

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Eighteenth Legislature**  
**52nd Day**

**Wednesday, May 4, 1977.**

The Assembly met at 10:00 o'clock a.m.  
On the Orders of the Day.

**QUESTIONS**

**METRICATION AT FARM LEVEL**

**MR. L. W. BIRKBECK:** (Moosomin) Mr. Speaker, a question for the Minister of Agriculture.

I wonder, Mr. Minister, in light of the fact that the Federal Liberal Government, under pressure from strong opposition, to the imposition of metrication at the farm level, has decided not to proclaim the five sections of the federal bill, which affect our prairie farmers, would you, Mr. Minister, now consider withdrawing the Orders in Council passed by your Government, approximately a year ago imposing metrication at the farm level in this province?

**HON. E. KAEDING:** (Minister of Agriculture) Mr. Speaker, I can assure you that we are not going to be moving forward with any metrication which is not being pushed by the Federal Government. If anything is required in terms of federal legislation, then we would be prepared to work with them. We will not move forward any faster than the Federal Government is prepared to go.

**MR. BIRKBECK:** Supplementary, Mr. Speaker. Then I would understand, Mr. Minister, that what you are saying is that if the Federal Liberal Government does not impose this or the prairie farmers of western Canada then your Government will not also?

**MR. KAEDING:** I think that is a fair assumption.

**FEDERAL FUNDING FOR KAMSACK HOSPITAL**

**MR. A. N. McMILLAN:** (Kindersley) Mr. Speaker, I'd like to direct a question to the Premier in the absence of the Minister of Social Services, about a matter of which I am sure he is very aware. I should like to know, in view of the fact that the Federal Government and the local government in the Kamsack area has agreed to the cost-sharing formula arranged for an extension to the nursing home, why the Provincial Government hasn't at this time, made the decision or at least made the announcement that they too are willing to go ahead with the project?

**HON. A. E. BLAKENEY:** (Premier) Mr. Speaker, I will take notice of this question.

**REVENUE CANADA — SGIO BENEFITS**

**MR. E. F. A. MERCHANT:** (Wascana) Mr. Speaker, yesterday, I gave notice to the Minister by way of forwarding to him a letter from Revenue Canada, of questions that I propose to ask him about the operation of SGIO

and the question of whether SGIO benefits are taxable? The letter in brief, Mr. Speaker, indicated that unlike the way things have worked in the past, SGIO benefits, including the \$60 paid automatically under part 2 and most of the benefits paid under part four in automobile accidents, will now be taxable and they have never been taxable before. I want to ask the Minister, whether in light of the fact that this now means that a settlement is about 25 or 30 per cent less valuable, because tax must now be paid on the money and in light of the fact that the whole reparations program was based on the assumption that the \$750 per month that would be paid as a maximum payment, would be non-taxable, would the Minister not agree with me that it will be necessary for SGIO, firstly to increase the automatic benefits that they pay by 25 per cent to maintain the status quo and secondly to reconsider the reparations program because it will now cost 25 to 30 per cent more money than the amounts that you were thinking about when you proposed the scheme?

**HON. E. C. WHELAN:** (Minister in charge of SGIO) I want to acknowledge the fact that the Hon. Member did send the material across the House yesterday and since most of the questions are based on his considered opinion that these payments will be taxable and since the people at Saskatchewan Government Insurance do not agree and would like to see it challenged before I answer any questions, I think it's based on a difference of opinion as to the legal position and therefore, I wouldn't answer questions based on a position that they do not agree with.

**MR. MERCHANT:** Mr. Speaker, some of my colleagues are very delighted to see that the Minister has maintained his reputation of not answering questions in this Session. I suggest to the Minister and I wonder if you would agree that having answered the question about this matter IT 365 some weeks ago with an answer similar to your answer today, that in light of a clear letter from Revenue Canada, stating that those benefits are taxable and that there is no question about the benefits not being taxable, whether the Minister is not now in a situation of having to say that the legal opinions that you've received were not accurate and that you have to re-examine the reparations program?

**MR. WHELAN:** I think the Hon. Member is maintaining his reputation too of making speeches rather than asking questions. I think that I said before that we're not sure of the legal position of SGIO and I think it's foolish to answer hypothetical questions based on a position that is in this piece of information, but may not be in the final analysis the position that will be taken by the courts, which I think is the logical area where the decision should be made in this particular instance.

#### **ADVERSE PUBLICITY RE CITY COUNCIL**

**MR. R. H. BAILEY:** (Rosetown-Elrose) Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. I'm sure that the Minister and everyone in this House realizes that with the tourist season just around the corner that Saskatchewan particularly this year, will need as much good publicity as possible from all over and I'm wondering because of the recent adverse publicity coming from the Queen City of the prairies over the council dispute,

if the Minister would not make himself available to the council as an arbitrator in the current dispute that is taking place?

Mr. Speaker, if the Minister doesn't want that question, could I get a supplementary question, perhaps he would answer that? If the Minister himself would not agree, in order to prevent the adverse publicity and so on which I don't think that we can afford, would the Minister consider an all party committee, voluntarily making themselves available to the Mayor and city council to see if we cannot settle this dispute and get rid of this adverse publicity?

**HON. G. MacMURCHY:** (Minister of Municipal Affairs) Mr. Speaker, I think the matter of city council will be handled by the city council themselves. I don't know whether such a committee as the Hon. Member proposes could be set up on a voluntary basis or not or perhaps a \$1 per year kind of situation.

### **FEDERAL FUNDING FOR KAMSACK HOSPITAL**

**MR. S. J. CAMERON:** (Regina South) Mr. Speaker, in view of the fact that one constituency is not here now represented, I think it's only fitting that some of us should pay some special attention to it. May I ask the Minister of Health, who a few days ago responded to a question in the House about whether there were federal funds available in connection with the funding of the Kamsack hospital, that there were not funds, I want to ask him, is it not a fact that the Federal Government is prepared to put in \$617,000 through the Department of Indian Affairs for the funding of that hospital?

**HON. W. A. ROBBINS:** (Minister of Health) Mr. Speaker, the Member beat me to the punch. I was going to make a statement today. I had it written out here with regard to the question that was raised April 29th. I said that I was not aware of it at that time. I knew that they were negotiating with the federal people with respect to some input to that hospital in relation to Indian people who lived in the area. The figure is actually \$617,865, I am told. The answer is, Yes, there will be input from the Federal Government.

**MR. CAMERON:** By way of supplementary, seriously, why did the Minister when he was asked the question fairly enough indicate that he didn't have any knowledge of it. Why did he not indicate that in fact, he was aware that there were discussions going on with the Federal Government about the possibility of funding?

**MR. ROBBINS:** I intended to do so, as soon as I had the information.

### **BOUNDARY DAM POLLUTION**

**MR. R. A. LARTER:** (Estevan) Mr. Minister a question to the Minister of Industry.

Last night on television it was announced that Boundary Dam smoke stacks had been given a clearance as far as the Department of Environment is concerned. If you would just bear

with me, Mr. Speaker, I should like to bring something to the attention of the Minister.

One month ago I took samples of Boundary Dam water. This year there was no runoff and there was scum formed on the water and it turns out that this water is from a portion of the fly ash and it is definitely polluting the water of Boundary Dam. We have seen no muskrats for the first time in many years and the report states that they are not sure yet whether it is going to affect the gills of the fish. In light of this, would it be the intent of your department to look into putting in the electrostatic precipitators on the other four stacks? I know they are expensive and we stayed away from this, but in a year when there is no runoff it looks as if this lake can be polluted very badly by this fly ash.

**HON. J. R. MESSER:** (Minister of Mineral Resources) Mr. Speaker, the Member for Estevan addressed the question to the Minister of Industry and I assume he meant myself. I have just now received the correspondence that the Hon. Member refers to. I should like to take both his comments and the correspondence that he has conveyed to me, under advisement. Certainly we will respond if there is, indeed, a problem that is being contributed to directly by the Saskatchewan Power Corporation. I suspect if it is a problem emanating from the Saskatchewan Power Corporation it is not one that is new, the installations have been there for quite some time. We have some of the best pollution control equipment, I think, available to us in most of the expansion of operation for our thermo-production units. I will take this under advisement and talk with my officials about the assumed problem.

**MR. LARTER:** A supplementary, Mr. Speaker. The Minister has mentioned that this electrostatic precipitator was going to be installed on unit six and I realize they are about \$3 million a piece for the other stacks, but in light of this, would you be looking favourably, especially from what has happened across the line, we are promising back and forth that we will do everything as far as the environment is concerned between the United States and ourselves. Would you be looking favourably on these precipitators?

**MR. MESSER:** Well, I think, that we have obviously looked favourably on precipitators as far as the expansion of the corporation's generating capacity is concerned. I think I would want to find out whether or not the installations that were there previous to decisions to put this type of pollution equipment on the expansion, is really contributing in a major way to the environment in a detrimental way, and after studying the information that you have given and made available to me, or information that emanates from the community or the Department of Environment or for that matter from the Saskatchewan Power Corporation itself, we will undertake to give consideration to measures of correction if any are needed.

### **NURSING PRACTITIONER PROGRAM**

**MR. W. H. STODALKA:** (Maple Creek) A question to the Minister of Health. I informed the Minister that I was going to ask him a question about the evaluation he received on the Nursing Practitioner Program, which

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was implemented, I believe, as a pilot project some two years ago. This was a program which was designed to provide services to rural areas that did not have the services of a doctor in which a nurse would work in co-operation with a doctor in trying to provide services into that community.

Would the Minister indicate what were the recommendations of that particular committee?

**HON. W. A. ROBBINS:** (Minister of Health) I can't yet, because I haven't received the report, although I understand that the final meeting was held near the end of April and the report should be coming very shortly. I am aware of the fact that in the communities in which the demonstration activities were carried out, they were favourably impressed and they wish to retain them. When we get the report we will have to come to conclusions in relation to what that actual report contains. I can't comment on it at the moment because we simply haven't got the final recommendations as yet.

**MR. STODALKA:** Mr. Speaker, a supplementary. Are there any of these four pilot areas that presently have a nursing practitioner in practice?

**MR. ROBBINS:** Two of them have.

### ALWINSAL MINE

**MR. E. F. A. MERCHANT:** (Regina Wascana) My question is to the Minister in charge of the Potash Corporation.

As I understand it, in the Alwinsal negotiations the German and French owners of the Alwinsal mine have indicated that they are not prepared to sell, but they are prepared to allow 30 per cent of the company to go to the Potash Corporation of Saskatchewan; that they won't go beyond 30 per cent and they want to maintain control. Is the Government prepared to enter into those kinds of deals with companies by which you would not have complete control of the mine, but would, in fact, have a percentage of a mine, whether that be 30 or 50 per cent? Is the Government prepared, in potash, to do what they are prepared to do with hard rock mining and in the mining corporation?

**HON. E. COWLEY:** (Minister in charge of Saskatchewan Potash) Mr. Speaker, with respect to the discussions that are going on at the present time with Alwinsal, I don't propose to make any particular comments on the state of negotiations or the position of our side or their side, whatever they may be. I think that is a bad way to carry on negotiations in public and so I don't intend to. I may say that I have not spoken with Mr. Dombowsky, who is negotiating with them since the discussions began on Monday. I couldn't comment on what the position is. I expect to talk with him later today. The Member has better contacts in Paris than I do.

With respect to the general comment of whether or not the Government is prepared to enter into some other kind of arrangement with potash companies not a total acquisition, I

said before publicly that we are obviously prepared to consider a joint venture arrangement. I think obviously our preference to date has been total acquisition. We have acquired two potash mines and our objective is approximately half of the productive capacity. The Member, I am sure, can figure out that by taking, for example, a third of each of the mines it would be very difficult to get the half of the total productive capacity, so that wouldn't be a viable operation. Certainly we don't rule out of hand any joint venture with one of the existing potash operators. However, I think our preference has been shown by the actions we have taken in the two first sets of negotiations.

**MR. MERCHANT:** Two questions in the way of supplementaries, Mr. Speaker, and then I will take my place. Perhaps I might ask them together.

I take it that the Minister is not denying that that is the offer of 30 per cent and I assume the Minister is aware that is what the offer has been, but is the Government prepared to proceed with minority holdings or is the Government really only interested in joint venture matters in receiving at least 50 per cent of the joint venture, so that it would be similar to the programs in hard rock mining and if you do receive 50 per cent would you be negotiating and demanding the right to control and operate the mines?

My second question, Mr. Speaker, is why does the Government believe that getting 50 per cent is a magic number of significance, why is the Government so completely bound that getting to a 50 per cent number, as though you believe that would give you control of the industry or some means of manipulating the industry in the same way that you have when you own half the stock?

**MR. COWLEY:** Mr. Speaker, the Member's two questions turned into five. I have trouble remembering the Member's questions particularly when they are so long.

With respect to his first comment that that is obviously the position that Alwinal has taken, I have no comment to make on that. I indicated to the Member that I have not spoken with Mr. Dombowsky since Friday, I believe, when he left. I don't know what position Alwinal has taken. They may indeed have taken the position the Member says. Even if they had I would not be prepared to comment on it in the Legislature. Obviously in negotiations people take varying positions when you start off. I have not found it fruitful in the past two sets of negotiations to comment on them publicly while they are going on and I don't intend to at this time.

With respect to what the Government might be prepared to enter into, I think that would be solely determined by the terms and the conditions and whom we were negotiating with and the recommendations of advisors and I have no comment as to whether a particular part of an agreement might be acceptable. It would certainly hinge on what the other arrangements were.

Why the 50 per cent is magic, I think the original statement of the Government was that it was our intention to obtain a significant presence in the industry. We were asked what we felt was a significant presence in the industry. We said something, I believe, at the press conference, the Premier said

something approximating half the industry in Saskatchewan, half the productive capacity.

I want to say to the Member that I don't think that it is magic. I have said to the press, numerous times and to other people who have inquired, 47 per cent may or may not be as good as 50 per cent, but it doesn't make a heck of a lot of difference and neither is 53. There is nothing magic about 50, you are quite right. I have said that numerous times. A significant presence when someone asked us to define it a little more precisely, we indicated approximately half of the industry.

**MR. R. A. LARTER:** (Estevan) A supplementary to the Premier, Mr. Speaker.

In light of this Alwinsal deal going on I wonder if the Premier wouldn't be advised to slow or stop this purchase of Alwinsal and use this money for emergency search for water in southern Saskatchewan.

**HON. A. E. BLAKENEY:** (Premier) Mr. Speaker, there is no appreciable shortage of funds for the search for water in southern Saskatchewan. Accordingly we do not need to alter our existing programs. We do not need to cease building highways, we do not need to cease building hospitals in such meritorious communities as Kamsack, nor do we need to cease any efforts we may reasonably expect to take in order to combat the drought.

### **RECOGNITION OF PUBLIC ACCOUNTANTS**

**MR. R. H. BAILEY:** (Rosetown-Elrose) Mr. Speaker, I should like to direct a question to the Minister of Municipal Affairs. Mr. Minister with the Bill which will give some sort of legal recognition to the accredited public accountants of Saskatchewan, which will presumably pass this Legislative Assembly, would the Minister of Municipal Affairs then relax the present requirements as to the auditing procedures of the rural municipalities, villages and towns and so on, to recognize this group as well as The Institute of Chartered Accountants?

**HON. G. MacMURCHY:** (Minister of Municipal Affairs) I think that we would have to consider it. I think the Hon. Member knows that there is a board of four, representing the department and the various municipal representatives which looks at this whole business of audits of the various municipalities. I am sure that they will want to consider any changes that take place. They will advise us in making policy.

### **BUFFALO POUND FILTRATION SYSTEM**

**MR. A. N. McMILLAN:** (Kindersley) Mr. Speaker, in view of the Premier's earlier involvement in the question I put to him regarding the Buffalo Pound Filtration Plant outside Regina, in his suggestions that in order for me to get an answer I should place the question on the Order Paper. I should like to ask the Premier if he is prepared to undertake to assist me in getting an answer from the Minister of the Environment who has been particularly reluctant to provide the information that I asked on this most pressing problem and one that is of growing importance, day after day?

**HON. A. E. BLAKENEY:** (Premier) Mr. Speaker, I cannot give the Member a full answer. I can say that the Member referred to a communication four years ago. I asked the Minister of the Environment to search that out. Some weeks later he said his staff had been unable to locate any such correspondence from the city of Regina, four years ago, three years ago or two years ago. We simply haven't been able to lay hands on the correspondence referred to by the Hon. Member. We do not know where it is if it exists. We very much doubt that it exists at all. We are calling the Member for Kindersley mistaken. If he can assist us in putting a date on when this correspondence was sent so that we can locate it, we will be able to deal with the questions which he predicated on the existence of this correspondence which we have not yet been able to locate.

### **FIRING FROM CENTRAL VEHICLE AGENCY**

**MR. D. HAM:** (Swift Current) A question to the Minister in charge of Government Services, Mr. Speaker.

Is it true that Eric Evans, Vehicles Manager for Central Vehicles Agency was fired recently, and if so, why?

**HON. E. B. SHILLINGTON:** (Minister of Government Services) The answer to your first question is, Yes. And the answer to the second question is that I won't comment on the reasons why he was dismissed. I don't consider that a proper matter to comment on publicly. I don't want to assassinate him publicly. The answer to your first question is, Yes.

**MR. HAM:** Mr. Speaker, a supplementary. Has there been any problem with the routine and nature of his work?

**MR. SHILLINGTON:** You are asking the same question and I refused to answer it the first time.

### **CENTRAL VEHICLE LOST VEHICLES**

**MR. R. L. COLLVER:** (Leader of the Progressive Conservatives) Mr. Speaker, a question to the Minister of Government Services. Is there any problem associated with the vehicle registration in the Province of Saskatchewan at this point in time that needs corrective action by the Government of Saskatchewan or that the people of Saskatchewan should be made aware of in terms of lost vehicles and so on?

**MR. SHILLINGTON:** No, there are no problems that aren't being taken care of at this time.

**MR. COLLVER:** A supplementary. In what way are they being taken care of, Mr. Speaker?

**MR. SHILLINGTON:** That is a very long answer that is required to that question. I suggest to the Member he will have an opportunity to explore that fully in Estimates.



## LABOUR SERVICE CONTRACT

**MR. E. F. A. MERCHANT:** (Regina Wascana) Mr. Speaker, some days ago I questioned the Government about the Labour Service Contract which has not as yet been made public and which is presumably being ratified by SGEA. Could the Minister of Labour indicate whether his information is that that contract is being ratified and whether the increase will be 8 per cent and will be accepted by the workers as proposed by the Government.

**HON. G. T. SNYDER:** (Minister of Labour) Once again, Mr. Speaker, I think the Member for Regina Wascana asked me to look into a crystal ball and determine whether the ratification of the contract will be accomplished. Quite frankly I am not in control of the circumstances that will dictate whether the workers will ratify the contract in question and if it is ratified as I expect it will be in due course, then a release will be forthcoming and it will give an indication of the terms and conditions of the contract at that time.

**MR. MERCHANT:** Supplementary, Mr. Speaker.

As the Minister knows the ratification date is May 16, and as the Minister also knows that means that no announcement will be made in this House about the terms of the contract and no opportunity will be afforded to the Opposition to comment on an increase which will be 8 per cent. Is it the intention of the Government to lay down that 8 per cent as more or less a working rule for increases for other members of the public service in the coming year?

**MR. SNYDER:** Once again, Mr. Speaker, the terms and conditions under which collective agreements are arrived at will be based upon a collective judgement of employer-employee deliberations and there has been no firm guideline nor has there been a suggestion that an 8 per cent absolute guideline is to be the order of the day. Nor it is suggested that will be the maximum or a minimum percentage figure.

## POINT OF ORDER ON QUESTION PERIOD

**MR. A. N. McMILLAN:** (Kindersley) Mr. Speaker before the Orders of the Day I should like on a Point of Order to ask why I was not allowed a supplementary to my question to the Premier?

**MR. SPEAKER:** Essentially the question was, will the Premier assist the Minister of Environment in answering a question or encourage the Minister of the Environment to answer a question. I think what we are really dealing with is something that is not within the scope of the Question Period or being of urgent public concern. I think the answers that were given seem to demonstrate that as well.

**MR. McMILLAN:** Mr. Speaker, I should like to know if you are adopting a procedure in this House whereby all Members of this Legislature will not be allowed an opportunity to speak to your points of order, either for clarification or to bring points to your

notice?

**MR. SPEAKER:** No, I am not adopting that procedure. It was adopted a long time ago, prior to my time in this Legislature, consequently I don't intend to change it. I do occasionally allow Members to comment very briefly on some point of order but I think it has a tendency to get out of hand if exercised too much and we get into a debate on the subject on the basis of questioning the Speaker's ruling.

