.

MR. LANE:— When is the projected end of the program to eliminate the LIDs and have them as municipalities?

MR. MacMURCHY:— Mr. Chairman, we don't really have a projected time frame. When we started out, we talked in terms of getting the job done within five years, it may move faster than that, it may take longer than that.

MR. LANE:— Five years from now or five years from ...

MR. MacMURCHY:— Five years from when we started.

MR. LANE:— I should like to follow up on the matter of departmental

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policy then. In organizing the LIDs into municipalities, at what stage are the Government studies to enlarge the municipalities into bigger units?

MR. MacMURCHY:— We have no study whatsoever with respect to enlarging municipalities into bigger units.

Section 3 agreed.

Section 4

MR. LANE:— Just a general question. First of all I should like to know the reason for the mandatory requirement that they shall vote and secondly I have a general concern about the fact that the Government over the last few years has seen fit to impose a greater responsibility on local officials to avoid conflict of interest situations, than it imposes upon itself. I believe it was 1973 that a white paper was tabled in this Assembly to deal with conflict of interest legislation. We have had no activity. It has been a matter of public interest certainly in the city of Regina and I gather in the city of Saskatoon. And yet there seems to be a desire on the part of this particular Government to move with a great deal of speed to impose some pretty severe burdens from the top on local government officials that it doesn't see fit to impose upon itself and I think that is unfair. I don't think it is proper priorities. In fact just the opposite. It should be incumbent upon officials of the Provincial Government level to show leadership on the stringency of conflict of interest legislation rather than placing heavy burdens on those that perhaps, in some cases, are not qualified to handle the increasing burden or in areas where mistakes, damaging mistakes, could more easily be made.

MR. MacMURCHY:— Mr. Chairman, I am informed by the Attorney General that the white paper that was put before this Assembly was referred to the Law Reform Commission and that there is a report expected momentarily. With respect to this legislation on conflict of interest, I can't recall the circumstances which led to the original conflict of interest legislation being in this particular Bill. It goes back before my time as Minister of Municipal Affairs. I don't have any of my officials with me this evening because they are in Saskatoon attending the SARM convention which starts first thing tomorrow morning. This particular amendment has come as a result of I won't say pressure but suggestion by the rural municipalities. In their minds at least it is a better kind of legislation for their purposes than was previously here. As a matter of fact all of the municipal legislation, whether it be amendments to The Rural Municipality Act or The Urban Municipalities Act have been discussed with the various organizations before they were brought forward into the House.

MR. LANE:— With all respect, it was one of your predecessors who brought the legislation before the Assembly on the conflict of interest. It wasn't discussed, I recall, at the time with local government officials in the Province of Saskatchewan. In answer to your submission that a report is expected momentarily, I would say that the same rule should apply to local government officials as apply to provincial government officials and that is that the Government opposite saw fit that it was a matter for the Law and

Reform Commission and departmental officials to study the possibility of conflict of interest legislation. Then surely it was more incumbent upon the Government to give the same opportunity, the same right to local government officials. I say that the Government opposite has a double standard. It has very severe, perhaps fair, but severe rules for conflict of interest situations for local government officials but none for Provincial Government officials. We have had some three years to do that. Surely the local government officials are entitled to the same consideration and the same amount of study prior to having these, in some cases, onerous burdens imposed upon them from above, as the officials in government offices do. I think there has been an unfairness and I think there has been a double standard. Again all I can do is urge the Government opposite, rather than imposing duties from the top to really show to the people of Saskatchewan some leadership in the field of conflict of interest legislation. We should have had it some time ago.

MR. MacMURCHY:— Mr. Chairman, I suppose we could say, yes, it's true that we perhaps should have had it sometime ago and I think I have indicated that something will be coming back from the Law Reform Commission. I can't argue about what happened in the original legislation but I can certainly assure the Hon. Member that the items were discussed. To say that there aren't rules on MLAs is wrong. There are rules under The Legislative Assembly Act. In the minds of perhaps some people those are fairly severe and restricted, but I think that the response by the rural municipalities is that they do have an interest in this issue of conflict of interest and they are seeking, along with us, to make proper adjustments to this particular legislation.

Section 4 agreed to.

Sections 5, 6 and 7 as amended agreed to.

Section 8

MR. LANE:— If I could ask the Minister, where did that particular matter arise, municipalities managing a particular health centre?

MR. MacMURCHY:— I think that we have health centres operating in Leroy, Delisle, Hodgeville, Maryfield, Strasbourg. These are the areas where the issue has arisen and rather than allowing the rural municipality to set one up, it seems to me, it would allow the rural municipality to join in the health and social service district, particularly where there is to be a new one formed. That was the case at Strasbourg and while there is an agreement in Strasbourg between the participating municipalities there isn't any sort of legal basis for the involvement in debenture issues and that kind of thing.