## MOTION

### NIGHT SITTINGS

**HON. R. J. ROMANOW:** (Attorney General) Mr. Speaker, before Orders of the Day, I should like to move, seconded by Mr. Snyder (Minister of Labour) by leave of the Assembly:

That on Wednesday, May 4, 1977, Rule 3(3) be suspended so that the sitting of the Assembly may be continued from 7:00 o'clock p.m. until 10:00 o'clock p.m.

Motion agreed.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Messer that Bill No. 99 — **An Act to amend The Mineral Taxation Act** be now read a second time.

**MR. E. F. A. MERCHANT:** (Regina Wascana) Thank you, Mr. Speaker. Mr. Speaker, for a moment on the occasion of the passing of amendments to The Mineral Taxation Act, I wanted to look with you at the effect of these amendments as well as look at the effect of the potash reserves tax, and the development of the potash industry and the industry in general.

The idea, Mr. Speaker, that one central authority whose only motivation is the desire to help the people of Saskatchewan that those people necessarily have the knowledge to run the potash industry is wrong. They don't have the knowledge to run the industry, they don't have the contacts in the industry, indeed the industry is suspicious of them. Their customers, principally in the United States are suspicious not just of government, but suspicious particularly of an NDP Government. And we believe that in the long term an NDP Government or government of any sort running the potash industry will not serve the province well. Now, Mr. Speaker, those thoughts aren't new. There is nothing new in those arguments, but we believe they are as true today as they were when we first uttered them, and we believe that circumstances are starting to prove the truth of those arguments. Companies are indicating that they are finding alternate source of supply.

**MR. KOSKIE:** Where?

**MR. MERCHANT:** Well, the Wall Street Journal, for instance, has a write-up the other day, that one of the largest customers of Saskatchewan potash was saying, about four weeks ago, that they believe that within two or three years between Europe and New Brunswick, and other developments that they see coming on stream, and in addition to incremental production in the United States, they believe they will be independent of Canadian production. Now, Mr. Speaker, you see, the Member for Quill Lake really is saying what the Premier has always said — we have got the potash and the Americans are going to have to buy from us. Well that's just not true, Mr. Speaker.

Another example of the problem that seems to be developing for our industry, is that New Brunswick will shortly be coming on stream and I fear that the New Brunswick industry will be able to take the lucrative markets that are closer to New Brunswick than they are to us. Well, no, in fact, it wasn't going to happen anyway. And that's what is most interesting about New Brunswick. The Hon. Member for Quill Lake (Mr. Koskie) may not know they face some very difficult technical problems in New Brunswick. And they might not have attempted to deal with those technical problems, but faced with a government that forced them out of this domain and indicated to them that they weren't going to make a profit here. Because the industry is determined to stay in the potash business, that's the way these men earn their livings, the industry then had to find ways to get around those technical problems. Now, the Member may say that they would have attempted to get around those technical problems anyway. I don't think that is the case. I think that with the mountains of potash that are available in Saskatchewan, they wouldn't have bothered to try to get around those technical problems in New Brunswick, but now having placed their minds in a position where they tackled those problems, they are overcoming the difficulties that New Brunswick faced.

Now, Mr. Speaker, those are the kind of things that we say are indicating that this legislation and the direction of the Government in this area was ill conceived. And it's that direction that these amendments try to patch and deal with. These amendments will return small amounts of money to the industry, that is because the Government makes some assumptions about the price of potash and those assumptions were too high.

Returning the \$5 million, Mr. Speaker, is sort of like getting back some income tax, it indeed was your money in the first place, and the \$5 million out of the hundreds of millions of dollars that have been taken in The Potash Reserve Tax is really just a drop in the bucket. It is difficult as Members will know, for companies to put figures in newspaper because of their private relationship with their shareholders, but the companies have been meeting from time to time with the Government in the past few months to convince the Government that they must have enough profit to re-inject capital to keep up with repairs on the mines. The return of \$5 million has to be seen in relation to the vast amounts of money which are involved in The Mineral Taxation Act, and in the operation and maintenance and expansion of potash mines.

Now, Mr. Speaker, these amendments also continue the policy I discussed with the Minister in charge of the Potash Corporation about the intention of the Government to take 50 per cent of the industry. And I have never spoken in this House about that 50 per cent figure, but I find it interesting that the

Government keeps homing back on 50 per cent as though there is some magic in that number. Indeed the continual re-statement by the Government that they will proceed with nationalization or whatever it takes until they get 50 per cent of the industry is in a way proof of the lack of understanding of the industry by the Government. I am sure many people in the province when they heard that number 50 per cent thought that that was sort of getting control of the industry. We learned to think of 50 per cent as a controlled number because we are used to stock companies where if you have 50 per cent you have control, or meetings where if you have 50 per cent you've got control or an association.

The problem with the potash industry is that owning 50 per cent is not going to indicate any control and give the Government any kind of strangle hold on the industry. It will make the Government a large supplier, but that part of the industry that has not been nationalized, will go on getting the preferential treatment that flows to them because they have the contacts in the United States and elsewhere, the preferential treatment that flows to them because they are integrated companies, they are companies that have the sales force without having to deal as we do through agents and because they are companies that continue to have the trust and faith of industry in the United States. I think the reason why this Government goes on talking about 50 per cent is that they are harkening back to a misunderstanding of the industry, that the Premier indicated when he said a few years ago, that we will have the potash and they, he was referring to the Americans, they will have to buy from us. Of course, Mr. Speaker, they won't have to buy from us, if that us, means the Potash Corporation of Saskatchewan. They won't even have to buy from us if that 'us' means Saskatchewan companies. If they can get their supply from outside of the province, they will get that supply from outside of the province. If they can get their supply from the privately owned companies, they will get it from the privately owned companies in preference to the Potash Corporation of Saskatchewan. The only way that we'll be able to sell is if we do better on price, or if we have some kind of control along the lines of the prorationing scheme. And I don't think that the courts would stand for some form of a prorationing scheme and as the Minister no doubt knows, you couldn't get the industry within 50 miles of the kinds of meetings that Premier Thatcher set up when he imposed prorationing at a very difficult time for the industry. The potash industry today is more concerned about anti-trust suits than they have ever been and that kind of legislations wouldn't be possible any longer.

We believe that the whole concept of getting 50 per cent is conceived in error and that the Government is not doing the province any favours by some blind adherence to a number that either flows from a misunderstanding as I have said or flows from the sort of flippant remark that the Premier might have made when he said, "Well, we think that about half of the industry is an appropriate share".

This particular legislation, Mr. Speaker, also makes an attempt to clean up some of the frills around the Government's skirts in relation to the lawsuits and particularly the challenges to the Potash Reserves Tax. The Potash Reserves Tax is being accused of being an indirect tax. Now what the Government hopes to do is pass laws which would operate retroactively and they believe, in their naive way, when the courts strike down the potash regulations because they have

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passed this retroactive legislation they will be able to pull themselves out of the mire of the courts having struck down the regulations.

Now, Mr. Speaker, it may well be that the courts won't strike down those regulations but if they do I don't believe that the Government can pull themselves out of the legal mess in which they have mired the people of Saskatchewan by passing retroactive legislation. The courts won't allow you, Mr. Minister, to do by the side door what they are saying to the previous Minister who fiddled away this job that they wouldn't allow them to do by the front door. At worst it will draw the attention of the courts to the fact that the Government must feel itself to be on weak ground for what other purpose could we now be passing these retroactive laws other than the fact that the Government feels itself to be in trouble over the regulations that they have passed. What other reason could there be to attempt to pass retroactive legislation to clean up the mess other than to get yourself out of the mess and by doing so you demonstrate to the courts that you feel you are on weak ground.

I said earlier that we do not agree with the strangulation levels of the tax. These amendments regarding indirect taxation demonstrate the second major area of disagreement between our parties regarding all of the resource taxation.

First we say that the taxes have been at strangulation levels and have caused us to lose jobs and development and in the long run will cost the municipalities and the Provincial Treasury tax dollars. Secondly, we say that the Government has made a shambles of the resource management area and these amendments in an attempt to get yourself out of the mire are in fact nothing more than another admission of the mess in which the Government finds itself.

The NDP have been incompetent from stem to gudgeon in getting control of resources for Saskatchewan people. We're involved in battles in every courtroom in the land and it looks as if we're about to lost the big one over all of this, the CIGOL case.

**MR. P. P. MOSTOWAY:** (Saskatoon Centre) Thanks to Otto.

**MR. MERCHANT:** Well, you know the member for Saskatoon in his attempt to take some part from his seat in this debate has thrown in his usual brilliant but overworked witticism that he has thrown at me 987 times in the two years in this house. Thanks to Otto.

Well, as Member swill know the Federal Minister of Transport is a very capable, very hard working man and obviously the Member agrees with that in saying "Thanks to Otto" because he is saying that Otto Lang has somehow even become involved in this. Well, I say to the Member that if a better quality lawyer had been involved in this you wouldn't be in the mess you are in now. There is an old rule in the Law Society that you can't run down other lawyers to the laity and I say to that lay Member that perhaps if you had lawyers of the quality of Otto Lang you wouldn't be in the mess that you are in with CIGOL and potash.

As I have said, Mr. Speaker, the NDP have been incompetent from stem to gudgeon in getting control of the resource area. They are doing nothing more in their attempt than every other provincial jurisdiction has attempted to do, to get a fair share of the resources for the people within their domain and every other province has succeeded in doing it except this province. Every other province is getting the job done without being embroiled in courts everywhere and this province because of the incompetence of your Ministers, this province is in a mess in every court of the land.

To try, Mr. Speaker, to retroactively clean up the mess by redefining regulations under the Potash Reserves Tax is a naive attempt by this Government to solve some of the problems that their mismanagement has created. These amendments are proposed to try to fix up an Act which in itself is bad. The Act was bad and the amendments will fall before the courts. We don't support that, we won't take part in the mismanagement of the money of Saskatchewan taxpayers.

Now, Mr. Speaker, there are a couple of modest little good things to the extent that the Government now admits that they were wrong in overtaxing and are prepared to return small amounts of money to the industry from which the money was improperly taken, we approve of the Act. To the extent that the reserves tax is in part based on capital investment and the changes are made to take into account increased capital investment and to allow for incremental capital up to a few million dollars a year, we approve, but as I said taken together as a whole the legislation is clearly bad and we will vote against it.

**MR. R. A. LARTER:** (Estevan) Mr. Speaker, just a few words on the Bill. There are a few portions that any free thinking person would resent about this Bill. Taxation without representation for one, taxation by regulation instead of by legislation. We are against also the retroactive portion of this Bill because no one is certain what the past, present or future holds in store for these companies. It doesn't allow these companies to make plans for the future in Saskatchewan. It gives the Minister and his Cabinet more power without going to legislation, and illustrates the attitude as we have said many times of this Government, towards our resources policies. We wonder, and the Government is always bragging about our low unemployment in Saskatchewan. I know why there is low unemployment, because all of our young people are in Alberta. This is why there is low unemployment.

I wonder if this doesn't also bring into view the negative attitude on this Government towards fully developing our resources, what it is going to do to our students this summer I think that they are going to find out loud and clear that the jobs aren't available. I believe the Government's attitude towards our resource policies and including Bill 99 is just one more illustration there that is going to make students and others see what is happening to our resource industry. Therefore, we will not be supporting this Bill.

**HON. J. R. MESSER:** (Minister of Mineral Resources) Well, Mr. Speaker, I just want to make some brief closing remarks primarily to respond to the remarks of the Member for Wascana (Mr. Merchant). I don't really believe the Member for Estevan (Mr. Larter), who just took his seat, in his

comments to the Bill really had a clear understanding of what the amendments and what the Bill was all about. I think that the potash companies would be pleased to hear that he is against this legislation, seeing that it does bring about some achievements which we have, through a series of discussions with the potash companies, are now able to provide for them in this Legislation.

It is difficult to believe this Member would undertake to defend potash companies at every turn regardless of whether there is any true benefit to the people of Saskatchewan in the development of those resources or not, and is now against undertaking on behalf of the Government to improve in some areas the operations that they have in the Province of Saskatchewan.

I want though, Mr. Speaker, primarily to direct my remarks to the Member for Wascana (Mr. Merchant) and it is unfortunate that he is not in his seat at this particular time. But he undertakes in his remarks, Mr. Speaker, to lead this Assembly or the people of Saskatchewan to the conclusion that our efforts to undertake to acquire a fair share of our natural resources and to undertake to administer the development of those resources in the best interest of the people, has been done badly in the Province of Saskatchewan I suggest to him and to his colleagues, if he was to look at the success and at the level of achievement that this province, this Government has reached in regard to development of natural resources and the returns that they bring to the people of Saskatchewan that there is no other province in Canada, no other province in Canada that has that kind of success record. I think to be fair, Mr. Deputy Speaker, we must say that one can look back and see where errors have been made, and I don't believe that we owe any apology to anyone in that regard. We have in almost all instances been turning new ground in regard to acquiring greater control and greater involvement in the development of our resources. And we are bound to be encountered with some decision which will be looked upon later as ones which were perhaps, made in error, but I think through those errors, other provinces, other jurisdictions will be able to attain the same level of success that same level of involvement in those resources as did Saskatchewan and perhaps with greater ease, but only because we have the courage here to pioneer the development of those resources with the control and the rewards of those resources going to the people of Saskatchewan.

Now, Mr. Deputy Speaker, the Member for Wascana (Mr. Merchant) throughout most of his remarks and they were generally inept, takes a position of presupposing that all of the cases that are now in the courts will be ruled in favour of the potash companies and that the province will lose its position in those cases. He defies all facts of what has happened in the past. The court actions up to this point in time have all, in case of potash, been ruled in favour of the Province of Saskatchewan and the Government of Saskatchewan not the potash companies. So I think that he has simply tried to introduce a boogey man here in alluding to the Government trying retroactively to correct a problem. The Government has no problem at this particular point in time. We are confident that our legislation is in fact correct. We are simply here undertaking to strengthen our position and to be able to provide to the companies some of the changes that we have negotiated with them over the past several months. He makes the error of complimenting the Government for the modest little good things

that this Bill did and then chastising the Government for undertaking to tax at too high a level the potash companies in Saskatchewan, that the Government was wrong, and nothing could be further from the truth, Mr. Deputy Speaker.

Errors were made in regard to the calculation of the tax, not because of a deficiency within the Government but because some companies chose not to provide to the Government information that was needed to calculate that tax. They were the ones which were not abiding by the laws of the Province of Saskatchewan. We did as a province the only thing that was available to us and that was to estimate certain information that the companies should have been providing to us and calculate a tax. In some instances that tax was higher than it should be and the amendments in this legislation will bring about a return of some money to those companies which were taxed at a higher level than the tax was intended to tax them. And I think that is an indication that the Government is asking for no more or no less than what it chose to collect when it devised the tax and the problem and the error was the fault of the companies in not submitting that information to us, and the Member for Wascana should not undertake to mislead either this Legislature of the people of Saskatchewan that the Government was wrong. We make no such admission here we are simply using information that the companies have now chosen to make available to us and correct where corrections are needed.

The Member also spent some time when he first spoke in regard to Bill 99, that there were companies which were being taxed more than they earned, and he undertook to blame that on the actions and the position of the province and the attitude of the resource development of the Government of Saskatchewan. That also is not correct, and I hear a Member from the Conservative caucus saying agreed. The taxes that we calculated we felt were fair and just. We still believe that they are fair and just but I have to remind the Members opposite, especially the Member for Wascana with the Liberal caucus, that the Federal Government, after we calculated those taxes undertook to not allow royalties paid as a deduction when filing income tax. In some instances they may well have forced those companies into a narrow net return position whatever that may mean, with some of these multi national companies. And I think that the fault and the blame lies there and it should not be expected by the Opposition of the Legislature of Saskatchewan to correct any problem that the companies may encounter simply because of a decision of the Federal Government which interfered directly with the taxing authorities and the taxing rights of the Province of Saskatchewan. So if there are, in fact, companies that have problems in that regard, the fault lies at the feet of the Federal administrators, the Federal Government of Canada who chose not to allow the deductibility of royalties, not the Province of Saskatchewan.

Mr. Deputy Speaker, I have undertaken to comment on some of the areas that the Member for Wascana (Mr. Merchant) and the critic for the Conservative caucus made in regard to Bill 99. I simply want to close in saying that when the Member for Wascana says over and over again that the Province of Saskatchewan has done a poor job in developing its industries and its resources and then undertakes to use as an example some of the Maritime provinces, he certainly doesn't know very much about the batting record of the development of resources in those provinces.



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From Newfoundland, in fact, last night on the national news there was a significant documentary in regard to the success of that Conservative province and its ability to develop resources. In almost every instance either it was done badly or the resources were now closed down. He mentioned the Province of New Brunswick and I conveyed to this House on the second reading of this Bill and on other occasions that the Province of New Brunswick in its quest for resource development at any cost has simply given away its resources. In one instance it is the resource of potash and I suggest to them that it will only be a short period of time if those resources are ever developed that they will have to undertake to renegotiate the terms and conditions of the royalties and taxes that are applied to those resources in order to get some kind of return to the people of that province. We see that happening in other areas of Canada. It does not happen in the Province of Saskatchewan. It doesn't happen because of the kind of legislation that Bill 99 brings about so that we can in fact have some kind of control over the destiny of the development and the returns from our non-renewable resources.

With those few words, Mr. Deputy Speaker, I urge all Members including the Members of the Liberal and Conservative parties to reappraise their position in regard to the opposition of this Bill and vote for Bill No. 99.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins that Bill No. 105 — **An Act respecting the Superannuation of Certain Persons Under Certain Superannuation Acts** be now read a second time.

**MR. G. H. PENNER:**(Saskatoon Eastview) Mr. Speaker, if I may be permitted to make a few remarks with regard to this Bill, I believe that my colleague has some further remarks that he wants to make too, at which time we would be pleased to see the Bill go into Committee.

Generally speaking I think it is fair to say that we agree with the intent that the Minister has put forward with regard to this Bill. We took note with interest yesterday of the amounts of money that the Minister had indicated are part of the unfunded aspects of plans that exist in Saskatchewan, the \$40 million that was mentioned with regard to the one plan, \$540 million I think with regard to the public service and then an indication that the teachers' plan is further underfunded even than that. When one looks at those total amounts of money the fiscal position of pension plans is in a good deal of jeopardy. It seems to us to make some sense to place some restrictions upon plans. There may be for some people a little bit of unpopularity with that but it tends to make a little bit more sense to do that and have some chance that when a person superannuates he has some money available rather than to continue with plans that are reasonably wide open and arrive at a time 30 or 40 years down the road and find that the people of the day decide that in fact they are not prepared to support that kind of unfunded liability through their tax dollar. Paid up plans make some sense and we can support that concept in principle.

**MR. W. H. STODALKA:** (Maple Creek) Mr. Speaker, I had hoped that possibly before I

said anything today I would have a chance to read the comments that the Minister made last night but I guess it is a little bit early in the morning to do that. As the Member for Saskatoon Eastview (Mr. Penner) indicated we in our caucus are in general agreement with the changes that were suggested in the plan. We are going to be offering a couple of amendments as we go into third reading. I would just like to say that we note that this is sort of a dramatic change in government policy and in the direction in which they think that pension plans should be going. It is not too many years ago when the same Government made superannuation a negotiable item in one of the plans we have for the Province of Saskatchewan. I predict that that is probably going to cause you some problems if you are going to try and implement changes similar to this present program.

The second major change we see is the movement away from the cost of living index in these plans. It has been customary over the last few years, whether on the federal level and here also on the provincial level, to develop plans that took care of increases in the cost of living. I noticed that this particular plan which, I presume is the ideal plan which you are suggesting, makes no mention of the cost of living index. In other words there is a movement, over a period of years, to a more fully funded plan, a plan in which the funds will be available to make any future payments.

I wonder why when I read the legislation, and maybe the Minister can comment later, as to why only five of the plans were brought under this legislation? I noticed some of the bigger Crown corporations, are listed here, Sask Tel, Sask Power as well as the Public Service but there are numerous other plans that are administered by the province that are not included under this particular program. Maybe the Minister can indicate to us as to why these other plans were not included? I suppose we might say that the movement towards a funded plan is going to cause some problems in the future. Problems are faced by people who are presently living on pension plans that were earned through years of work when they were working in the 1940s or in the 1950s and now have a frozen income and don't have the cost of living index feature built into them. Certainly I would hope that over the years that the Government, even though this legislation is passed, will, if the cost of living increases as it has, make periodic increases to the particular pension plan.

The changes that I find quite different in this plan and in some of the other pension plans that are presently in operation are first and foremost the fact that after three years of service that a person will be frozen into the plan. If they are frozen into the plan this means that they will not be able to take out the contributions that they have placed into this plan. Secondly, they will eventually some day, when they enter a period of retirement, receive the benefits from that particular plan. This is a marked change in pension plans. A direction in which it will, I suppose you might say, force people to provide for a pension plan some time in later life.

One of the problems that I see within the provincial plans at the present time are the inequalities that are going to exist because of this plan. It would seem that if a province is going to operate pension plans then the people who, of course, are participants within the plan should be treated similarly. There is no doubt that the passage of this type of legislation will not mean the same treatment or level. It will not

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guarantee the same treatment for all people who are being supported by their superannuation plans. The Minister I am sure is aware that one of the programs has the cost of living index feature built into it. This is one item. There are also other areas in which there still will be some inequalities for people who are receiving benefits from these plans.

I might say in conclusion that as we go into third reading there are a number of sections in which we would like to ask a few questions. As we proceed through the third reading of the legislation we are going to be introducing, I can inform the Minister, a couple of amendments. We are going to introduce an amendment to Section 28. Under Section 28 this is the dependents' allowance, the provision in the present Bill suggests that the dependents' allowance shall be 50 per cent of that of the superannuate. Now this is in contradiction to both the MLA plan and the teacher plan which has 60 per cent. So our amendments to that particular Section will be that this be standardized at 60 per cent.

We are also going to introduce another amendment to Section 36. Section 36 of the Act is the one that makes provision for people who are presently superannuate from the Government services. This Section of the Act suggests that a \$12 per year of service payment be made to each one of the recipients of present superannuation plans. Our amendment is going to be to suggest that that \$12 per year payment be per year of service be raised to \$24 per month per year of service.

With those comments I would like to say again in summary that we agree with the legislation in principle and as I said we think that it is a move in the right direction and with that I would like to conclude my remarks.

**MR. R. H. BAILEY:** (Rosetown-Elrose) Mr. Speaker, I just have a few questions and I know that the Minister will say, well you can bring these up in Committee of the Whole but it may just be that I may not be here during that time.

I think the Minister who is supporting this Bill the Hon. Mr. Robbins, would have some agreement on pension plans as they now exist, that we agree that perhaps we should be taking a total and new look across the entire scheme of pension plans and I have a tendency to agree with him all the way. But there is something about this Act, Mr. Minister, and I really just have three questions and I know that you will respond to them.

Mr. Minister, how does an employee of the Government who has had previous service with some other companies go about getting this time added to his pension rights? It seems that in recent times within even the last month, that it appeared at least that only those who are special to the Government, and I don't say that in a critical way but in reading it, it would look that way, that only those special to the Government are allowed recognition of this and it is done by Order in Council. That fact that it is being done by Order in Council gives it some type of an unbalance and will be an unbalance to this Act as well.

Another question, Mr. Minister, is every government employee who was employed by some other company prior to joining the Government allowed to bring his service to the Government

Public Service? Is everybody recognized the same way in coming in?

The third question, Mr. Minister, which to me seems to be some type of discrepancy, why is it that the spouses of government employees upon the death of the government employee are allowed only 50 per cent of his pension when other plans such as teachers are allowed 60 per cent? Those are the three basic questions I have, Mr. Minister, and I would appreciate you answering.

**HON. W. A. ROBBINS:** (Minister in charge of Superannuation Board) In Committee of the Whole.

**MR. BAILEY:** I realize that but I have an idea that I may not be here during Committee of the Whole and I would appreciate getting that information now.

**MR. ROBBINS:** Mr. Speaker, I will respond very briefly to both the Member for Maple Creek (Mr. Stodalka) and the Member for Rosetown-Elrose (Mr. Bailey).

The Member for Maple Creek asked a question with respect to why the Bill would provide coverage in relation only to five Acts, i.e. Sask Tel, Sask Power, Liquor Board, Workers' Compensation, Public Service. This Act was called The Superannuation Supplementary Provisions Act and is replacing an old Act which covers those five Acts specifically. In addition I should mention that we have a similar plan through the Government Finance Office and 11 smaller Crown corporations that are already in that plan and they are increasingly going that route. So we have both the Crown corporation sector and the public sector in the coverage.

He mentioned something in regard to negotiations on pensions and if you get to earned pensions the negotiation occurs strictly at the level of wages because it is related to a percentage of whatever the wage is and there is no real problem in that respect.

He also raised a question with regard to widows. We were approached and asked to increase the 50 per cent widows) allowance and this will also apply to the question of the Member for Rosetown-Elrose. The reason we decided not to make that change is we are making a change from a six year to a five year average level which does give an increase not only to pensioners but also to widows of those pensioners. Now you may argue that that is not enough but it does in effect meet the indexation problem to some degree. The reason for not going for more is that the 50 per cent allowance or the allowance that is paid to the individual superannuate bears no relationship whatsoever to the contributions they have made to the fund and, therefore, it isn't logical to arrive at any kind of a percentage except on the basis of an earned pension where the widow gets exactly the same pension as the pensioner got. That is the logical approach.

With regard to questions by the Member for Rosetown-Elrose, how is an employee's service with some other employer purchased? I don't know whether he said government or other employers. It has a condition, if somebody is hired into the government service, maybe a person 45 or 50 years of age and the Government

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is anxious to attract that person then that person may negotiate in terms of pension. Under Rule 21 of the present Act, a new employee could buy previous service with an outside employer into the Public Service by paying the required sums of money in relation to his previous service. We expect to delete that out of the present Bill because we think it has been abused to some extent.

An employee for a private business has been allowed to buy his service in the same way, Yes, we have brought them in from Ford Motor Company, CPR, British Health Service, Imperial Oil and many others. But frankly that rule has, we think been abused to some extent. We think what really should happen is the person should get a pension for the period he works with his former employer and a pension when he works with this new employer. He will end up with two pensions. I don't know whether that answers your questions entirely but I will discuss it with you later and perhaps we can get back into it in Committee of the Whole.

Motion agreed to and Bill read a second time.

**COMMITTEE OF THE WHOLE on Bill No. 77 — An Act to amend The  
Student Assistance and Student Aid Fund Act.**

**SECTION 1**

**MR. W. H. STODALKA:** (Maple Creek) Mr. Chairman, earlier this year we suggested to the Minister of Continuing Education (Mr. Faris) that he possibly look into some changes that might be made with regard to regulations as to the eligibility of the students for assistance. The one thing of concern to us was the dependents issue. The person had to indicate what his parental income was and then, of course, was awarded funds or bursaries or loans according to what the income of the parent was. We had the concern at that time that just because a parent had money didn't mean that it was necessarily available to the student involved and we asked the Minister if he would check into some possible way in which this situation could be rectified. He indicated that it was a problem with the Federal Government and the Canada Students Loan, but we also indicated to him that Saskatchewan's Students Loan didn't have to operate in the same fashion as the Canada Students Loan and certainly if he was willing the opportunity was available for him to make the necessary changes.

**HON. D. L. FARIS:** (Minister of Continuing Education) Well, as the Member is quite aware, of course, that it is the federal regulations under the Canada Student Loan Act that have set this sort of pattern and I invited the Member and the party which he is a member to contact their counterparts in Ottawa to look into this. I have spoken to the Secretary of State when he met with the Council of Minister of Education about the inadequacies of the Student Loan Program. You're aware that we brought in some changes. We strengthened the bursary side of the program, which is a totally provincial contribution. I think we have a pretty good program here in Saskatchewan now. But partly it's because we're trying to make up for inadequacies of the national program.

I believe we have received replies from the feds that they don't intend to make any sort of fundamental changes this year.

But we also received indications from John Roberts that they were looking into future changes. I'm sure that if you were to correspond with your counterparts in Ottawa, you would have great weight and carry great influence and we could look for that sort of change down the road.

At the present moment Saskatchewan Student Loans are less than 100. Most of the loans in the province, some 6,000 or so, are under federal program. If we were to open up the Saskatchewan program without the federal program being changed likewise, what we would find is a tremendous new burden upon the provincial program. It would virtually wipe out the federal program. That's why we're working for changes in the federal program. We think it would be important for this province and right across Canada. I think one of the problems, we must be aware of is the inequities between the various provinces and this type of program. We have a pretty good program in this province.

**MR. STODALKA:** Mr. Chairman, don't worry about us. We'll inform the fellows in Ottawa about suggestions that we think that are needed. But you're still running around the question. That money is still available, your provincial plan is still available and I am sure that you said that the federal funds wouldn't be used. You as much as indicated that if you made changes in your provincial plan then the demand would be for the provincial money and the federal money would lie idle. I asked some questions earlier about the amount of money and you granting these particular loans. All the federal money was, I believe, distributed as under the regulations that were set by the Federal Government. Is that not correct? Last year you didn't have any federal money that you were not able to lend out to students, You had more applicants than you had funds available. Did you not? I stand to be corrected on this, but it would seem that certainly this is not and should not be a hindrance to you to change the plans within the Province of Saskatchewan. In just concluding, I wonder if I could get a copy of the new regulations that you did set for this year, the changes that you made. If you could have one of your people send us a copy of the regulations.

**MR. FARIS:** Yes, we can certainly give you the new regulations, but in regard to the total federal allocation that would be available under the Canada Student Loan Program, I am advised by my officials that it was not totally used. And as I pointed out to you in Estimates too, the problem is that the province has been carrying a heavier and heavier share, something like over a 50 per cent increase in the last three years. Substantial amounts of provincial money was going into this field and only something like a three per cent increase in the federal money. Now we think there are some pretty serious problems here and if we mean to have a national kind of program, we would like to see a better one and if you have some particular concerns and you share those with the Federal Government I'd be very pleased to receive copies of your correspondence with them.

**MR. R. H. BAILEY:** (Rosetown-Elrose) I'd like to ask the Minister how much, if you have it in round figures, how much money is now owing, considered in the category of owing from your student loans? Have you got that figure handy? Delinquent if you know what I mean, in the loans.

**MR. FARIS:** Yes, the Hon. Member will have received the Annual Report of the Saskatchewan Student Aid Fund, 1975-76. On the second from last page, there is a statement on loans receivable. Well there's an amount outstanding at the end of the year of \$618,000, but that is money which we consider to be in the main collectable. The amount which was written off last year as uncollectable was \$5,389, but we make every effort to collect this money and we can collect a very high proportion of it.

**MR. BAILEY:** Thank you, Mr. Minister. Mr. Chairman, the reason I asked the question is, that in reviewing your report, it was difficult to determine in the figures in the report as to which was a delinquent account. Money owing simply means that's a legal amount of money owing. My question, Mr. Minister, is this, you say that you have written off approximately \$5,389. Now when a student makes application for a loan, let's use nice round figures, and he borrows \$1,000 and that person does not gain employment in the area of training for which the money was borrowed, I understand, you still make an attempt at least to get the money even if he's in another profession from which he has been trained, is that correct?

**MR. FARIS:** Yes, the loan is for education not tied to what profession he might go into.

**MR. BAILEY:** Mr. Chairman, a news report last night as well as one about ten days ago, and I think the Minister is aware of this, indicates that the number of graduates from university from the various colleges are going to be finding themselves in a more difficult position in the next ten years than they have ever been in, in finding employment in their given field. Now if there is any validity to that report at all, it is obvious then that there is a strong possibility that the amount of loans that will be unrecovered or which you will have to write off, will increase and I'd like the Minister to comment on that.

**MR. FARIS:** Well, there is no repayment for the first six months in any case, but after that if they pay \$50 a month, I believe that holds the interest, there is no interest rate, but in addition if a person gets into difficulty, the period of repayment can be extended. So the amount which is written off is not a very large amount, for instance, in the case of death, that's how that kind of thing arises and for ill health and so on. But we make very stringent efforts to recover money over the longer term. Certainly if there is this growing unemployment situation, I'm sure that will be taken into account, and the period will be extended.

**MR. BAILEY:** One final question, Mr. Chairman. What's the minimum time for which a loan can be obtained? There's a minimum in there and has that minimum length of time, is it 11 weeks, 10 weeks, 9 weeks, what's the minimum time?

**MR. FARIS:** The minimum period in a year is 26 weeks and that can be subdivided into two 13 week semesters.

**MR. BAILEY:** In other words, an 11 week program is not eligible then for a student loan according to that. That's the . . .

**MR. FARIS:** Not at the moment, but the Federal Government has agreed to look at this length of period.

**MR. BAILEY:** That's the point I wanted to make. There are many students, Mr. Minister, who want to enrol in programs which slightly fall under the minimum and therefore they are not eligible for a program and yet they would be very eligible recipients for the loan.

**MR. J. WIEBE:** (Morse) Mr. Chairman, just a few brief comments. Personally I can't accept the answer which the Minister has given in regard to the comments or the questions posed by the Member for Maple Creek (Mr. Stodalka). You have agreed that there is a problem with the fact regarding student loans and the total income or assets of their parents are taken into account. You have in effect agreed that that is a problem and that something should be done. What you have done to avoid doing anything about the problem is to say that it lies all on the shoulders of Ottawa, in that Ottawa has not changed their guidelines. Let me remind the Minister that education is a provincial government responsibility, not a federal responsibility. The Provincial Government should be extremely happy that they are receiving the amount of money that they are from Ottawa in regard to the Student Loan Program. The students at Saskatoon and Regina require help in this regard. If you agree that this is a problem and I think everyone in this House does agree with this problem, then why not accept your responsibility as Minister in charge and make the regulations and make the changes that are required to ensure that the students will be treated equitably. Don't always shift that blame on Ottawa, you can't continually use that excuse. It's about time that the province started to accept some of its responsibility as well.

**MR. FARIS:** I will say to the Hon. Member that if he would have his colleagues in Ottawa turn this money over to us unconditionally so we could design our own programs, we would be very pleased to do that, but since they set up a program with strings attached, we feel responsible to work within that framework.

Section 1 agreed.

Section 2: Section 2a as amended agreed.

Section 3 as amended agreed.

Section 4 agreed.

Section 5: Section 5a as amended agreed.

Section 6: Section 10 as amended agreed.

Section 7 deleted.

Motion agreed to and Bill read a third time.



**Bill No. 65 — An Act respecting Warranties on Consumer Products.****SECTION 1**

**MR. E. F. A. MERCHANT:** (Regina Wascana) Mr. Chairman, I want to make a few remarks about the Bill on Section 1. We support the Bill in principle. The Bill follows along in large part with legislation that has existed for some time, the Sale of Goods Act and other legislation which has given protection to consumers. We believe that this is an area where greater protection is appropriate. We have noted with interest that the United States, Ontario and British Columbia are all moving with similar legislation and noted as well that the industry has had fairly complete notice of the direction in which governments across the land are moving in this regard and notwithstanding the fact that we support the legislation, there are one or two amendments that we propose.

To some extent, Mr. Chairman, we find ourselves in between two divergent approaches to government in giving our support to this legislation. We, in our party have always been very conscious of the dangers of passing new laws and intervening into people's lives. At the same time we always wanted to do all that we could to protect society, whenever that was possible and whenever that new intervention into people's lives was so worthwhile as to make it incumbent upon governments to move and we feel that in this situation it is incumbent upon government to move.

We view the passing of legislation in general, to some extent to be an intervention into people's lives and you have to do that only when the additional lawmaking and the additional intervention is valuable and is worthwhile. We say that this passes the test that it is valuable and worthwhile.

Indeed though, Mr. Chairman, this is a sort of a classic bellwether on that question of whether intervention is worthwhile or not. The NDP usually have no trouble supporting that kind of legislation. They don't seem to mind becoming involved in people's lives. The Conservatives, in this House, tend (with respect Mr. Chairman) to lack the depth of thought to even view those sorts of questions in the philosophic terms that supporting this legislation tends to demand.

This legislation, to some extent more than any other that has been introduced in this House in this Session, demands an analysis of one's purpose as a political party. We believe that in choosing to oppose this legislation, as the Conservatives have indicated by what they said, and the indications we have had both privately and in their reactions in the House, that the Conservatives are telling us a great deal about what they really are in philosophic terms. They can dress their opposition in any frills that they like, they can say (and indeed I challenge them to clearly enunciate their position) because we have heard from them on second reading that they oppose consumers' legislation. They can say that they are opposing the legislation because they don't like this ingredient or that ingredient. But if that's the case they should, on second reading, have been saying 'we support the legislation, but we will be moving amendments'. We in the Liberal Party have some objections to the Bill and we propose to move an amendment or two. But in principle, we think that this is the right

direction in which to move. And I say to Member of the Conservative Party that I don't think people will be fooled by dressing up their frills.

This is the kind of Bill where they have to examine what they are and what they believe their function to be as lawmakers, not in political terms, not in terms of going to one group of people and saying, 'we opposed it' and going to another and saying 'we kept our mouths shut and nobody can really tell whether we opposed it or not', or indeed some of them saying 'well, we supported that legislation'. No, they have to examine what they are as a party and I think their attempts to date to oppose (but not oppose very openly) is the kind of transparent wrapping that demonstrates their party as lacking any real depth of purpose and real depth of understanding of what government is all about and their responsibility to the people, whether they are here in an Opposition role or here in a government role.

It is not a question, as the NDP will characterize it, of the Conservatives supporting big business against the public. That's not the question and that sort of simplistic phrase doesn't really serve us very well. That's the sort of standard rhetoric that has got the NDP into trouble in this province. I don't believe that the Conservatives are opposing this legislation particularly because they support big business or little business, or business at all. They are opposing this legislation because they fail to understand that people require a minimum level of protection, that the minimum level of protection protects the weak in society. I don't need this kind of legislation. I suspect that most Members of this House don't need this kind of consumer legislation. We are careful enough with our purchases, we are careful enough with our money, just as I hope we might learn to be a little more careful with the taxpayers' money. But it is the weaker within society who require a certain level of protection, and when the NDP characterize as they do sometimes, the Tories' opposition of this kind of Bill as being support of big business, I think they fail to note that the Conservatives seem to miss the level of basic protection that everyone in society requires.

In fairness to the Conservatives, that may be because they lack the depth as individual legislators to analyze the situation in that way.

**MR. BOWERMAN:** That's not right . . .

**MR. MERCHANT:** Well, I have to make these fairer statements, I can't say unkind things without being fair.

Mr. Chairman, this Bill doesn't go all that far beyond the current state of the law. I suspect that the Conservatives in opposing this legislation may not be too aware of what the current state of the law is.

It does however, draw attention to the current state of the law. It takes away the right of certain dealers to avoid meeting their responsibilities by claiming that the responsibilities lie with the manufacturers or the wholesalers who are out of the province. The legislation does other valuable things and I don't propose to comment on any kind of a clause by clause way, but only to say one of the most important things

about the legislation is it draws attention to and reinforces the basic minimal protection to which all consumers are entitled.

Frankly, it is not easy for me to support in principle legislation that allows for Government to become more involved with the business community of this province. I, by nature, categorically dislike big business. I personally react against the involvement of public servants in the lives of any of the people that I serve, or any of the people in this province. That is the kind of reaction that the Conservatives, if well motivated will probably have with me and with other Members of the Liberal caucus.

Unfortunately, and I say this with respect, I think that in deciding not to support the legislation, they fail to remember that the less sophisticated in society, those who are susceptible to being taken in by those few in business who are unlawful and dishonest, bad businessmen, those few who are unscrupulous. Unfortunately the Conservatives fail to remember that those less sophisticated require the protection of Government and in order to protect the susceptible, all of us to some extent, have to be placed under these kinds of laws.

The essence of liberalism, Mr. Chairman, is a tenacious determination to maintain individual freedom. The essence of liberalism is that we each of us as individuals must be given the right to live our lives without the tyranny of big business, big unions and most important without the tyranny of big government.

Indeed the most important function that I serve as an MLA is when I intercede between the people that I serve, the people of this province, the people of the area that I represent, and big business and big unions, but most important when I intercede between them and big government and bureaucracies. When I speak of that, when I talk about the ferocious law of individual freedom, that the Liberal Party has, I say that in counterbalance almost so that Members will understand that it is hard for us to support increased governmental intervention. But having said all that, we still know that this Bill, and this kind of legislation is necessary to protect the weak from those few in business who are unscrupulous and dishonest. For all those reasons we propose to support this legislation in principle.

As Members may know and I mentioned it, in our law now we have a principle called 'privity of contract'. A manufacturer is not responsible for his shoddy products in any real sense because he didn't sell those shoddy products to the ultimate buyer. Only the retailer is subject to litigation and frequently a disclaimer clause is included in the sales contract and gets the retailer out of being able to be sued.