MR. LANE:— What constituency is Strasbourg?

MR. MacMURCHY:— A very good constituency, Last Mountain-Touchwood.

Section 8 agreed to.

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Section 9

MR. CHAIRMAN:— Section 9 has a new section 231 (a) which is the power of council respecting recreational facilities.

MR. LANE:— Isn't this a redundant power? Surely the municipality has had the power basically of works and undertakings for the benefit of citizens, surely that is broad enough. Has a particular problem arisen that this is required?

MR. MacMURCHY:— No, I am told that this has been going on for some time but there hasn't, in fact, been legal power to do so and we are now providing the legal power to do so.

MR. KATZMAN:— On this one it says with urban and rural. Can one rural join with four or five different urban centres that may be surrounding it to make an arrangement?

MR. MacMURCHY:— Yes, and I think that will happen on a number of occasions where you have two or three communities within perhaps one municipality or they are bordering on the community. You'll find that the municipalities will sort of split things two or three ways and that is in fact happening particularly now with the Community Recreation Cultural Grant Program that Mr. Tchorzewski talked about earlier in our evening meeting.

MR. KATZMAN:— The rural municipality will decide how it wants to divide itself up?

MR. MacMURCHY:— Yes, very much so and they are having a fair problem with this but the normal procedure is to have the projects brought forward to the municipalities from the various communities and then they sit down and allocate where their funds should go. This goes beyond that, getting involved in recreation boards and that sort of thing and that is what we encourage, the co-operative approach.

MR. KATZMAN:— I am assuming then in a large municipality where there may be say 18 or 19 towns involved, and four or five of them go into a special project that they can give the total amount to those four or five that they are allowed?

MR. MacMURCHY:— It would be the council decision.

MR. KATZMAN:— But it would be okay as far as this legislation goes?

MR. MacMURCHY:— As far as we are concerned.

MR. MacDONALD:— Is not the real problem here in relation to what is the legal responsibility of a rural municipality to recreational facilities in a dormitory community or a service community? For example is there anywhere in the Act or is there any intention

of the Government to indicate that a rural municipality does have some actual responsibility to assist in the financing of recreational facilities within its dormitory community or within the community? For example a rural municipality might completely surround the town, the town might want to build a recreational facility, the rural municipality refuses to participate in any financial obligation or maintenance or upkeep, is there any consideration given as to detailing what is the legal responsibility of a rural municipality so far as recreational facilities are concerned? It's much more of a problem than what you are trying to now bring into law, is it not?

MR. MacMURCHY:— Well, I don't know of anything in the legislation now which says to the rural municipal council that it must participate and we don't have any of that kind of legislation in the mill to bring forward at this time. Our approach is rather to set up the possibility and leave the final decision to the rural council itself.

Section 9 agreed to.

Section 237 amended agreed to.

SECTION 11 - new 268

MR. LANE:— Will this particular provision, in fact, allow the Minister or Cabinet to give uniformity of assessment across the Province of Saskatchewan and rural Saskatchewan? And will it, and I submit it does, allow the Government to balance off those municipalities that have a lower rate of assessment against those of a higher rate and require the ones with the lower assessment to raise their assessment, either on specific buildings or industries or whatever the case might be? In fact, will it eliminate any competition among municipalities for industry or whatever? Is that not fair?

MR. MacMURCHY:— I am not sure what the Hon. Member is trying to get at. If he is saying that there is an attempt at equalization of assessment so that everything is the same, I don't think that is possible. I think assessment relates on farm land to the productivity of the farmland. Assessment of the business will relate to the square footage of the business, the condition of the business and that sort of thing. So I don't think I know what the Hon. Member is trying to suggest. Perhaps a better explanation of the question will clarify the matter in my mind as to what he is suggesting.

MR. LANE:— The matter raised by the Member for Saskatoon Eastview that with this particular provision the Government could make a rate of assessment within a certain range, say the RM of Sherwood, for a particular type of business. It could make a different rate in the RM of Grasslake, if it was intending to either encourage businesses to go to the one RM as opposed to the other.

That is what this particular Bill, this particular provision allows the Government to do.

Now in the past the assessment provisions were very specifically set out in statute; they were done, I think, for an obvious reason. We are now taking that away from statute and giving

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the discretion to the Minister. I submit that this amendment will allow the Cabinet to play games with the assessments of various municipalities. The Government can make varying assessments in each municipality within a fixed range as set by the regulations.

I say that is wrong.