All of us because we are bright with our money tend to know that it is advantageous to but from a retailer who is a reputable retailer, because then we can go back to that reputable retailer. Well, it will be better after this legislation has passed that the person who is responsible for the shoddy workmanship, the manufacturer, will in fact be on the hook. And that through this legislation it will be possible to cut through that development of law which has protected the manufacturer. A concept that goes back to the 1400's and 1500's called, 'privity of contract' cuts through that and goes directly to the manufacturer. It is one of the most important concepts of this

legislation and part of the reason that we find ourselves wanting on the whole to support this legislation. That is a change of substance and that change of substance is a good change, as in other areas the advertising of the law as it really exists is a good thing to do all in itself.

The legislation imposes minimum standards of product fitness. This to some extent has always existed under our law. But we approve of that codification of the minimum standard and we approve of the publicity that this passing of the Act will give to the assistance of that minimum standard. We approve as well to the extent that it will happen that there will be perhaps a slightly higher minimum standard of product quality and durability.

We believe that some of the objections of industry and I've noted that you learn to judge how important the objections are. How deeply felt the objections are, is perhaps by the effort that is forthcoming. We believe that in part industry is prepared to go along with this legislation, first, because they, more than anyone else want to see the bad apples in business weeded out. Businessmen, more than anyone else, want to see those few who are unscrupulous stopped from giving a bad name to business in general. Those in industry want to see those in industry who take advantage stopped from doing that.

Secondly, we know that industry and business have had ample time in which to adapt themselves to the changes in legislation that are coming. Product warranty legislation has been mooted and talked about in Canada for a number of years. The Ontario White Paper was a couple of years ago; our White Paper was a long time ago. Industry and those in business are able I think to adjust and are prepared to deal with this legislation. They get, I suppose a trade-off because they will find that the bad within business will to some extent come under censure, and they want that. It is businessmen who want to see the bad weeded out more than anyone else.

Manufacturers have sounded some concern about the danger of allowing a judge to determine what reasonable durability might be. But you know judges have always had that power and judges have always been very conservative in their outlook and I suspect that we will find that the judges don't extend the theory of reasonable durability very far. And business will find that their fears are allayed by the inaction of the courts and the reluctance of the courts to become involved in the business community very much.

Mr. Chairman, Ontario gave an indication that they were going to proceed with legislation along these lines. British Columbia has indicated they are intending to proceed and now Saskatchewan is proceeding.

I said that we abhor government intervention. Not like the NDP. The NDP really couldn't care less how many public servants they have running around this province, how many people they have meddling in the lives of Saskatchewan people. We abhor that.

**MR. BOWERMAN:** That's not right . . .

**MR. MERCHANT:** Well now isn't that a treat, for the Minister in charge of DNS to say that is not right. Of all, the Minister almost

the expert on public servants meddling into people's lives, I would say that Minister should keep his mouth shut when we are talking about too many public servants. As I have been saying, Mr. Chairman, it is that abhorrence of Government involvement that had made it frankly difficult for us to support this legislation. But we think that the legislation is well worth the price.

We are somewhat concerned about the aspect of what I would call legislative over-kill because the Federal Government has to some extent passed similar legislation. The Federal authority however, deals only with matters of interprovincial trade and the broader, larger matters, if I can call it that. Because matters of civil rights under the BNA Act come within provincial jurisdiction, we feel that for complete coverage provincial legislation should be passed as well. Saskatchewan has to deal with our own local problems and this province, because of bureaucracy will be smaller and closer to the problem, I believe it will be able to deal quickly and I hope with less trouble and less friction between industry and the consumer than will happen if the Federal Government is dealing with those issues at a local level. Nonetheless, Mr. Chairman, I sound as a warning that we will want to ensure that the passage of this legislation does not result in business being abused by the duplicity of authority. Companies must not come under undue pressure or unfair pressure as a result of facing legislative controls from two sources. That is an area where we will continue to review the progress that is made as this Act is implemented in Saskatchewan and continue to review the way this Act operates after it is enacted into law.

The last concern that we have is, we believe that there should not be by way of the sanctions penalty, sanctions section, a fine as well as criminal sanctions of incarceration. This is civil legislation not criminal. Company owners and directors who may not have had any knowledge of the activities which caused the complaint to be laid against their company, are by this legislation subject to prosecution and incarceration. That is wrong, and we'll move amendments to take away the right to incarcerate.

Do you know that we have now, plus the 700 laws in the Criminal Code 20,000 laws nationally and 20,000 laws provincially, or at least those are the estimates by the Canadian Law Reform Commission, 40,700 laws that impose sanctions on people. Mr. Chairman, 40,700 laws, according to the Canadian Law Reform Commission. We say that when you have got so many laws, that criminal sanctions should by and large be criminal sanctions of incarceration be restricted to the kinds of legislation like the Criminal Code where people fully know that they are dealing with criminal sanctions and they know that they are subject to incarceration.

We don't think that when you have got civil areas, civil legislation, something that is designed to deal between consumers and businessmen that a government should come in with their NDP hobnailed boots on and threaten to throw businessmen into jail. That legislation should not hold out the prospect of directors and managers and company executives who may not even know about the infraction, who may not even know that some employee of theirs has done something, that those people should then be subject to incarceration.

The Minister or the Hon. Attorney General could rise and say, well, we don't think that our court is going to put them in jail, if they didn't know, and we don't think that a court is going to put them in jail unless it's a pretty flagrant kind of situation. I can tell Members that I have been in court when people convicted on their first offence of shoplifting have been sent to jail for a month (I had that happen a couple of times in my knowledge, once where I got the fellow out within four or five days). He got a month in jail — he stole an \$8 steak. I don't want to make that sound like Jean Val Jean situation, he had about \$30 in his pocket.

**MR. MOSTOWAY:** That was good for a pound of steak.

**MR. MERCHANT:** All that I am saying, Mr. Chairman, is that when you don't pass these kinds of laws and risk the possibility that those very, very serious penalties could apply to somebody over what is essentially civil litigation.

We will be moving that amendment. The Government may want to pass that, I hope they will. I hope they may, in the next little while give some consideration to that. I don't know whether we will be rising while this Bill is still before the House, but the Government may well consider that, that you may have over-reacted in imposing criminal sanctions; that part of the difference between the way your government would deal with business and the way our government would deal with business is that we would go after a little more of give and take. This is the kind of give and take where you pass criminal sanctions and that sticks in the craw of business; that sticks in the craw of the Chamber of Commerce.

As I have said, Mr. Chairman, we believe that protection of consumers is important. We will support this Act. We have heard from the Conservatives that they oppose it and I challenge them, Mr. Chairman, on this section, before we go into clause by clause, to deal, if they can, in substance with why they are opposing this legislation because I would be very interested. I would be very interested in knowing whether, as I have said, they just don't think that any minimum protection is the entitlement of the millions of consumers in this country and hundreds of thousands in this province. I challenge them if they claim to be a party that deserves government and claim to be a party that would govern for all and not for some narrow group, to tell me and other Members of this House how they could oppose legislation, in principle, that is in the works in most of the states of the United States; in the works in large parts of Canada by Conservative governments and in British Columbia, a reactionary government. I say to them that I would be interested in knowing how they can oppose that kind of legislation and I challenge them to deal, not in an abstract way and not try to say, we dislike this section. Do they, in principle, support the concept that certain minimal standards of protection are the right of the consumers of this province? We, in principle, support that concept.

**SOME HON. MEMBERS:** Hear, hear!

**MR. R. H. BAILEY:** (Rosetown-Elrose) Mr. Chairman, once again we have seen demonstrated in this Assembly that position of, particularly, the Member for

Regina Wascana (Mr. Merchant), of coming down real hard on both sides of the fence.

In addressing myself to this Assembly today in respect to this Bill, there are a few items that I make abundantly clear. I don't know whether the Member for Regina Wascana was here or not, but what he said today is — I like the Bill, we oppose the Bill, I like the Bill, we oppose the Bill. Mr. Chairman, that is traditional of the Liberals in this House. They have a piece of legislation that comes before them and sure enough they have to come down on both sides of the Bill, both sides of the Bill, very clearly.

My colleague for Estevan (Mr. Larter) and myself were the two Members of the caucus who spoke on this Bill.

**MR. MERCHANT:** . . . some questions.

**MR. BAILEY:** And some question. I wonder if the Member for Regina Wascana would deny the right of this caucus and Member of this caucus to ask questions? He mentioned in his long speech, this morning, about 40,000 bills across Canada, which in effect this will make me another bill. What he is talking about here and trying to say is that the Conservatives basically deny that the consumer should have the basic level of protection. That is not the case! That is not the case at all.

When you look at this Bill, Mr. Chairman, there are some intrinsic dangers found within this Bill and that is the reason why we are opposing the Bill at this particular time. We are opposing the Bill because there are some things within the Bill and that are lacking in the Bill, which could be the root of the problem.

We have consumer associations across Canada who are doing a good job. We have federal legislation which is applicable to Saskatchewan like it is in any other province. Mr. Chairman, I want to suggest to you that businessmen, in Saskatchewan, are honourable people. Businessmen in Saskatchewan are people who do a service to the people of Saskatchewan.

As I mentioned earlier, this Bill does not provide the machinery by which you can protect the businessman and the manufacturer from abuse and not normal use. I make that clear. Another point, Mr. Chairman, is this, nothing is in the Bill to give the dealer, the retailer, the recourse to go to the manufacturer who in fact then can go to those involved in manufacturing who could well be guilty of faulty workmanship.

We have a growing tradition in this province and outside of this province, that you have to get the businessman. Even in the smaller communities when there is a function to go on, whom do we go to to support the local communities to put up the prizes and sponsor this? Legislation like this is dangerous to the business community unless there is some recourse for them in the way of protection against those people who abuse the products which they purchase.

There is another thing that I have some fear of. I can see down the road, Mr. Chairman, that we could well in fact have as the Member for Wascana used the term, legislative overkill. No one in this Assembly wants an individual consumer to have more protection than I do. But the Bill in itself, at this

particular time, with the omissions that the Bill doesn't contain, provides an opportunity for legislative overkill.

Let me give you an example. Let's suppose that there comes along, in a year's time, a well known case where a particular businessman according to the rumours and according to the statements made and so on, was negligent in honouring this Bill. I can well see the political overtones that this Government could offer in their attempt to destroy private enterprise. I am very concerned about that because we have to have business in this province. I feel at this time that this legislation, for what it doesn't contain, is another fetter on the business community of this province and leaving a businessman with no recourse, but rather to be subjected to decisions of some court.

That, Mr. Chairman, is the reason why we are not supporting this Bill. As a matter of fact I have every reason to believe that the various consumer groups in this province — and there are many of them — probably have a better impact in drawing the attention of problems to the public than this Legislature has. They probably would be listened to more than whatever political party is in power in the province at that particular time.

So, Mr. Chairman, if the Government was concerned with taking an approach where they would be fair, fair to the consumer, fair to the business community, fair to the manufacturers and allow the manufacturers some reasons for which he may have recourse as well, to faulty workmanship and looking at the total thing, then I would agree to it. But to present this Bill in its present form to me is a blatant attack and another hanging rope around the business communities of Saskatchewan and that, Mr. Chairman, is the reason why at this particular time, that we cannot support this Bill.

**MR. S. J. CAMERON:** (Regina South) Mr. Chairman, just a few remarks in reply to the Member for Rosetown-Elrose (Mr. Bailey). We made it clear that in terms of the principle of this Bill we support what it is attempting to do and that is to give an additional measure of protection to consumers. That position was very well expressed in a very articulate statement by the Member for Regina Wascana (Mr. Merchant) indicating what is our position.

The Member who has just spoken to indicate in reply that the Member for Regina Wascana came down firmly on both sides, wasn't listening very carefully. We have said consistently and the Member for Regina Wascana said again this morning, that when the time comes to stand and be counted with respect to an issue we are there standing always to be counted. I can't say that of my friends to the left. They have made consistent efforts, and I am not going to go through all the detail of them, but consistent efforts to avoid the hard choice that people always have to make in respect to issues that arise in the House. I am not going to speculate on why they refuse to do it, but there has been an effort which is recognized by all Members here, an effort not to have to stand and be counted when the difficult choices come.

It is difficult for us, as the Member for Wascana has made clear for the reasons he advanced to make a decision in respect of this Bill because we have some objections to it. He outlined them very well. One has to take all that into



balance and into consideration and make a decision. We, therefore, have decided as we have indicated that we are going to support this Bill in terms of principle.

Now there are some areas where we want to seek some amendments and we will be doing that in the course of clause by clause study because we think there are areas in the Bill that, in fact, have some problems. That isn't to say, as the Member who has just spoken has indicate, that we come down on all sides. If he can't understand the difference between support in principle and some difficulty with detail, then he ought to try to understand.

I said, to the Conservatives, that you cannot continue this long standing practice of never wanting to be exposed as to where you are in respect to issues. You have to speak forthrightly. It isn't enough when you have a difficult Bill like seat belts to say we want a plebiscite and thus avoid stating your position. It isn't enough in respect of potash legislation to make some fuzzy comment like your Leader did, not knowing where he was, and sit it out in respect of all these issues. You have to learn that you guys stand and fall and will be judged on your positions in the same way we stand and fall and are judged on ours and in the same way Members opposite stand and fall and are judged on theirs.

**MR. BAILEY:** You are falling, Stu.

**MR. CAMERON:** No I am not falling. I am going, in one way or another to drive you guys out of this practice of always sitting tight and never wanting to say anything because you don't want to take a position very much on anything.

I can tell you that we are quite prepared to stand in respect of the reading of Clause 1 on this Bill and reaffirm if you like, our support for the principle of it. We are prepared to do that. If you are opposed in principle then we will expect that you will stand and vote against the principle too. We can do that on Clause 1 of the Bill.

**HON. E. C. WHELAN:** (Minister of Consumer Affairs) Mr. Chairman, it absolutely astounds me to find that the spokesman for one group in this House, who have continually on many occasions pleaded that they represented small people, would rise in the House and condemn this Bill, because what it does is give consumers, who are grieved, guidelines or statutory rights. Our department has dealt for a long, long time with retail people, with manufacturers, with wholesalers. They have an excellent reputation for negotiating and being reasonable.

What this Bill does is give them the statutory right to carry out the kind of negotiations that will result in establishing consumer complaints and giving us the power to negotiate where it has been impossible to date.

I think to suggest that it is unfair, when you look at some of the jurisdictions which are dealing with this kind of legislation, and looking at the problems around us, it is a condemnation and an attempt to curtail the voice of the consumer. That is the only way that you can interpret it. It can't be interpreted any other way. You are speaking on behalf of the multinationals who are refusing to negotiate and you are really saying that the little consumer has suddenly taken

over, he is suddenly enunciating his rights and he is not entitled to it.

Section 1 agreed on the following recorded division:

**YEAS — 30**

Bowerman	Mostoway	Nelson (Yorkton)
Romanow	Banda	Koskie
Messer	Whelan	Thompson
Snyder	Kaeding	Stodalka
Kramer	Dyck	Wiebe
Baker	Feschuk	Merchant
Lange	Faris	Penner
Kowalchuk	Cowley	Cameron
Matsalla	Vickar	Anderson
MacMurchy	Skoberg	McMillan

**NAYS — 4**

Larter	Birkbeck	Ham
Bailey		

Section 2 agreed.

**MR. CHAIRMAN:** Order! Order! I think the Hon. Members know and I can see their point. I can see the way that they want to gibe each other but I think also they like to expedite the business of the House, at least that is what I am told and we are certainly not doing it in this fashion so I would ask you to try and confine your remarks to at least whispering and if you want to whisper loud get out of the Chamber and do it outside of the Chamber here. So let's get along with the business of the House.

Sections 3 to 6 agreed.

**SECTION 7**

**MR. S. J. CAMERON:** (Regina South) Mr. Chairman, I wonder if I can address myself briefly to the amendment? What the amendment seeks to do is create a offence where a bill of sale or an agreement or an invoice contains a clause seeking to exclude some provisions of the Act. The Minister shakes his head in agreement.

The previous clause indicates that if the Bill of sale or invoice attempts to exclude the provisions of the Act then the agreement is null and void. Now as I read the amendment, just having a few minutes to have a look at, it would carry it a step forward. This would be the situation. Not only would the agreement be null and void, which is fair enough, but you would expose the person who attempted to exclude the provisions of the Act to an offence. Now that is where we have difficulties as the Member for Regina Wascana (Mr. Merchant) indicated. We view this Bill essentially as a piece of civil legislation. That is to say it inserts, by way of legislation, certain terms to contracts that people enter into. And we are quite prepared to see to it that the law is that way. So when people enter

into agreements certain sections in those agreements and certain terms between them are resumed as a matter of law. What we object to however is legislating a criminal sanction, of introducing the criminal law into what is essentially a civil operation. A contract between two people ought to be free of any criminal sanction. The criminal law isn't the place to deal with it. There are other criminal laws dealing with fraud and misrepresentation and so on. So we object then as a matter of principle to rendering an attempt to exclude those clauses from the agreement, as an offence. We find that objectionable. Therefore we are moving a sub-amendment, and I am not sure I can do this at this stage, Mr. Chairman, but if I can't you will draw it to my attention.

I move seconded by Mr. Merchant (Regina Wascana):

Substituting in subsection 2 of Section 7 of the amendment the word "no" for "any" in the first line, the words "shall contain" for "which contains" in the third line and deleting all words after "clause" in the fourth line thereof.

And if you read the amendment plus the sub-amendment it will become clear what we are attempting there to do.

The Assembly recessed from 12:30 o'clock p.m. to 2:00 o'clock p.m.

### **WELCOME TO STUDENTS**

**MR. P. P. MOSTOWAY:** (Saskatoon Centre) Mr. Chairman, I wonder if I could take the liberty of introducing a group of students and some of their teachers from Caswell School in Saskatoon, located in Saskatoon Centre constituency. They are Grade Seven students, and there are a few Grade Six students with them. They are accompanied by two teachers, regular teachers, Mrs. Adair and Mr. Bergen. The group is seated in the west gallery, and with them is also a student teacher by the name of Miss Wilcox. I understand that as the group yesterday from Caswell school did, they visited the RCMP depot and the Museum of Natural History. I will be meeting with them shortly. It is to be hoped they find this experience as interesting as I am sure the other two experiences have proven to be today. I want to wish them a good day and a safe and pleasant journey home, and while I am on my feet I just want to say hello to the Clavet group if they are here.

**HON. MEMBERS:** Hear, hear!

**HON. N. VICKAR:** (Melfort) Mr. Chairman, I too would ask your indulgence while I introduce a group of 15 students from the James Smith Reserve School sitting in the Speaker's Gallery and they are accompanied this afternoon by Joanna McLeod, Alvin Constant and Chris Elkhorn and their bus driver Edgar Burns. I know that they were visiting around the city of Regina this morning and they are going to do likewise this afternoon. I hope to meet with them in about 45 minutes from now. We will have some drinks and take pictures. I trust that they are having a good stay in the city and will have a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. R. KATZMAN:** (Rosthern) Mr. Chairman, I should also like to introduce a group of 73 Grade Five students from Clavet School. They are here with four teachers and their superintendent. Mr. Penner will introduce the teachers later. I hope you have a good day here and I will be meeting with you later for drinks and pictures.

**HON. MEMBERS:** Hear, hear!

**MR. G. H. PENNER:** (Saskatoon Eastview) Mr. Chairman, if I could join with my colleague from Rosthern (Mr. Katzman) in welcoming a very handsome looking group of students in that east gallery. In addition to their teachers, Mr. Marie, Mrs. Crailie, Mr. Karl and their student teacher Miss Smith, we hope that you will have a good day while you are in the Legislature today that you may learn something. Say hello to your fellow students and your fellow staff members when you get back to Clavet.

**HON. MEMBERS:** Hear, hear!

**Bill No. 65 — An Act respecting Warranties on Consumer Products. continued**

**Section 7 (continued)**

**MR. MERCHANT:** I wanted to speak both to the sub-amendment and to an amendment which I have had prepared and submitted to you which will come up in Section 35. The reason I mention it is because both deal with the same area. The amendment to Section 35 similarly to this amendment takes away any criminal sanction from the effects of the Act. And I wanted to say a couple of things.

First, just in general in terms of why we feel that there should not be criminal sanctions and further to the comments that I made in addressing myself to Section 1. Clearly I think Members will see, and I hope that the Minister will consider the fact that this legislation deals with the rights of contract. It does nothing more than become involved in the way that people are dealt with by their contractual rights and this is not the kind of area where you should, with this sub-amendment, be creating an offence nor with Section 35 should you be creating an offence and ending up with criminal sanctions attached to that offence.

Now other jurisdictions are, to some extent, instructive, because I suppose it is fair for us to wonder how difficult is it to enforce the way this Act is apt to operate. If it is difficult to operate under this Act, if we are going to have all kinds of trouble with businessmen, then that would be an argument in favour of maintaining the tougher kinds of sanctions that criminal sanctions imply. If it is easy to deal with businessmen, if there isn't that much trouble with enforcement, if most of the enforcement can be done by way of cajoling businessmen and persuading businessmen, then you don't need those extra kinds of penalties and you don't need to take that further step and add the criminal sanctions.

Well in Edmonton, the Alberta scheme, The Unfair Trades Practices Act has been in operation since 1975, and they have

only on three occasions had to go to what they call compulsions, only on three occasions have they had to do things like issue statements of claim, bring the real power of the Government behind the consumer in order to force the person in the business in question to go along with the Government's view. Only on three occasions in two years. And in British Columbia, only on two occasions since they brought in their Act in 1974, a Trade Practices Act, they had to go to those kinds of pushy sanctions, only on two occasions there, have there been prosecutions under legislation that was brought in by the NDP in that province. Now, as Members will know, there isn't anything quite comparable yet in Ontario, but in Ontario again, the report that has been made to the Ontario Ministry of Consumer and Commercial Relations, says that in terms of enforcement activities they don't anticipate difficulties that will require orders and that will require these kinds of sanctions, though they found in Ontario that they have a vast number of complaints, they've had 10,000 complaints to date under the legislation and they have only had to make what they call 'cease and desist orders' on three occasions.

Now, as I have said, Mr. Chairman, what does that mean. It means by and large business wants to accommodate government. If business wants to deal fairly with people that just not the vast majority of businessmen, but perhaps 99.6 per cent are honest forthright people trying to do their job and deal fairly with the consumers whom they deal with and maintain as their customers and build up a good reputation in the community. And then you bring in sections like this amendment which creates an offence or Section 35 which holds out the possibility of sending someone to jail. You are saying to business, we don't trust you. We are going to deal with you as if you were a criminal, we are going to put you in a corner, we think that's wrong, we say that this amendment a sub-amendment, moved by my colleague, Mr. Cameron and the amendment I'll be moving to Section 35, those amendments will demonstrate the Government's preference to try to co-operate with business. Basically, this kind of legislation depends on the co-operation of business and you make a mistake if in trying to get business co-operation, you paint them into a corner and say, you are guilty of a criminal offence, you might be subject to going to jail. These are civil matters, the legislation basically affects the contractual rights between the consumer and the businessman and you should deal with that only in a civil way, not in terms of the criminal sanctions that you are proposing.

**MR. WHELAN:** I am going to ask the House to vote against the sub-amendment and to vote for the amendment. Actually, what the sub-amendment does is repeat the section that's just above. It removes the penalty and two sections then are practically the same. What we are trying to do with the penalty is convince the public that if you write in a disclaimer clause that you remove consumers' rights. Consumers do not understand this and many times they are misled by the clause. This is what our experience has been. The retailer or the person who is introducing the clause is fully aware of what is involved, and with the legislation the consumer, unless you provide a penalty, in our estimation, will not be aware of the recourse that he or she had. This penalty will only apply in additional warranties in the disclaimer section, and the violation against regulations. I think that it will give those in the Department of Consumer Affairs some machinery with which to negotiate. I think we should ask them to try it out and see how it works,

therefore I am going to ask the House to vote against the sub—amendment and to vote for the amendment we have submitted.

**MR. J. G. LANE** (Qu'Appelle): Chairman, Mr. Minister, my remarks are in a form of a question. Mr. Lewis, as I quoted in question period the other day, indicated that the Government of Ontario and the department responsible for such legislation in Ontario has tossed out and discarded many of the principles that are implemented in the Saskatchewan Bill and I can do it either by way of a series of questions of each of the major parts or can you give me a list of those principles discarded or those provisions that were not acted upon by the Province of Ontario and is this one of those provisions?

**MR. WHELAN**: I think, Mr. Chairman, that until we deal with the sub—amendment we are talking about the amendment before the House. I will be glad to try and deal with the question that is being raised by the Hon. Member for Qu'Appelle (Mr. Lane). I think until then it is out of order.

Section 7 agreed.

**MR. WHELAN**: In answer to the Hon. Member's question we have been in touch with the gentlemen whom he has named, I think, Mr. Lewis from Ontario and he says, "We don't always take great credence with the statements that are in the press", he said that he was misquoted. He says that they are not stating their position accurately. I am prepared to go into that if you like.

Sections 8 and 9 agreed.

## **SECTION 10**

**MR. MERCHANT**: Mr. Chairman, I could raise these concerns in 11 or 8 or any of the areas. A problem is arising with the consumer products legislation in general. That problem is that different provinces are bringing in legislation which is in part different from other provinces. What we hope to have is the co-operation of industry and business across the country. This legislation is the first such legislation to be passed. Ontario and British Columbia with their specific Bills that deal with this area are sitting on the legislation. It started out as a provincial matter then the Federal Government got ahead of the provinces. Ontario was well ahead, now they seem to be moving slowly. They haven't done much with the green paper they brought down a couple of years ago. British Columbia now that the Government has changed seems to be dragging its feet. That means that this Government is first and that also means that this Government being first has a responsibility to encourage other provinces where ever possible to follow the lead of this Government. That may sound like a curious thing to say but it will be important to business in Canada that there be some uniformity in the legislation. Indeed one of the better known lawyers dealing in this area from Toronto has been trying to encourage Anthony Abbott the Minister in charge federally, to bring together all of the appropriate Ministers in a conference to try to get one unified kind of Bill, so that Canadian Westinghouse or whatever would know that they are dealing with the same kinds of requirements in different provinces. I am not sure that it requires a comment from the Minister but might

I suggest to the public servants with him that they consider trying to show a little leadership in that regard, not that it will matter so significantly to Saskatchewan people but so that industry in Canada won't find themselves facing different laws in different jurisdictions four or five years down the road. The result will be if they face different laws in different jurisdictions that they will believe that they have to try to get around the legislation which would be bad for the consumers and it will increase the cost.

**MR. WHELAN:** I think the Hon. Member's observations are accurate, Mr. Chairman. Saskatchewan is taking the lead and because of that we have looked carefully at the Bill that was introduced in the Ontario Legislature. I think it was Bill 110, it was introduced as a White Paper. We have endeavoured to standardize or work similar sorts of sections to the Ontario Bill. As a matter of fact the only real variation in the two documents and I would be willing to submit a comparison to the Hon. Member, is in the administrative techniques.

I also would like to say by way of comment that the Hon. Member is correct, the other Consumer Affairs Ministers across the country, certainly the federal Minister are extremely interested in this sort of legislation. They will be watching it very carefully. The indication that we have is that discussions are being held regarding this type of legislation and that they will be introducing legislation of a similar nature in the other provinces across Canada. Going back as far as four years or more as we have developed this legislation we have had continuous discussions with British Columbia, with Ontario, with the federal people. We have kept the idea of uniformity foremost in our minds but it is difficult to have uniformity when you are the first province introducing legislation. It is important and is something that I am sure we will be working out in concert with the other Consumer Affairs Ministers.

Section 10 agreed

Sections 11 to 34 agreed.

## **SECTION 35**

**MR. WHELAN:** Mr. Chairman, we have looked at this amendment and we understand the reason for it and we are particularly aware of what the intention is. I am glad that the Hon. Member gave it to us ahead of time so that we could have a chance to talk about it with our legal people. I understand though that the terminology and the penalty that we have is standard in both Bills. Certainly in deciding what the penalty should be the courts make the final decision that is within their discretion.

I also want to point out that when we are assessing a penalty against the director, the director, officer or other person who directed authorized assented to, acquiesced in or participated in the commission of the offence is guilty of the offence personally and is liable on summary conviction to penalties set out in the subsection.

I think this clearly sets out that the director should be well aware of what he is doing and the purpose. Therefore, we

feel that the director under these circumstances should be guilty of an offence.

**MR. MERCHANT:** Mr. Chairman, it all depends I suppose on your perspective. If you began in your thinking about the way you deal with people and you take a group of people and you call them businessmen and you treat them like dirt, you treat them like dogs and you say, well we can pass legislation and we will create offences, we will interfere in their contractual rights, we'll threaten that they will go to jail. If you want to paint them into a corner and make them know that you think they are some sort of rotten, odious group of people, that's fine. The result will be that they'll think that you are rotten and odious people too. The result will be that they will deal with you differently than they would deal with you if they felt that you were reacting to them in a fair way. These are the kinds of things that this Government keeps on doing, that makes business know that you don't have much regard for business and businessmen. When you bring in these kinds of sections and create offences where you don't need an offence. You put criminal incarceration where you don't need incarceration, interfere in contractual rights and say, we'll send you to jail. I tell you that is the kind of thing that gets the biggest reaction as far as I was concerned from the Chamber of Commerce and so on. Why are you planning to send some of us to jail? In fact you will never send any of them to jail. I am willing to bet you that 18 to 20 years from now when I get tired of hanging around this Legislature and I am gone, you probably won't have sent anybody to jail.

**MR. MESSER:** After 18 or 20 years over there . . .

**MR. MERCHANT:** Yes. Well I have got 18 or 20 years of ideas left.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MERCHANT:** I have got it all planned out. Mr. Chairman, how does the Government profit the people of Saskatchewan by bringing this kind of section? They are not going to be using the section for anything, they will never send a businessman to jail, no Magistrate is going to send somebody to jail over a contractual matter, I can tell you that right now. They have difficulty in getting them to send directors to jail after they have skimmed a half a million dollars in combines operations. It is very, very hard to convince the courts in areas where the courts know they are private contractual matters. It is very, very hard to convince the courts to impose criminal sanctions. And rightly so. These are contractual matters and they should be dealt with that way.

So what do we get by passing this section? What does the Government get, what do you get on behalf of all of us and on behalf of the people of this province? You get businessmen reminded that your Government is out to get them in almost anyway that they can.

I ask you, Mr. Minister, whether this kind of section exists in the Ontario Act. I think the answer is No, there are no criminal sanctions there. There are no sanctions that send anyone to jail under the Ontario legislation.



What does an NDP Government do? Well, they have got this Act and they are dealing with consumers. The Liberals are in favour of helping consumers, that kind of minimum standard. So then if a businessman comes up, if you are going to have businessmen there you will just punish them a little. You just take a shot at them. We say that is wrong and stupid. It is stupid in terms of the way that the business community will react to the legislation. If you pick on them they pick back. If you bring in this kind of legislation the result is that it is just another reminder that your Government is out to get them.

We say that is a dumb thing to do. Dumb in terms of your Government governing for the good of the people of this province and trying to make this Act work, dumb politically and dumb in terms of a social way that the NDP have always found it profitable somehow, profitable in a political way to set class against class and group against group. We see no reason to bring in criminal sanctions in this kind of legislation.

**MR. WHELAN:** Mr. Chairman, in answer to the Hon. Member, he was waving the Ontario Warranties Act. First, it doesn't exist, but just for the sake of the record and after he has gone through all the dramatics and after we have had all the loud talk what are the facts? The facts are that the Ontario White Paper has exactly the same section in it. The people who violate — in other words with a disclaimer, who rob the consumer, and I suppose if they do it time and time again and the Magistrate in his discretion thinks that they have done it so often that they should be in prison, the people in Ontario think exactly the same thing.

You said you were willing to bet, I am willing to bet you and I have the White Paper in my hand and you are wrong!

Section 35 as amended agreed.

Section 36 agreed.

## **SECTION 37**

**MR. S. J. CAMERON:** (Regina South) Mr. Chairman, I share the same frustration as the Member for Regina Wascana (Mr. Merchant). You occasionally wonder why you waste your breath in some of these respects but there is some obligation to continue to do it because perhaps in due course reason will prevail in some of these respects. Look again, if you people would pay a little more attention to what some of those Ministers are slipping by you then I think you might ask some questions behind the corridors too. I am serious about this. Look, you pass an Act, 36 clauses, 18 pages, setting out a whole system of warranties, then you give to the Lieutenant-Governor-in-Council and the Cabinet the power to pass regulations, and there is a whole variety, and some of them are justifiable. But what about a regulation like this? You say to the Cabinet, well we will give you the power to declare that this Act and any provision in this Act doesn't apply to a particular product, or to a certain class of consumer, or a certain class of products, or to a certain manufacturer, or to a certain retail seller. How can you people justify giving to

your Cabinet that kind of power? How can you?

**HON. R. J. ROMANOW:** (Attorney General) It's the same thing as Darrel Heald did.

**MR. CAMERON:** I don't give a damn if Darrell Heald or anybody else has done it a hundred times. The plain fact of the matter is that legislation of that variety is rotten and if you guys that are not in the Cabinet would pay a little more attention to some of the powers Cabinet is trying to take then I think you would raise some questions in your caucus. If you are not doing it, believe me you ought to be doing it. I tell you, you ought to be ashamed to bring in a section of an Act of that kind, that says we will pass the Act but we want power to remain in the Cabinet to exempt any group, any product, any manufacturer. In other words, power for your guys is in the Cabinet to set aside this Act as they will and according to their discretion and be damned with what the Legislature says. Pay more attention to what your Cabinet is doing, I tell you.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CHAIRMAN:** Order, order please. I would just like to draw to the attention of the House, of the Assembly. I know emotions, as I say, run quite high. I also realize that there is language that is parliamentary and otherwise, but I think it is very important within this Chamber that we try and conduct our decorum of the House in a manner in which young people who are here visiting with us, and so forth, to see how we operate, that we set as good and example as we can for them.

**MR. ROMANOW:** Mr. Chairman, I am going to be very brief. I just want to make a couple of points. First of all, I wish the Members for Regina Wascana (Mr. Merchant) and Regina South (Mr. Cameron) in their orations to us, and in their righteous indignation about our legislation would somewhat mildly tone down the manner of the delivery. I do, because the whole element has got a tone of preaching to it, a whole tone of preaching which flies in the face of every provincial legislature and similar legislation, which flies in the face of their own Federal Government legislation.

It's as if this was one lonely voice in the entire parliamentary democratic system that speaks out righteously against this kind of legislation. I am simply saying, Mr. Chairman, that that is the kind of stuff that really brings little degree of strength to it because of the position taken by the Hon. Member. It is not good enough to simply say, well I don't give a dog gone what anybody else says or does, or what the precedents are, this is the way you fellows should be, because the simple fact is you can just take a look at anyone of the slew of consumer bills (and there was a good slew of consumer bills), dog gone good bills that were passed by the Liberal administration, and look at some of the ones in Conservative Alberta and Ontario and you will find those kinds of provisions, I think even a Residential Tenancies Bill which is coming up next. You have to have that kind of flexibility in today's complex world to work it.

So I am simply saying to the Members here, Mr. Chairman, that while I appreciate the concern that legislation must be drafted precisely, rights have to be defined carefully, that this section runs against this kind of a general approach, I share the Member's concern. I simply point out to the Members of the House we ought not to be fooled that somehow what we are doing here is a Canadian first, or some kind of a parliamentary first, because it isn't, far from it. I believe this practice will continue for long after I am gone, by whatever government is here, and that is just a fact of modern-day government.

**MR. CAMERON:** Well, Mr. Chairman, the fact of the matter is this is not a legislative practice that is common, and don't tell me, you can't buffalo anybody into thinking it is. What you are saying to us is that this is a practice followed routinely across the nation in all the legislatures. You say it is followed routinely in Parliament. Followed routinely, I presume you say, in all parliaments. I say to you, that a section of this variety, even if it appears in other Bills and elsewhere and from time to time it does, is still a very bad practice. I would like to see you, the Attorney General, for a change address himself to this issue instead of taking that sort of partisan political route out of it. It isn't enough for you to say it is done elsewhere. If it is wrong elsewhere it is wrong here. It isn't enough to say it is done elsewhere. The question is, do we raise an issue that has merit to it.

**MR. ROMANOW:** No.

**MR. CAMERON:** My friend keeps saying no because you say in response to it only because it is done elsewhere.

I can name you all kinds of legislation that is in existence elsewhere that you would never accept in this jurisdiction. That is your right. But don't sort of justify a provision of this kind by saying that it exists elsewhere, or indeed that other governments did it. The point is address your mind to the merit of the thing, would you please, as distinct from what is done elsewhere.

You justify drawing a statute as comprehensive as this, and this is where the power lies to make the law. Then you ask us to give a Cabinet the power to exempt anybody and any class of product from what the Legislature has said the law will be as it applies to them. Address yourself to that issue.

**MR. KOSKIE:** The Cabinet is accountable.

**MR. CAMERON:** Yes, the power to make the law as my friend from Quill Lakes (Mr. Koskie) knows perhaps as well, if not better than many others here. This is where we make the law. The Cabinet is to execute it. That is the old traditional line of authority. You are the lawmakers, there is the Cabinet to execute what we do. Don't give up the function little by little or eventually it will grow into a lot to in effect make the law as they will with clauses of this kind.

I don't want to see vested in Cabinet the power to set aside the provision of this law in any way they will. That is wrong, that is bad in principle and we ought not to be countenancing it. I know I raise the question of principle and

we always had the old debate between what is convenient, no doubt that is very convenient for Cabinet, very convenient for all the Ministers. You seem to have that kind of authority. It is their convenience. What are we weighing against that convenience? A very repugnant principle. One who argues principle as opposed to practical convenience is always at a disadvantage as you know. But somewhere at some time we have to stop this intrusion into the power that should be here. That is the point I make.

I wish the Attorney General, once, instead of referring to what is done elsewhere, or how many times it has been done in this place, would address himself to this issue, to the merit of the issue. I tell you it is wrong and sooner or later we are going to have to do something about this. Eventually I hope we will begin to persuade some of you that aren't in the Cabinet, particularly those people who appreciate the delicacies of these things that we are prone to do it and let us not continue to do it.

**MR. ROMANOW:** Really, I don't know how important the matter is. The Member says that I shouldn't refer to what is done in other jurisdictions. How in the world can we determine by what is done in the other jurisdictions and indeed what has happened in the practice in the other jurisdictions. The truth or otherwise of the so-called merit of the Member's argument that something deleterious or bad takes place as a consequence of that legislation. In the federal legislation the Borrowers and Creditors Depositors' Act, there are something like 28 sections dealing with regulation—making power and regulation-making power exempting and including other powers. It is no use you getting up and railing at me or railing at Ottawa or anybody else that that shouldn't be in the Bill because how in the world can you make the thing work in practice? I mean, we are theoretical, but we are living in a real world. We have hundreds of commodities, hundreds of bills, and we have to make a law work and make it practical and to make it work. Every regulation that is passed goes before the Regulations Committee; your colleague the learned Member for Regina Wascana (Mr. Merchant) is one there as the chairman of the Regulations Committee, pouring over all these regulations that we are making. You've got all kinds of checks. I don't know what the Member's point in principle, so-called, is, because I don't believe there is a point in principle.

**MR. CAMERON:** . . . appreciate it . . .

**MR. ROMANOW:** No, I wouldn't appreciate it because I want to tell you that you are the only one who has in all of Canada appreciated it. The only one, because every other jurisdiction has passed it, even your own Federal Government. But somehow you are the one who is possessed of all legal wisdom that everybody else is doing it wrong. And I am just simply saying that that is just total nonsense and this Legislature should know it.

**MR. H. W. LANE:** (Saskatoon Sutherland) Mr. Chairman, a very brief comment if I might.

What is happening here is that we have before us a Bill and we have been asked whether we are going to support it or not, and my colleagues to the right have indicated that they

will support it. Now it seems to me that they are blowing out of both sides of their mouths. They are coming in here section by section and tearing it apart and coming down against it, when in fact they are supporting the Bill. Now we have come down on record as opposing the Bill, there are a number of things that are wrong with it. In total we cannot support it. It seems to me that if the Liberals want to reject the Bill they should have taken that stand rather than grandstanding on each individual section.