MR. MacMURCHY:— I think there is a difference, Mr. Chairman, with respect to the issue raised by the Hon. Member for Saskatoon Eastview (Mr. Penner), and the particular issue here. The issue in Saskatoon relates to how the businesses are assessed in Saskatoon, which is different from how businesses are assessed in other urban areas in Saskatchewan.

What we are attempting to do here is to establish uniformity in assessments between municipalities and it does, in fact, authorize the Lieutenant-Governor-in-Council to establish rates within the certain statutory limits.

I suspect that our purpose is to attempt to get away from concessions to industry on the basis of assessment concessions and look at concessions to industry on rather a mill rate basis, which is open and obvious to the general public.

MR. LANE:— What gave rise to the call for this particular amendment? What particular municipalities were hurt by the competition in the past that now needed the Cabinet assistance?

MR. MacMURCHY:— Mr. Chairman, I can't answer the question with respect to the request from a municipality or from municipalities. Certainly the assessment people in the Department of Municipal Affairs would put forward this proposition on the basis of a more uniform assessment, on the basis of simple common sense.

MR. LANE:— What is wrong with the competition on the basis of the assessment rate between municipalities?

MR. MacMURCHY:— Well, I suppose the answer to that is what is wrong, if there are concessions it be given to industry on a mill rate basis rather than on an assessment basis. I think that the assessment basis tends to hide the issue whereas the mill rate basis would tend to expose the issue.

MR. LANE:— In fact, are we not, as we did with previous equalization formula, penalizing those various municipalities that have either run the tight ship, so to speak, had a good operation and an aggressive operation, or a municipality that happened to have an industry locate there or a particular economic fact of life existent there? Are we not in fact penalizing these particular municipalities? In fact really isn't that what this legislation is designed to do, to make all municipalities equal across the province, so that when the Government is involved in location of industries it can put them where it deems best and not allow the municipalities to make that decision?

MR. MacMURCHY:— I don't see the legislation as a scheme suggested by the Hon. Member. I think that if you are going to have grants made available to municipalities, we are seeing more and more of that every day. We are talking about rural municipalities, the grant for the main farm access roads, the grant for super grid has an assessment component in it. There is a significant equalization grant given to municipalities which has a significant equalization component in it.

As we move to revenue sharing, as we are suggesting we will do in 1978, then a major component in the distribution formula of whatever kind of sharing takes place, assessment becomes a fairly significant factor in that. I think if we are looking at it as we are looking at it from the point of view of distribution of grant money, then if we can arrive at some kind of assessment situation which has some equity in it, then it is better off for both the municipalities and for those who have to worry about the business of proper grant distribution, which has created some difficulty in the foundation grant formula in education. Certain areas of that have in fact been resolved.

MR. MacDONALD:— Mr. Chairman, I think we are missing the whole point in this. As I read this Section, the Minister now has the power to issue a re-assessment of physical facilities within a community without the request of the rural municipality or without the consent of the rural municipality or the Saskatchewan Rural Municipal Association, is that correct?

MR. ROMANOW:— Maybe we could just stand this Bill.

MR. MacDONALD:— Could I ask the Minister before you adjourn ...

MR. ROMANOW:— If you want to undertake to provide that information we can give to you at a later date, that's all right, then we can continue to move along. But if it looks as if it is going to be delayed, I should like to move on.

MR. MacDONALD:— I have no objection to moving on, but I would like the Minister to give me some further information.

MR. ROMANOW:— You want the Bill to stand?

MR. MacDONALD:— Surely, as soon as I ask an additional question. What I am interested in knowing, Mr. Minister, by the provisions of this Section are you giving to the Department of Municipal Affairs the right to increase property taxes in a rural municipality without the consent of that municipality? The advice that you are using is by a reassessment without the permission of the municipality itself, or the Saskatchewan Rural Municipal Association? I should like to know if that is correct.

Committee reported progress on the Bill.

BILL NO. 42 - An Act to amend The University of Regina Act, 1974.

Sections 1 to 5 agreed to.

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Section 6

MR. J. G. LANE (Qu'Appelle):— I apologize to the Chairman. Our critic is not in the House tonight. Who wants a 99-year lease of university property and secondly, how did we arrive in a situation where there is university property available for lease to outside agencies when the demand was always for actual university use?

HON. D. L. FARIS (Minister of Continuing Education):— The request for this longer lease came from the University of Saskatchewan. It pertains to their negotiations with the Federal Government to erect a psychiatric centre on campus property. It is due to these negotiations that they are seeking the 99-year lease.

MR. LANE:— How much university property of the University of Regina is under lease now, I am talking about rough figures, how many agencies lease property from the university?

MR. FARIS:— Luther and Campion College lease land from the university. Within the university buildings themselves, Government Services and SaskMedia lease space.