**MR. CAMERON:** Mr. Chairman, that is a typical kind of uneducated view, I must say, if we have ever heard one. Where was that Member during the time we had debate on clause 1? Was he in the House? No, he wasn't. How does he presume then to speak at this stage about the position we are taking not having heard at the outset what we said we were for or against? That is the sort of uneducated, slap-happy approach that is being taken over there. I want to tell that Member something. We spent time here on clause 1 and if you were here you would have heard it. We said that we were agreed in principle with this legislation. We said to you, stand up and count too, as to where you were. No, you weren't here at the time. We said that we accept the principle, which we do. We said that we had a series of objections to the detail. Now can you not understand that there is a difference between principle and detail? We said that we would accept it in principle, we would put forward some amendments in respect of some details of the Bill which we thought were objectionable and this is what we have been trying to do now for several minutes. We will have to decide on third reading whether we are going to continue to support the Bill, having . . .

**MR. LANE:** . . . I said that.

**MR. CAMERON:** Well, if you know anything about parliamentary procedure you would know my friend that that's exactly why you go through three readings. You would know that when you come to third reading, if we had succeeded in improving the Bill, getting some amendments through, why we may be able to support the Bill in its entirety as distinct from its principle alone. I must say we haven't had a great deal of success up to now in convincing the Minister and some of his colleagues in respect to some of the objections we have, because he seems more persuaded always by the convenience of the bureaucracy than he does by any reason advanced by the Members. But I want to say to the Member, who ought now surely to be learning these fundamentals about our procedure, that you can at a certain stage pass judgment on the principle of a Bill, which we did, we said we accepted the principle, and still reserve the right to criticize detail and attempt to amend the Act. That's exactly now the process we are in.

I would think if the Member for Saskatoon Sutherland (Mr. Lane) would be a little more interested in the procedure of the House, as a matter of fact he would learn that rule and attempt to do exactly the same thing.

Section 37 as amended agreed.

Section 38 as amended agreed.

Section 39 agreed.

Motion as amended agreed to and Bill read a third time.

### THIRD READINGS

HON. E. WHELAN (Minister of Consumer Affairs) moved third reading of Bill No. 65 — **An Act respecting Warranties on Consumer Products.**

Motion agreed to on the following recorded division:

#### YEAS — 26

Blakeney	Kowalchuk	Feschuk
Pepper	Matsalla	Faris
Bowerman	Robbins	Cowley
Romanow	MacMurchy	Vickar
Messer	Mostoway	Skoberg
Snyder	Banda	Nelson (Yorkton)
Kramer	Whelan	Koskie
Baker	Kaeding	Thompson
Lange	Dyck	

#### NAYS — 14

Stodalka	Cameron	Lane (Qu'Appelle)
Wiebe	Anderson	Birkbeck
Merchant	McMillan	Ham
MacDonald	Collver	Lane (Saskatoon Sutherland)
Penner	Larter	

### COMMITTEE OF FINANCE — DEPARTMENT OF MUNICIPAL AFFAIRS — Vote 24

**MR. CHAIRMAN:** Order, please. I believe before you went out of Committee of Finance the other evening you had a motion before you, moved by the Member for Indian Head-Wolseley (Mr. MacDonald), seconded by the Member for Regina South (Mr. Cameron):

That any uniform load limit policy respecting municipal roads only be introduced by statute in order to permit and encourage full public debate.

**MR. C. P. MacDONALD:** (Indian Head-Wolseley) Mr. Chairman, I want to add a very few words before the question is called and I want to respond to the Minister's remarks of 10:00 o'clock the other night. What happened at five minutes to ten, the Minister of Municipal Affairs (Mr. MacMurchy) got up and made a staunch defence of government by Order in Council, a proposition that astounded me and I am sure many of the people who sat here and listened to him. A fundamental of good government, is that any major issue of importance in the province, should be put down in statute. The Minister referred to unnecessary debate about load limits, about an issue that is so important and affects so many people in Saskatchewan that it is typical of the NDP. But what is even more important, it is typical of the bureaucratic approach that the bureaucrats or the civil servants or those people who are not elected shall make the decision and that the Cabinet or the

Treasury Benches shall make the decision.

I just want to register my objection to the philosophy of the Minister. His arguments, I think, were juvenile against the best interests of the people, not only of Saskatchewan but of any democratic country or province where democracy has any influence or sway at all. To suggest that the only influence and the only way to save time to promote efficiency is to do it by Order in Council and by regulation rather than by statute. It is disappointing, indeed.

This Resolution is a very simple one. It says that this issue is of major importance in Saskatchewan. It affects so many people vitally, it influences their very livelihood, it influences the basic industry in our province, agriculture. Therefore, before any decision of this kind is made it should be brought before Members of the Assembly. It should have the opportunity for public debate so that all people in the province are aware of what is going on. I urge the Members, the backbenchers over there, to reject the argument of the Minister of Municipal Affairs and support this Resolution.

Motion negatived on the following recorded division:

#### YEAS — 14

Wiebe	Anderson	Birkbeck
Merchant	McMillan	Ham
MacDonald	Collver	Katzman
Penner	Larter	Lane (Saskatoon Sutherland)
Cameron	Lane (Qu'Appelle)	

#### NAYS — 25

Blakeney	Matsalla	Feschuk
Bowerman	Robbins	Faris
Romanow	MacMurchy	Cowley
Messer	Mostoway	Vickar
Snyder	Banda	Skoberg
Kramer	Whelan	Nelson (Yorkton)
Baker	Kaeding	Koskie
Lange	Dyck	Thompson
Kowalchuk		

#### ITEM 1 (cont'd)

**MR. J. G. LANE:** (Qu'Appelle) The other night I asked the Minister if he could supply me with the legal description of the land purchased by the Housing Corporation or the Department of Municipal Affairs for land banking or municipal development and the costs and any incidental costs, if he has that information now I would appreciate it.

**HON. G. MacMURCHY:** (Minister of Municipal Affairs) Mr. Chairman, I can send the material across to the Member. Is that what he wishes?

**MR. LANE:** Just on some very specific matters, you alluded to a new policy and a study or an inquiry into the matter of satellite communities. I would like to know the criteria that have been established for that study, whether it is going to be an in—house study or whether there will be public participation and if so what the policy will be?

**MR. MacMURCHY:** Mr. Chairman, we talked briefly about the proposed study the other evening. I indicated to the Hon. Member that we will begin the regional studies in the areas around the major urban centres, Regina, Moose Jaw, Saskatoon, Prince Albert. We have developed some preliminary terms of reference but they need to be refined after consultation with the other agencies of the Government. We have a structure roughed out and I give the Hon. Member the program structure as we have it so far.

Phase one is the organization. During this stage various steering committees and task groups will be established to supervise and conduct the program. Provincial officials and municipal representatives will be involved in that organization.

Phase two involves the actual studies, a significant portion of the program will be directed to collecting and sorting out realistic data, outlining trends, defining problems and issues. A major analysis will be done on these subjects. I give the subjects, land analysis, population analysis, economic study, agriculture, tourism and recreation, transportation, administration and finance, regional services, the water, the sewer and the energy, educational facilities, housing, planning and development and social impact.

Phase three we see a citizen involvement. Throughout the program the advice and participation of elected officials, representatives of various organizations and the public at large will be formulated. Reports on the studies on phase two and three will be published and the reaction will be sought.

Phase four, program analysis. Once the recommendations of the analysis of the various studies have been formulated and public reaction to them has been received, an analysis will be made of the kinds of program activities that might be required to manage the urban growth during the ensuing years.

Phase five, the draft policy statement and plan will be formulated.

Phase six, a public discussion once again on the policy, statement and plan involving the municipalities and the public at large.

The final plan of phase seven, the results of the phases will be incorporated into a proposal for consideration by the Government for each of the urban centred regions. Implementation of phase eight, processes and guidelines and recommendations will be implemented through a concerted, co-ordinated action among the various Government departments and agencies on the one hand and by the municipalities on the other.

As we say, we are planning this for the Regina, Moose Jaw, Saskatoon, Prince Albert regions. We are looking at this going on over the next two to three years. In the meantime we



continue to deliver our ongoing programs and follow the procedures we have in the past. The program will cost money, the department is presently negotiating with the Federal Government to arrange for cost sharing. We do have funds allocated for the regional planning studies in 1977-78.

I can have this written out and provided to the Hon. Member for his perusal.

**MR. LANE:** I have a couple of other questions. With regard to the annexation of farm land, in particular by the city of Regina, the Minister indicated the other day that there had been no presentation to the department. Does that apply to the Cabinet as well and, if not, would the Minister not feel that this is perhaps an unusually long delay in submitting such a major proposal to the Cabinet which certainly cannot allow an easy decision?

**MR. MacMURCHY:** Well, we have indicated that we have not received the request for annexation from the city of Regina. The request for annexation would come to me with a copy to the Deputy Minister and until we receive their request we really haven't anything to act upon.

**MR. LANE:** I notice on the material that you have given me with regard to the public land assembly that I had asked you for, the legal descriptions of the lots involved and secondly the names of the vendors. I am prepared, if you are prepared to give me the undertaking that that information will be supplied to accept it.

**MR. MacMURCHY:** I didn't have time to break out the legal description.

**MR. LANE:** And the name of the vendor?

**MR. MacMURCHY:** Mr. Willox indicates to me we should have that information by the end of the week and we will provide it to the Hon. Member as soon as it is available.

**MR. LANE:** One final question. Is the department doing any studies with regard to the implementation of legislation similar to that in the Province of Alberta with regard to formalizing the arrangements that the Government has with the Hutterite Brethren?

**MR. MacMURCHY:** No, we are not considering at this time the legislative route. There was a memorandum of understanding with the Hutterite Brethren drawn up about 1963, and we are still operating under that memorandum of understanding. There is a liaison committee representative of the Hutterite Brethren, of the SSTA of the SARM and Cabinet Committee that meet annually to look at Hutterite development. We met just recently and we spent some time giving consideration to the memorandum of understanding and some issues were raised out of the discussion. A meeting is planned for late summer to follow through on the discussion that was held. I think we met about a week or so ago.

**MR. LANE:** Is the memorandum of understanding in the Government's opinion a binding understanding or are you just accepting it as guidelines? If a colony decides to expand or go ahead and purchase, in fact, you can't do anything about it? Is that not the true position?

**MR. MacMURCHY:** It is just what it says, it is an understanding. It is a gentlemen's agreement of how things should proceed. We hope along with the Hutterite Brethren that we can continue to operate under the understanding kind of an approach. That was the basis of our discussion a week or so ago and we may well need to seek new understandings but we do not at this time, as a Government, wish to legislate, but rather to reach some kind of an agreement on how things proceed.

**MR. LANE:** Can you give me a basic outline and then forward to me a copy in due course, if you would, an outline of the understanding?

**MR. MacMURCHY:** Yes. I don't have the copy of the memorandum of understanding with me. I am not exactly sure of all of the components in it but there are some guidelines which have been followed. They are before any new colony is started, before any new land is purchased the elders of the two Brethren groups in Saskatchewan must approve and the Committee of Cabinet must give approval. Our procedure before approval is given is to have our Hutterite liaison person make contact with the municipalities and make contact in the community to get a feeling of the reaction within the community. There has been a rough guideline as it relates to the size of the colony, that's one of the issues at the present time. It is generally agreed that 10,000 acres would be a good size. That gets tough when you get a variety of assessments and we are now considering the size issue. There has been a guideline with respect to the distance between colonies and it has been roughly 35 miles between headquarters as a sort of rough guideline. And, of course, as I indicated earlier, the memorandum of understanding calls for a liaison kind of committee which should get together annually or more often in order to look at the development within Saskatchewan.

**MR. LANE:** You will forward me a copy?

**MR. MacMURCHY:** Yes, I will.

**MR. G. H. PENNER:** (Saskatoon Eastview) Mr. Chairman, I was absent from the House last week when the Estimates of this department began and I certainly do not intend to go over ground that has already been covered with the exception of a question related to the revenue sharing formula, that the Minister has announced his intention to attempt to develop in co-operation with urban municipalities in the province. I have a couple of comments I want to make about that and then a question.

First of all, it pleases me very much both as a person formally involved at a municipal level to hear Mr. Minister make that statement and secondly, because it was the Liberal caucus in the fall of 1974 that adopted that particular policy

prior to the 1975 election. Unfortunately the people of Saskatchewan didn't give us an opportunity to put it into effect but I am glad that the Minister recognizes a good idea when he sees it and I have to give credit to the fact that it certainly wasn't simply the Liberal Party that put the idea forward but SUMA has been pushing it to. So it is good to see what has been happening over the last number of years in the province with regard to the percentage of the total budget that has been going to municipal affairs. If you go back to 1972 you would find that just better than seven per cent of the total budget went to the Department of Municipal Affairs. And the priorities of the Government opposite have been changing dramatically over the period from 1972 to 1977. Of course the present budget that we have before us 5.8 per cent of the total budget is involved in expenditures in the area of Municipal Affairs.

I know that the Minister might argue that the total number of dollars has gone up and, of course, that is true but in terms of examining the spending in Municipal Affairs from the point of view of overall Government priorities it seems to me obvious that it is on a bit of decline and I am therefore all the more pleased to hear that something is going to be done with regard to revenue sharing.

That brings me to my question, what time line do you have in mind with regard to discussion with municipal government people in pursuing this objective?

**MR. MacMURCHY:** Mr. Chairman, with respect to the Hon. Member's comments on funding municipal governments, I think we had a fairly lengthy discussion with the Hon. Member for Kindersley on Monday and the Hon. Member can check the record on that discussion.

With respect to revenue sharing, it is a fairly tough proposition. I don't think there is any question about it and I think the Hon. Member realizes that. We have set up a committee within the Government involving the Department of Municipal Affairs and the Department of Finance. I have representation on that committee from my office in the person of Mr. Cooper as I want to keep contact with how things are going. That committee is working through a proposition, they have already had a meeting with a committee of SUMA to fill them in on how things are going, and to get their ideas. I understand that the SARM executive are meeting this weekend and they plan to form a similar committee so that we can get the liaison going there also. I hope I'll be able to talk about the rough proposal to municipal people when I speak to them at their regional meetings, which are planned for June.

In the case of SUMA we went to talk about a rough proposal in June. They have three regional meetings planned. They're following up with three more regional meeting in the fall. We may be able, out of the June meetings to expand into the fall meetings and before we come down with a actual program as we've indicated we will for 1978. So that's the rough time schedule and that's the sort of discussion aspect that we see taking shape. Depending on how things go we may well want to consult with municipalities further than that but we leave that option open.

**MR. PENNER:** I appreciate that the planning is still relatively preliminary. Are you far enough along to have decided whether

you intend in the formula to establish a certain base that is a relatively constant thing and then build percentages on other factors?

**MR. MacMURCHY:** No, we're not. As I say, the committee who tried to lay out options has not yet reported to me. I would want to have the options examined by the Government before going out but we're not that far along. I'm putting the pressure on because the time is growing short in terms of meeting that June time frame but I can't make any kind of specific announcement at this time.

**MR. PENNER:** If I understand correctly to clarify a point that you really don't intend to get involved with specific municipal people until after the committee that you mentioned, and the Department of Finance and your own people have had a chance to go through some preliminary items, or are you going to start involving said people from Regina, people from Saskatoon, people from North Battleford very early on?

**MR. MacMURCHY:** The Committee is talking with SUMA people. And the SUMA people have representation from Regina and Saskatoon. As I recall Alderman Mann was down from Saskatoon and I think Alderman Coates was representing the city of Regina, so there's representation.

**MR. R. A. LARTER:** (Estevan) Mr. Chairman, I just have noticed, Mr. Minister, that throughout the Estimates here you have money set aside for bridges in municipalities) for grants for maintenance of grids and I imagine some of this was for the flood damage done in 1975. I also notice in the supplement you have set aside \$300,000 and disaster assistance of another \$90,000. We're still waiting to know because it falls under so many different departments now, when are we going to get settlement for 1975? Not that there was so much of flood damage but as to the rebuilding of permanent dikes that were promised under EMO, I still have never received an answer about this. We have people who have spent thousands of dollars on this and I wonder if you in your Estimates, if you are allowing for payments of these legitimate claims against the flood in 1975?

**MR. MacMURCHY:** My information from Mr. Clampett is that all of the 1976 claims will be paid out.

**MR. LARTER:** Mr. Minister, could you give me an approximate date of when this will happen?

**MR. MacMURCHY:** We can't provide the information because the Disaster Assistance is operated under SGIO. The payments for bridges and that kind of thing which were caused by the flooding also comes from SGIO and the Disaster Assistance Fund there.

**MR. LARTER:** I realize this and these are what I call legitimate claims placed through the municipalities to the Department of Municipal Affairs and I imagine to SGIO. But these are claims that were set out by EMO and the criteria were set out by EMO

on the permanent type dikes they said that they would expect any one in the flood areas to take normal precautions. For the dikes there would be assistance available through the EMO and municipal agreement on permanent dikes. This is work that's being done and these people have had no indication of whether they are going to be paid or not.

**MR. MacMURCHY:** I can't provide the information for the Hon. Member. I'll see if one of my staff can trace down the information and perhaps we can provide it before we finish the Estimates, if not, I'll send it across to the Hon. Member.

**MR. PENNER:** To the Minister on subvote 1, there is a double asterisk beside the expenditure which relates to reorganization and I'm wondering is the reorganization that you're talking about the change to a section relating to urban affairs and another related to rural affairs?

**MR. MacMURCHY:** Yes, it does. And additional to that there's been a significant reorganization of the urban affairs section.

**MR. J. WIEBE:** (Morse) Mr. Chairman, just one brief question and I was wondering in light of the fact that there is going to be a considerable amount of conversion over to the metric system, which is going to have to be undertaken by the municipalities in terms of signing and so on. Is the Department planning any extra assistance being made available to RMs and local governments in the event that this metric conversion does continue which is pretty certain that it will. And if so, what kind of assistance will be made available?

**MR. MacMURCHY:** No funding in this Budget. We haven't really had a great deal of pressure from the municipalities to move in the metric area. I agree with the Hon. Member that it looks as if we're moving towards change but we felt we had, and I think municipalities agreed, that we had better ways to spend our money so far as this year was concerned.

Item 1 agreed.

**MR. PENNER:** Mr. Chairman, we are prepared to take the entire Department of Municipal Affairs as read.

Item 2 to 38 agreed.

Vote 24 agreed.

#### **SASKATCHEWAN HOUSING CORPORATION — VOTE 49**

Item 1 agreed.

Vote 49 agreed.

Supplementary Estimates agreed.

**THE HIGHWAY TRAFFIC BOARD — VOTE 15****ITEM 1**

**MR. PENNER:** Mr. Chairman, I wonder if the Minister would explain why the dramatic increase in expenditure for executive administration? There's a change in personnel of one position. There's a change in spending from \$102,000 to \$242,000 over a 100 per cent increase and I rightly don't understand why that should be the case.

**MR. MacMURCHY:** The increases are related for the most part to the increases in the numbers of meetings and the demands upon the Board. In fact the amount which is involved is over \$52,000. The additional increases are relating to the hearings regarding CN and CP and that amounts to \$39,000. So those are the two big items basically, the operation of the Board, both in terms of the numbers of meetings and the numbers of hearings and that sort of thing.

**MR. PENNER:** Mr. Chairman, what would be the average cost of a meeting for the Board?

**MR. MacMURCHY:** Four members at a per diem of \$75 per meeting plus the expenses.

**MR. CHAIRMAN:** I apologize. Before we have another question, I should have given the Minister an opportunity to introduce his staff there. Mr. Minister, you can introduce your support staff.

**MR. MacMURCHY:** Mr. Glendenning, who is the Chairman of the Board, Mr. Pollock, Mr. Clarke, Mr. Landry and Mr. Henbury.

**MR. LARTER:** Mr. Chairman, I should like to ask the Minister. I notice some of these departments have increased. Have you increased your staff in anticipation of tougher regulations on load limits regarding the 58 to 72,000 pound limit?

**MR. MacMURCHY:** There has been an increase provided for of five people in the enforcement area.

**MR. LARTER:** Mr. Minister, would this be basically though with the anticipation of this law being passed, being passed as law?

**MR. MacMURCHY:** It would involve increased enforcement in the North with the movement of timber and when the limit policy comes in effect on municipal roads, there will be enforcement there on a spot check basis. Until that takes place, the people will not be put on staff although obviously there would be some increase to deal with just the general operation of enforcement.

**MR. LARTER:** Mr. Minister, has there been an allowance in your

budget for a sizeable increase for portable scales for use on municipal roads?

**MR. MacMURCHY:** There's \$70,000 allocated in the budget, Mr. Chairman. That would equip about 13 units, so some of the traffic officers that are now already out on enforcement will be provided with a portable scale to deal with enforcement on weights.

**MR. LARTER:** Mr. Minister, would this be an increase over other years or would this be normal replacement of scales or do you anticipate a stepping up of checking trucks on municipal roads? Is this budget more than usual?

**MR. MacMURCHY:** I think I indicated earlier when a load limit policy is implemented so far as municipal roads are concerned, there has to be some kind of enforcement. The thought has been that Highway Traffic Board officials would do the enforcement. So I indicated an additional five people to work in that area and in the area of enforcement of load limits in northern Saskatchewan related to timber movement. This is some increase but there is normal replacement as well.

**MR. LARTER:** Just one further question. I am possibly a little surprised that you mentioned in the North that they would be working in the North because the load limits for hauling on these roads are limited to 72,000. I thought they were pretty well covered on the pulp-haul roads.

**MR. MacMURCHY:** I think the indications that I have been provided with are that there are 74,000 limits, 90,000 limits and there are 110,000 limits. But there is also overloading and that's the area we want to get at through enforcement officers. The approach is to move away from the fixed scales towards the portable scales and that is provided for in the \$70,000.

**MR. PENNER:** Mr. Chairman, within the department there are substantial increases that are proposed for licensing administration and motor carrier administration, together I think something in the order of 29 people and budget increases that are tremendously higher than they were a year ago and I wonder if the Minister would explain why that seems to be the case?

**MR. MacMURCHY:** The major portion of it is related to the new driver classification and the requirements on the Board for the driver testing. I think the Hon. Member will recall the legislation which was brought forward to the Assembly before Christmas laying out eight driving categories. Operators of heavy vehicles will be required to take tests. There is also additional staff involved in the dealing with the trucking area and the regulation of our trucking in the province.

**MR. PENNER:** When the Bill came before the House prior to the Christmas break, did the Minister and his department anticipate that that Bill would create basically a necessity for an increase of staff in the order of 30 people, 29 to be exact, and increases in expenditure in the one item from \$785,000 to

\$1.2 million and in the other item from \$800,000 to \$1.6 million?

**MR. MacMURCHY:** In the motor carrier administration, which the Hon. Member questioned us on, the increase is from 66 to 86. Okay? I'll now give the additional people. There was one safety supervisor and that relates to the Vehicle Inspection Program. Three safety officers relating to that Vehicle Inspection Program. You will recall that in inspection of school buses, it is proposed to have an inspection program under Safety '77 for private vehicles, the resale of vehicles, the vehicles that are involved in a major accident and the commercial vehicle inspection area where a clerk-typist will be available to these people. Two research officers at the service levels, in community program. A research officer II in redesignation. Five traffic officers II involved in the motor carrier investigations and five traffic officers II, we talked about that earlier to the Hon. Member for Estevan, for enforcement in the North and if there is a load limit policy brought into effect, enforcement on the municipal roads.

**MR. PENNER:** With all due respect, Mr. Chairman, I don't think the Minister answered my question. My question was — at the time that the Bill went through in the fall, did you anticipate these kinds of additional expenditures and these additional increases to your staff?

**MR. MacMURCHY:** We would have, Yes.

**MR. PENNER:** Then my point is this, again if I may, Mr. Chairman. My colleague the other day put a Bill before the House related to an economic impact study, how useful it would have been at the time that that Bill was before us, had the Minister and his department officials put forward this kind of information too, showing the impact of the legislation in terms of actual dollars required to be spent and in terms of people actually needed in order to operate. The argument was made by colleagues of the Minister that it was impossible to do, that it would take hundreds of additional civil servants, which we pooh-poohed and I think this merely points that out. Substantial increases in cost as a result of legislation, substantial increases in staff that were known at the time and nobody bothered to mention at the time.

**MR. MacMURCHY:** Mr. Chairman, I guess we can't check the record in Committee of the Whole because the record wasn't kept at that time, but I don't recall any of the Hon. Members, when we were discussing that legislation in the Assembly, asking the question what this legislation meant in increased staff. If they had, we could have provided roughly the answer.

**MR. PENNER:** There is the point, Mr. Chairman and I don't want to belabour it. The question of need for additional people to provide the kind of information that was suggested in that Bill. It could have been provided without the additional people.

**MR. A. N. McMILLAN:** (Kindersley) Mr. Chairman, I have one very brief series of



questions regarding in some ways enforcement in the North that the Minister just mentions. Specifically it is overload permits let to truckers of pulpwood, primarily I suspect of Prince Albert Pulpmill. And I am under the impression that these fellows who are doing the trucking, in order to haul overload, which is about an increase I believe for them to haul an economic load, an increase of about 25 per cent on their volume of their load that they generally pay \$150 a month or in that neighbourhood for an overload permit in order to do that. I wonder if the Minister could confirm that?

**MR. MacMURCHY:** Mr. Chairman, I think there is an agreement involving the haul into the pulp mill at P.A. but there is also other movement of timber and I think you were referring to the agreement relating to the P.A. pulpmill. There are also other timber movements in northern Saskatchewan and that's the area that we are focussing on in terms of the increase in enforcement.

**MR. McMILLAN:** I'll put the specific problem right before you then and it's been brought to the attention of some of your backbenchers that these fellows, who make their living by hauling timber to the Prince Albert Pulpmill, are paying in the neighbourhood of \$150 a month for overload permits. If they are not allowed to use them or to haul overload, they generally end up hauling about three-quarters of a load by volume — three-quarters of the cords they can haul — if they don't haul overload.

Now they have been faced with having to pay \$150 a month and I don't think they question that. I seriously don't. Their problem is however, that that overload permit, in my understanding, applies to them up to a certain temperature and once the road softens up to a specific point, they're not allowed to haul. Now let's for example say that that temperature is 10 degrees Celsius above zero. That they're allowed to haul overload at \$150 a month up to 10 degrees Celsius. Anytime over that, they are hauling in contravention even of their overload permit. Now what's apparently been happening is they are paying the \$150 a month, leaving the bush early in the morning when the temperature may be zero or close to it, getting half way to Prince Albert and having the temperature go above 10 degrees Celsius and being pinched on the highway for being in contravention of their overload permit.

Now they are saying that's one thing. It's a problem, it's a severe problem. However, particularly this year, they have gone for weeks at a time unable to haul on their overload permit because of the temperature and still paying the \$150 a month. And they felt this was a bit of an injustice and I'm not sure if one of your backbenchers hasn't brought that problem to your attention. If he has, I say I'd like to know what your reaction was and if he hasn't I suggest that probably he's been negligent in his responsibilities. Can you respond to that?

**MR. MacMURCHY:** One of the problems we have in responding, Mr. Chairman, is that the Department of Highways provides the permits and I don't think there is any question that it's economical for the truckers to get a permit for a month rather than a daily permit. The job of the Highway Traffic Board enforcement officers is to enforce the limit and they try to work with the trucking people as it relates to temperatures. I can understand that this winter, being the winter it's been, it has been pretty difficult

because of the very, very mild weather. It may be better to get more specific answers to this issue when the Minister of Highways' Estimates are dealt with. I understand they are not complete and he will have staff with him which can answer the Hon. Members' questions better than we can.

**MR. McMILLAN:** Okay, I accept the fact that probably I wasn't aware and one of the reasons I brought the question up was to find out who was responsible for the overload permits and you are suggesting that the Department of Highways issues them, that your Highway Traffic Board is responsible for enforcing them. If that's the case I can only suggest that hopefully your Highway Traffic Board officers are to some degree lenient with these people, because they've obviously been pressed in a pretty difficult manner this year, either by your Highway Traffic Board officers or your enforcement officers, or by the Department of Highways one way or the other. I hope if you find upon self-examination of the issue that you have to accept some of the blame, I hope you'll reconsider your approach to it and if not, I'll certainly be discussing the issue with the Minister of Highways.

**MR. MacMURCHY:** I'm told, Mr. Chairman, that the enforcement officers try to work with the truckers to warn them when temperatures might warm up. We'll certainly take your suggestion and discuss it with the officers.

Item 1 agreed.

Item 2 agreed.

### ITEM 3

**MR. R. KATZMAN:** (Rosthern) Under this Item, I believe is the five year licences and so forth. Am I correct? Well I think that this would be the proper time. I would like to give a personal thank you to your number one man there, who has been very co-operative with many problems in my area, including assisting in radio programs and so forth, where people didn't understand the five year program.

**MR. MacMURCHY:** Thank you very much.

Item 3 agreed.

### ITEM 4

**MR. PENNER:** Mr. Chairman, I wonder if the Minister, he mentioned earlier the part of the increased expenditure on another item had to do with meetings of the board with CN and CP with regard to agreements reached, I wonder if the Minister would be prepared to table the documents or the agreements that he's reached with CN trucking and CP trucking?

**MR. MacMURCHY:** In respect to the agreement with CN, we can table the information that the Hon. Member requests. In respect to CP there are still some items outstanding and the final agreement with CP has not yet been arrived at. What we announced in the House some weeks ago was the agreement in principle.

**MR. PENNER:** I appreciate the answer with regard to CN. Would the Minister be prepared to give us an undertaking that once the agreement has been finalized with CP, that that would be made available to Members?

**MR. MacMURCHY:** Obviously, Mr. Chairman, I can't deal with the time problem, but once the things are complete, we'd be in a position to table the agreement.

Item 4 agreed.

## **ITEM 5**

**MR. CAMERON:** I'll ask the Minister a couple of questions. Without getting into, it's a very detailed and complex area and I don't want to get into all the detail and complexity of it, but can you indicate in fairly brief terms, when the last increases in trucking rates was granted and what they amounted to. As the Minister knows there is quite a significant number of the trucking people who feel that many of the rates in the province are kept at unrealistically low levels and that that's contributing to the difficulty sometimes of getting local people providing the service.

**MR. MacMURCHY:** I'll give the Member the increase, the recent trucking rate increases. I'll talk about general merchandise rates first of all. In 1976, there were two increases; 12.5 per cent increase on shipments up to 5,000 pounds and a 7.8 per cent increase in the general rate table increase. In the household goods, one increase in 1976 of nine per cent and in 1977, another nine per cent increase. There's now presently under consideration by the board, a further increase in the general merchandise area.

**MR. CAMERON:** Does the Minister have the figures available for 1974 and 1975?

**MR. MacMURCHY:** Yes, I have the information. 1974, general merchandise, six per cent increase that's the 0 to 500 pounds; 12 per cent permissive increase. In 1975 a nine per cent increase. So there's 1974, 1975, 1976 there have been increases, I think, over the last 18 months there has been a 24 per cent increase.

Item 5 agreed.

## **ITEM 6**

**MR. KATZMAN:** A question. From the time somebody appeals to the Appeal Committee, to the time that it is heard and then to the time a decision comes down, how long is the time?

**MR. MacMURCHY:** About four weeks now.

**MR. KATZMAN:** Total from the first time you apply until it's done with, or until you are given your hearing?

**MR. MacMURCHY:** Generally speaking, it's about four weeks. There are occasions when it's longer. The delays relate to the information gathering system. For my part, I receive an Order in Council every Friday from the Driver Appeals Committee with their recommendations, so there's a weekly, so far as the Cabinet is concerned, there is a weekly Order in Council providing the clemency.

**MR. KATZMAN:** Well a five and a half month from the time a person loses his licence to the time that he gets told he can have a temporary licence, when he's on a six month suspension, is a freak rather than a habit?

**MR. MacMURCHY:** There's a five and a half month, that would be a freak, because my information is that it's a month about. Recall we had some discussion last year in this area. We've attempted to speed it up significantly. This required the co-operation of the RCMP and police forces, we're receiving that co-operation. We increased the board. That was a bit of a problem before. We're now operating out of Saskatoon. That's an assistance too. If the Hon. Member has one specific case where it took that long, I'd be interested in it, just to see what problems were created by it.

**MR. KATZMAN:** Second, I understand the Commission has now come out with a new type of application that has been causing some delays. Do all lawyers now have a copy of the new submission form?

**MR. MacMURCHY:** Yes.

**MR. C. P. MacDONALD:** (Indian Head-Wolseley) Mr. Minister, I want to ask a very simple question, a yes, or a no, or perhaps a very short answer. Is there any time that you kind of give absolution to those speeding drivers, how long do you keep that record on tape for a guy like me that may be in trouble every once in a while? You know even in the Criminal Code they absolve you after five years. How long do you sons of guns keep that record and keep charging you know, for pulling licences and that? Do you ever have any absolution?

**MR. MacMURCHY:** They keep yours, Mr. Chairman, they keep the Hon. Member's the same length of time as they keep mine and they keep the Chairman of the board's. That's five years.

**MR. MacDONALD:** Then after five years it's absolved. Is that the idea?

**MR. MacMURCHY:** If there are no other infractions.

**MR. LARTER:** Mr. Chairman, again on this of appeals, I think all districts including mine, have many people who are suspended and possibly there are many more who should be suspended from time to time, but is there any sign of, on this new approach now where the RCMP can take and just test you right on the spot,

is there any sign of any leniency in cases, we think, lots of times, where prevention is better than the cure, and of course, it's best if you don't drink first of all, but where you get a 24 hour suspension of a driver's licence? In many cases, I think, it would do more good and would keep a family man, a man who is working and granted he shouldn't be drinking in the first place and we all know that, but there are many cases where I think leniency could be shown and is not. Would you mind replying on that?

**MR. MacMURCHY:** Mr. Chairman, I don't think we have enough experience as yet with the alert device to have any information to provide. The RCMP are very anxious to use, and all police forces, are very anxious to use the 24 hour suspension with the alert device. We have not proclaimed that particular portion of The Vehicles Act as yet. We recall that during second reading, I raised the issue, that being the Government was giving consideration to proclamation of the 24 hour suspension, hoping we might get some reaction to it. We're getting reaction from the police forces and they are very, very positive about it.

**MR. LARTER:** Just one more question. In speaking of this in cases where some of these people are on suspensions for five years. That's quite a long time and I realize that it has entailed some different charges, different offences and where a man has been in that five year period has gone quite a long time, say two years, say he got in trouble even during the five years, but he's completing his five years, and he's gone a couple of years and the reports from everyone are exceptional, is there any chance of any leniency of getting the driver's licence back for that fellow before the five year period? Is there any reprieve at all?

**MR. MacMURCHY:** The maximum suspension, Mr. Chairman, is three years for a drinking offence. You'll recall that just recently we changed the guidelines of the Driver Appeal Committee, allowing them to look at applications from people who have two years in and the last years of sobriety, with confirmation from AA or something similar and the committee will then look at giving a restricted licence.

**MR. KATZMAN:** On that point of the restricted licence, on a two year, as the Minister knows I've had a running conversation on several of these with him, is there any consideration for other than a second offence? For example, someone refusing to take a breathalyzer or there are several other reasons, for licence removal. Is there any consideration in those areas, after two years or a year to allow a chance to appeal?

**MR. MacMURCHY:** Mr. Chairman, we had some really serious discussion with the Driver Appeals Committee, the people who are involved in it day to day and they felt that this particular change was as far as they would like to see it go at this time. I think experience under this approach may lead to something further, but they were very hesitant about going any farther and the Government has to agree with them.

**MR. KATZMAN:** What your are suggesting is later down the road, after

you've had experience in this, you may consider the next, fine.

Item 6 agreed.

Item 7 agreed.

Vote 15 agreed.

Supplementary Estimates agreed.

### **MOTION RE CONGRATULATIONS TO CANADA'S NATIONAL HOCKEY TEAM**

**MR. G. H. PENNER:** (Saskatoon Eastview) Mr. Chairman, I wonder if I might beg the indulgence of the House and suggest that the House do something highly constructive, not to say what we have been doing isn't constructive. I understand that Canada's National Team had a very successful day today at the world tournament. I wonder if the House wouldn't agree that, on behalf of the people of Saskatchewan, we move to congratulate the Canadian Team for the victory at the tournament today and to wish them well in the remainder of the tournament.

If the House would accept that, I would like to move that.

Motion agreed to.

### **LOCAL GOVERNMENT BOARD — VOTE 22**

**HON. G. MacMURCHY:** (Minister in charge of Local Government Board) Mr. Chairman, I will introduce my staff. Chairman of the Local Government Board, Mr. Greg Darychuck and Mr. Chaney, Administrative Officer.

**MR. LARTER:** Mr. Chairman, I just want to ask one question. We have here a Local Government Board advising and guiding our municipalities, our cities and towns on spending priorities and I wonder how much experience we have in this Local Government Board; just what changes have taken place? Are there new people there, the people who are advising these towns; are there people who have the experience to give the guidance and are they giving the guidance or are they being loose with their yeses or noes?

**MR. MacMURCHY:** Mr. Chairman, Mr. Darychuk is the Chairman of the Board. He has had long experience with the Department of Municipal Affairs, also worked in administration for the city of Brandon. E. K. McCusker, is a member of the Board, from just out of Regina. He was a school trustee of Regina School unit; Mr. Lewry, former mayor of Moose Jaw; three new Board members appointed, Armand Thibodeau, who comes to us from Gravelbourg, where he was an RM Secretary and a town administrator; Mr. M. J. Jansen, who comes to us from the Wilkie area, where he was a secretary-treasurer of a school unit and Mr. Norm Rosenberg, who was the town administrator in the town of Melfort. So these members of the Board carry a broad and wide experience in municipal government.

Item 1 agreed.

Vote 22 agreed.

Supplementary Estimates agreed.

### **TRANSPORTATION AGENCY OF SASKATCHEWAN — VOTE 69**

**MR. MacMURCHY:** I have Dr. Gerry Gartner with me who is the Executive Director of the Transportation Agency and Erna Stina, who is the Administrative Officer.

#### **ITEM 1**

**MR. McMILLAN:** Mr. Chairman, I want to take this opportunity at this time to offer congratulations from the Liberal caucus to the Government for instituting the Transportation Agency and I should like to extend a personal note of congratulations to those people who work in the Agency for the work that they have done. Through me, on behalf of the people of the Kindersley and Wilkie constituency, I can say that for the Member for Wilkie (Miss Clifford) who isn't here, on trying to improve the kinds of transportation services that are available to people certainly in the West central part of the province. I want to offer you a hearty congratulations for the work you have done and I thank you from, certainly, Linda Clifford and myself.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MacMURCHY:** Thank you very much. I think that the work of the Transportation Agency is assisting communities and making presentations to the Hall Commission was outstanding. We have to see what happens. We are seeing some of the benefits of the efforts of our people on staff in the presentation to the CTC rail passenger hearings since CTC have recommended the retention of both the CN and CP Transcontinental trains.

**MR. MacDONALD:** Now, I just don't want you to get carried away. I thought I would make a little mention. We congratulate you for setting up the Transportation Agency but we don't like the way in which you use the information they provide you on a political basis — like your opposition to the Bill, The Transportation Act and your presentations to some of the commissions. I don't want you to get carried away, Mr. Minister.

Item 1 agreed.

Item 2 agreed.

#### **ITEM 3**

**MR. CAMERON:** Mr. Chairman, I want to ask the Minister some questions again in a constructive kind of a way.

In the Western Economic Opportunities Conference, the Minister will know the Premier and the former Minister of Transport, Mr. Romanow, together with the other western Premiers put forward a series of proposals for changes to the National Transportation Act in an effort to get at two or three pretty fundamental problems that, we in this part of the country, have.

One is with respect to freight rates, which under the National Transportation Act as it now stands, are determined as the Minister knows by the forces of competition. You people took the point at that conference that competition was all very well to govern rates where competition, in fact, existed fully. In those parts of the country where competition does not exist to regulate the rates properly, there ought to be power in the Federal Government to set the rates directly. As you know under the National Transportation Act at the moment the Federal Government doesn't have that power. That was one of the recommendations that came out of WEOC, and I wonder if the Minister or any part of the Government have made contrary recommendations to the Federal Government since that time, because my understanding is that the current amendments to the National Transportation Act would, in fact, empower the Federal Government to set both minimum rates and maximum rates so that we would no longer be subject to the forces of competition, particularly in this part of the country. That is my understanding. I should like to ask the Minister if, in fact, he is opposed to that provision, that change, to the National Transportation Act?

**MR. MacMURCHY:** No, we are not opposed to that particular amendment. There hasn't been any correspondence from the Government, certainly not from the Transportation Agency to Ottawa, with respect to that particular issue.

**MR. CAMERON:** Okay, then, there is a second pretty major area from our point of view here and that is as you know, prior to the Western Economic Opportunities Conference, your government and the western governments working together, I think, identified if my memory serves me correctly, some 21 or 26 examples of long haul-short haul anomalies, which were adversely affecting the prairie provinces. Subsequently in additional efforts between the National Government and the four western governments additional examples of those long haul-short haul anomalies were, in fact, identified. The solution that was suggested, in my recollection, was again to amend the National Transportation Act and add a section, specifically prohibiting the short haul-long haul inequity, except in those small instances which were a concession to the Province of British Columbia. My understanding, again, is that the amendments that are now before Parliament with respect to the National Transportation Act, have that kind of a section in them. So that, again, my understanding is that request was met and if those amendments were passed that would be the consequence. Again, I wonder if there was any change between the previous position of the Government of Saskatchewan and today, because as I understand it as I say, those amendments are, in fact, incorporating some of those suggestions that came out of WEOC, which I understood your government to accept.