MR. LANE:— Is not the Land Bank still leasing?

MR. FARIS:— I believe they are out now.

MR. LANE:— What psychiatric facility are you referring to? We know of one at the University of Saskatchewan at Saskatoon, this is the University of Regina?

MR. FARIS:— The origin of this amendment came in regard to The University of Saskatchewan Act. It is being put in The Regina Act so that the acts will be comparable.

MR. LANE:— Is there any proposal of any facility that the Federal Government is requiring the 99-year lease on in the Regina Campus?

MR. FARIS:— No, not at this time.

MR. LANE:— Just a general question on the University of Regina leasing. I can recall in the Assembly over the past years, there has always been a demand for more classroom space, always been a demand for a higher appropriation. All of a sudden we do find room for such things, like the Land Bank, which is now out, SaskMedia is in and various government agencies are leasing property.

Somewhere I recall that that really wasn't the intention of the money that went to the university. Were there some projections which turned out not to be valid or not correct that gave you this additional space that you could lease, or was there some specific matter which came up as to why this previously needed property became open to lease to government agencies?

MR. FARIS:— The Member is quite correct

that projections for student enrolment made under the Liberal administration proved to be incorrect and there is additional space on the Regina Campus.

MR. LANE:— I won't say, I wash my hands. How far out were those projections and how much space previously committed to classroom space is now available to lease to outside agencies?

MR. FARIS:— There is the space that I suggested to you, which is rented out to Government Services and SaskMedia. But in addition to that there is, at present, expansion of programs taking place on the Regina Campus; systems engineering, design and human justice services are three areas of expansion in courses on the Regina Campus. It is hoped that these will be reflected in increased enrolments in future years.

MR. LANE:— Is there not, at the same time, a reduction in programs or student participation in some programs like sociology and the social sciences?

MR. FARIS:— There is some fluctuation, but it has been pretty stable for the last three years.

MR. LANE:— I am assuming by your previous answer that the same misleading projections applied to the University of Saskatoon. How are we able, and I am a little surprised at the particular Minister involved, allowing a bar on the Regina Campus when some time ago we were so short of classroom space? But now we have got ample, allowing ourselves a licensed dining room or pub or whatever on campus.

MR. CHAIRMAN:— We have agreed on Sections 1 to 5 of the Bill. Would you like me to go through them again?

MR. R. KATZMAN (Rosthern):— I have a couple of questions but I am not sure where they belong. You threw the Bill at us too fast to even get to our explanatory notes.

MR. CHAIRMAN:— Section 1 of the Bill.

MR. KATZMAN:— You are going into a 99-year lease, is this what this does?

MR. FARIS:— Yes.

MR. KATZMAN:— What other — I am using the Saskatoon Campus because I know it better — there is the Crop Science Building and many Federal Government buildings. Is that leased property and are you thinking of doing the same in Regina?

MR. FARIS:— I am informed that all the federal buildings on the Saskatoon Campus are on leased land, but that this particular question of the 99-year lease has risen in regard to negotiations with the Federal Government concerning the psychiatric centre on the Saskatoon Campus.

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MR. KATZMAN:— Going with that same question, I am assuming that they are wanting long-term leases because of the investment. Is this the plan for Regina, are we maybe going to see a residence built by an outside source, and, therefore, they want a longer term?

MR. FARIS:— I know of no such proposal.

Section 6 agreed to.

Section 7 as amended agreed to.

Sections 8 and 9 agreed to.

Section 10 deleted.

Motion agreed to and Bill read a third time.

BILL NO. 43 - An Act to amend The Universities Commission Act, 1974.

Sections 1 and 2 agreed to.

Section 3

MR. LANE (Qu'Appelle):— Mr. Chairman, Mr. Minister, the explanatory notes indicate that there is enough protective screening now on bids and tenders. Could you advise what the protective screening is?

MR. FARIS:— Mr. Speaker, the Hon. Member will be interested to know there are about three levels. The proposals first go to the Government University Capital Review Committee and that will remain the same. Then they go to the Treasury Board, where they require an Order in Council approval. Then they go back to Government Services, which carries out the approval of plans and the letting of the tenders.

What is being proposed is that the letting of the tenders will be done by the University.

MR. LANE:— The proposed amendment says that shall be subject to the approval of the Minister of Government Services. Now what are we eliminating, the Treasury Board approval?

MR. FARIS:— The letting of the tenders which will be done by the University. The approval of plans by Government Services will remain, as will the other steps.

Section 3 and 4 agreed to.

Section 5 deleted.

Motion agreed to and Bill read a third time.

The Assembly adjourned at 10:05 o'clock p.m.