**MR. MacMURCHY:** There has been no change in the policy of the Government with respect to long haul and short haul. We have some questions about the amendments in the legislation in Bill C33, because it does have a loophole in it. The loophole is that where there is competition, then the CTC is empowered to look at that competition and then deal with the rate related to the competition. In other words, if the rail companies increased the long haul rates to such an extent that they were running into competition, let's say from the east coast to the



west coast, into competition with the movement through the Panama Canal, then CTC has the power to look at that competition and therefore reduce the long haul rate. And we would have some concerns about that loophole.

**MR. CAMERON:** I would have the same concerns as the Minister. That's why the other day I was wanting to recommend to the Premier that he raise that question, particularly with the Premier of British Columbia, because as you recognize, that's an exception which has been granted at the request of the Province of British Columbia. And I'm not sure that the Province of British Columbia was really aware of the difficulty at the time of the Western Economic Opportunities Conference and has since made the request for the exception. I was hoping that the Premier might raise that question at the upcoming conference and see if together the three Prairie Provinces and the Province of British Columbia couldn't work out something which might be perhaps more satisfactory to us.

**MR. MacMURCHY:** I think the Premier responded that if there is an opportunity to discuss this issue he would.

In our discussions that we have had with the Hon. Mr. Davis, we find Mr. Davis is a pretty strong shipping man and I think that's probably natural because of the ports in British Columbia, but I am sure that if the Premier has an opportunity to discuss this issue, he will use it.

**MR. CAMERON:** There was again a third area which was of particular concern to us, when I say us, I mean the three Prairie Provinces in particular at the time of WEOC, and that was, and I am sure that you are aware of this one too, that was the cumbersome procedure to appeal to the CTC when one was attempting to prove that one was a captive shipper and that there ought to be a rate fixed for you.

To give other Members a more practical example — in respect of the crushing industry on the prairies, they took the position that they were in fact a captive shipper to the railways and they were appealing the rates that the railways were setting to the CTC and the experience was, I think it took, it may have taken as long as three years to get through the CTC finally on that appeal, the procedures were so very cumbersome. In consequence of that, I recall that the four western provinces were suggesting that the appeal procedure to the CTC should be substantially simplified in the first instance, that's number one, and number two, that a shipper ought not to have to prove that he's a captive shipper before he could apply to the Federal Government to have a rate fixed. Those were the two recommendations as I recall that came forward.

Again my understanding of the legislation that is now before Parliament is that in the first instance, it would in fact, simplify substantially the procedures of appeal to the CTC and secondly it would permit a shipper, who feels aggrieved, to apply directly to the Federal Government to review his rate and to have a rate fixed without having to establish that he is a captive shipper.

I wonder if the Minister could, is that the Minister's understanding firstly, and secondly I am wondering if your Government has any objection to those provisions?

**MR. MacMURCHY:** I think that our comment would be that we would approve of the changes. I suppose that we would remain a bit skeptical, sort of wait and see. We recall there was an additional complaint put forward at WEOC of the high cost of an appeal to CTC and there's nothing in the Bill to take care of that.

**MR. CAMERON:** Well, I beg to differ with you and I think in fact there is because the appeal provisions before were of a very formal variety. There is now an effort to make them very informal in an effort both to speed them up and secondly to reduce the cost.

Now there is another area, or two or three additional areas I want to get into because, I'll tell you why I am doing it too. You may recall that you had indicated some months ago that your Government was opposed to the amendments embodied in Bill C33 that was before then introduced in the Commons, those amendments covering the three areas that I mentioned, which were very important areas to us here in this part of the country, were amendments that really grew out of WEOC. I recall at that conference, discussing with Mr. Romanow and other people in your Government, their concerns which we were all, by the way, impressed with and subsequent meetings between your people and Mr. Marchand to come to grips with those questions, then those amendments which were introduced into Parliament were, in fact, designed to meet the requests that were made.

I found then, when Bill C33 was introduced, that your Government, at least I ought to say, you immediately indicated you were opposed to it, and I wondered frankly, at the time why, because so much of it was designed to meet the very objections that you had to the existing transportation policy.

Now I appreciate, Mr. Minister, that we are in another area of user pay, where you have some objections, and you and I will discuss that a little bit, but setting that one aside for the time being, can you tell me what objections, apart from that one, do you have to those amendments and tell me how you think they would adversely affect Saskatchewan?

**MR. MacMURCHY:** I think that, while the Bill contains changes as a result of WEOC which we can accept. Our concern is 'user pay' and the Hon. Member will have noticed that our criticism of that Bill was the 'user pay' philosophy that is built into it. Our other concerns would relate to the lack of the regional approach, which we believe so necessary in developing a national transportation policy.

**MR. CAMERON:** Fine, well let me go into that area of regional concern with you a bit too, because again, when I was asking the Premier the other day whether he would, and a series of serious questions, whether he would raise with the western Premiers the same subject in that respect that was raised with the Maritime Premiers. Now the Maritime Premiers met some months

ago, having had a look at C33, and they said too that they didn't think there was sufficient emphasis on transportation being used or recognized as being used for regional development purposes. And they sought an amendment, which I thought was a particularly good one, personally, which would definitely bring a greater emphasis in that Act to using national transportation and recognizing its use as a tool for regional development.

I don't know whether the Minister has had a chance to see the recommendation made to the Maritime Premiers, but theirs I thought, was a very good one and a very strong one. They would take, for example, of the three fundamental objectives of the Act, and place, number one, is one of the fundamental objectives that transportation do assist in meeting regional economic objectives. And I was rather hoping the Premier would raise that at the Premiers' Conference and then if we had the Maritime Premiers and the western Premiers with sort of one voice requesting the same amendment, then I think Parliament and the Minister, and so on, can be persuaded to do it. I don't know whether you have had a chance to see that, or what position you would take, but I would ask you again if you, would indicate to the Premier, at least in my view, the importance of his raising that question with his other western counterparts and perhaps putting to the Federal Government, the same position as the Maritime Premiers did. I genuinely believe that if that was done, we may very well persuade them to have a very substantial amendment to secure what we want to secure.

**MR. MacMURCHY:** Mr. Chairman, I think the Premier, when an opportunity arises, can put forward the issues of this legislation. We are informed that while the Federal Government indicates that there is some agreement out of the Maritimes, the Maritime provinces inform us that they don't think there was an agreement. In fact, they are informing us that they don't agree with what came out of that meeting.

Our concerns would relate to the federal-provincial cost sharing and we have indicated so in a letter to Mr. Lang.

**MR. CAMERON:** Well, I should tell you I had an opportunity recently, as a matter of fact, to discuss the matter first-hand with Premier Regan, and he seemed to think that they made some real progress in terms of persuading the Federal Government to recognize more fully the role of transportation in regional government and I think, as a matter of fact, if those Premiers had the support of our Premiers here, that something real in that way could be accomplished. I say that to you sincerely. I believe it could be.

The last area, unless you want to make some comment, and get into one additional area where I want to have some comment. The last area is the whole area of 'user pay'. And what I want to suggest to you is there is a whole lot of bias and prejudice and political prejudice standing in the way of some better understanding there. It is these sections, the amendments to the National Transportation Act, which have two sections in them. One says that we ought to strive for commercial viability; that's how the section reads in the provision of transportation services. And that includes, not only airports and air fares train fares and trucking costs and so on, and the use of harbours and the like. So you would begin with the basic

principle that the system ought to be commercially viable and that is to say, those who use the system are those who ought to pay the cost of using it. But, there is another section also in that Act, which clearly indicates that there are areas in the country, and particularly historical circumstances which would make that philosophy inapplicable, and it goes on in another section to say where commercial viability for regional or social purposes, cannot be obtained, or should not be obtained, then it would be the responsibility of the Federal Government to make up the difference between real cost and the rates charged.

So, these are sort of companion objectives. One says commercial viability where possible; the other says recognizing historical arrangements, and I suggest to you that the Crow's Nest rates is one of them, recognizing the regional and social aspirations of some sections of the country. The Federal Government would still be responsible to pay the difference between real cost and that raised by the rate. So that assistance there would have to be maintained by the Federal Government.

That is why I say to you that I think there is an area there of some misunderstanding. I don't think anyone under that Act would suggest, for example, that the users of transportation facilities in respect to the movement of grain, would be expected to pay the costs. There is a very good historical reason why they ought not to. And that is because a rate has been guaranteed to us since 1925 in one respect and 1897 in the other. As a trade-off almost, of Confederation for the additional cost we pay by way of tariff, and I have heard the Minister make that point and I think it is a very good point. So, no one is suggesting that commercial viability or user pay ought to apply to the movement of grain for an example.

Now, where does all this leave us?

The Assembly recessed from 5:00 o'clock p.m. to 7:00 o'clock p.m.

**MR. CHAIRMAN:** When we rose at 5:00 o'clock we were on Item 3, page 92 on Transportation Agency of Saskatchewan.

Item 3 agreed.

#### **ITEM 4**

**MR. R. KATZMAN:** (Rosthern) This is Safety '77?

**MR. MacMURCHY:** Yes.

Item 4 agreed.

Vote 69 agreed.

Supplementary Estimates agreed.

### **DEPARTMENT OF MINERAL RESOURCES — VOTE 23**

**HON. J. R. MESSER:** (Minister of Mineral Resources) I should like to introduce to the Legislative Assembly, Mr. Bob Moncur, Deputy Minister of Mineral Resources, newly appointed — a native of the Province of Saskatchewan. I am sure that he is known to a number of people in the Legislative Assembly.

**SOME HON. MEMBERS:** Hear, hear'

**ITEM 1**

**MR. E. F. A. MERCHANT:** (Regina Wascana) Mr. Chairman, Mr. Minister, would I be correct in assuming that on page 56, the federal contributions, are in fact, an item which would be deducted from the total expenditure, so that in judging that total expenditure of the province, I would judge then, taking the figures that are shown as total for Mineral Resources at the bottom of page 64, and then deduct the amounts paid back, so to speak, by the Federal Government?

**MR. MESSER:** No, that is in addition to the \$7 million plus item on page 64. So, you come out with a figure in excess of \$9 million, well, \$10 million.

**MR. MERCHANT:** So the spending has, in fact, gone from \$7.5 million last year to \$10 million this year?

**MR. MESSER:** Yes, that is correct.

**MR. MERCHANT:** What have been the revenues from oil in approximate terms, if you took the revenue from the sale of leases and things of that nature, plus the revenue from the various kinds of tax regimes, can you in approximate terms, give me the revenues since the implementation of Bill 42?

**MR. MESSER:** We can't be as precise as I think you would like us to be. I can give you the figures for 1976/1977 — \$49 million from oil royalties. In total, something slightly in excess of \$61 million, and that is from producing track tax, lease rentals, a little bit of revenue from gas as well, but it is a small percentage in relation to the total.

**MR. MERCHANT:** I am asking for the approximate figures 1973, 1974, 1975, and 1976. You don't have those figures?

**MR. MESSER:** I don't have them here readily available. I can provide them to the Member. I can undertake to estimate what they might be.

**MR. MERCHANT:** Do that.

**MR. MESSER:** An estimate would be something in the neighbourhood of \$115 million. That's going back to 1973. Yes, \$49 million this year, last year approximately \$31 million. We are estimating \$20 million for the year before that and \$15 million for the year before that.

**MR. MERCHANT:** I am not understanding. In 1973, approximately what were the revenues from oil and gas leases, the sale of mineral rights, etc.? In 1973 approximately.

**MR. MESSER:** Well, I am afraid that we don't have that information. It is a little more difficult. I thought the Member was only asking for the oil royalties since 1973. I was estimating that that would be somewhere in the neighbourhood of \$15 million and in 1974 somewhere in the neighbourhood of \$20 million.

**MR. MERCHANT:** And you say that to be \$50 million last year — \$49 million?

**MR. MESSER:** In 1976/77 — \$49 million.

**MR. MERCHANT:** And that includes the royalties as well as the moneys received from the sale of leases, etc.?

**MR. MESSER:** No, \$49 million are royalties. The total is \$61,399,000. That also takes into consideration a modest income from gas activities in the province.

**MR. MERCHANT:** That is in terms of royalties and so on, from gas activities?

**MR. MESSER:** Right.

**MR. MERCHANT:** What has been the investment in terms of equity and loans in Saskatchewan Oil and Gas?

**MR. MESSER:** I'm afraid that the Department of Mineral Resources cannot provide that information. It would be best obtained from Saskoil. We simply do not have those statistics.

**MR. MERCHANT:** In approximate terms.

**MR. MESSER:** I don't even think we can give it to you in approximate terms. Not now.

**MR. MERCHANT:** Are you seriously suggesting to me that the Department of Mineral Resources, when we deal with those Estimates, is that you are going to sit there and say, "Well really you should take that up in a year or so with Crown Corporations to find out what happens in Saskatchewan Oil and Gas. That is part of the way we keep information coming into our hands, by departmentalizing it and that is a separate matter from the way Mineral Resources operates. Potash is separate from the way Mineral Resources operates. We are only prepared to deal in the specific areas that the department ordinarily controls?"

**MR. MESSER:** Well, I think, yes, I would have to say yes to the Member in regard to that question. I can't give him the information that he asks for in regard to Saskoil, any more than I can provide him the information if he substituted Husky or Shell or Mobil. We just do not have that information, nor do I believe that we should have it. He can obtain it from the Minister via the various means available to him in the Legislature here.

**MR. MERCHANT:** How important do you think it was to the Saskatchewan economy, when we had approximately 1,000 wells being completed every year in this province, and had those jobs and that investment and how significant do you think the 1,251 well completions that are completed in 1969/70, were to the Saskatchewan economy?

**MR. MESSER:** I think that they contributed a significant amount to the economy in 1969/70. I say that when I relate to the depressed state of the other economic factors of the province at that time. It certainly, the activity in the oil industry made a major contribution. If you wanted to lift that activity, even if it had been the same in 1973, 1974, 1975, 1976 and 1977, it would not have contributed nearly as significantly, due to the buoyant state of the other economic factors in the province. Now, the situation during those years was that activity was not at that level. But it certainly had no adverse repercussions as far as the province was concerned. It has low levels of unemployment, it had very, very high capitalization taking place in the province. I believe that there were some interests who would have otherwise been operating elsewhere. As far as the economy of Saskatchewan was concerned, it was not adversely affected.

**MR. MERCHANT:** Mr. Chairman the point that I have been laying is that since 1973 two things have been happening. First, you have had the establishment of Saskatchewan Oil and Gas, with the effect that it had on the economy. You have also had Bill 42, with the effect that it has had on the economy. I wonder, before I make a few remarks about that if the Minister would indicate how many adjustments you have had to the rates, the Bill 42 rates, and whether you would not agree with me that Bill 42 as such, which was really sort of a strangulation Bill, to take most of the money out of the oil industry, that that Bill and that concept has been pretty well emasculated now. You have got your rates back down to the level of rates or close to the level of rates, of other jurisdictions. And that Bill 42, which was almost different in kind, because it said nothing will go to the industry. We will take every nickel of what you characterize as the windfall profits, that that difference of kind says nothing will go to the industry, is now all gone. That the rates that are paid now are almost comparable to the rates of Alberta and British Columbia. Whether it is too late or not is another question, but you are almost at that level.

**MR. MESSER:** Well, that is the Member's viewpoint. I think that there was good reason and logic behind the introduction of Bill 42. There were substantive windfall profits accruing to the interests who were exporting or selling oil from the Province of Saskatchewan. There was not any real significant increase in costs of operation for that old oil, and the Member knows that there was a differential between old and new oil, and that it was legitimate then, as it is legitimate now to undertake to see that a significant amount of those so-called windfall profits accrued to the citizens of Saskatchewan. I think that we are in a somewhat different era now, where we realize that, and not only in Saskatchewan but I think Canada, that we should be undertaking to reach a level of self-sufficiency at some time in the not too distant future and that

it is going to take some particular kind of environment to undertake to, indeed, encourage a level of increased production that will allow us to reach that level of self-sufficiency at some time in the future.

And I also say that I think that most of the adjustments that were made emanate from a decision that was made by the Federal Government. Primarily it was in relation to non-deductibility of royalties, which seriously affected resource developers in the Province of Saskatchewan.

**MR. MERCHANT:** It didn't seem, and that is a side-alley, but it certainly didn't seem to affect resource development in Alberta and the Northwest Territories and British Columbia where resource development proceeded at a break-neck speed at a time when resource development in the oil industry was being destroyed here. That is the side-alley, we have been down that silly route many times and I think that anybody looking fairly at the statistics will know that that is just not true, that the Federal Government had much affect on the decline of oil and gas development in this province.

But, I ask the Minister, you say we are into a different era now. I take it that that means that you are not just changing all of the figures in terms of what happens in Bill 42, but in fact you now realize that the kind of thinking that went on when Bill 42 came in is no longer applicable today and that in order to have any kind of an industry in this province some pretty dramatic changes have to be made and, indeed, you have made those dramatic changes. I was saying in the House the other day that the previous guys have been sort of like the tough bankers and now you have got old softy, Jack Messer, in there giving the industry a chance again in Saskatchewan. Would you agree that there have been some pretty dramatic changes since Bill 42?

**MR. MESSER:** Well, no I don't agree with the assumptions of the Member for Regina Wascana. Let me first say that Bill 42 was essentially a Bill which would capture the windfall profits that were accruing to the oil interests in the Province of Saskatchewan. That is what the Bill did when it was introduced and that is what it continues to do. It does not take the same amounts that it took some years ago, because the costs of operations have, in fact, escalated and so that adjustments are continuing to be made there.

I might also say, when he refers to the Province of Alberta, that Alberta has in the past undertaken to reduce the costs, the selling price of oil, and I think that they have realized the error in their thinking when they undertook to do that, because the Member, if he would take the time to investigate, will find that they have been in the short-term past with some speed escalating the prices of their oil back up to something that is, in fact, more reasonable.

Now, when I talk about the environment or the circumstances being somewhat different now, I mean that I think that there is a feeling, a better knowledge, in Canada that we do not have all the resources that we thought we had a few years ago. And that we cannot continue to assume that we can be able to rely on unlimited supplies of energy cheaper than anywhere else in the world. That simply is not the case. We cannot build a wall



around what is going on around us and continue to go along the way that we were two or three years ago. It is going to be more costly. We know that we have increasing consumption of energy to look forward to in the future. We know that we are going to have to undertake to start introducing and practising some measures of conservation. And that also it's going to be more costly to develop some of these reserves and there's evidence of that all over.

The Tar Sands Operation in Alberta, we know that the oil price per barrel is going to have to be significantly higher for that oil than it is for other oils that were being produced at the start up of that project. We know that if we're going to extract heavy crude in Saskatchewan to increase the removal of heavy crude in the Province of Saskatchewan that the operation of removal alone is going to be more costly. We know that there is going to have to be an upgrading facility somewhere in that whole area of activity and that that is going to be costly. So that we know the costs of supplying this increasing amount of energy is going to be greater and that we're going to have to have some greater amounts of money going to the developers of that resource. And that's the difference today, vis-a-vis what it was some time ago.

**MR. MERCHANT:** Mr. Chairman, I'd like to read a couple of quotes to you; first one is:

If producers do not have a greater cash flow they cannot afford to search for new recovery methods and new reserves. Nor can funds be generated to finance research into alternate energy technologies or to finance widespread and growing conservation activities.

Now that's the kind of thing, Mr. Chairman, that I expect the Hon. Member for Indian Head-Wolseley (Mr. MacDonald) who's probably saying in the Bill 42 debate, producers have to have a sufficient cash flow. We will devote our attention to keeping heavy crude prices at a level that would promote or encourage extensive recovery. Sounds very much like the Liberal Party in the Bill 42 debate, Mr. Chairman. But it's not, it's the Minister himself not a month ago. And what are we really seeing? The Government as I said a few days ago now realizes that they're on the road to destroying if they haven't completely destroyed the golden goose in this Province. We have 1,251 wells drilled in the best year in Saskatchewan's history 1969/70. During the 1960s the average was 1,000 wells a 1,000 completions. Then along came the Government with Bill 42 a strangulation level of rates, and they've got well completions down last year to 276 with the year before last to 276 and 262 wells last year. What really has happened is that an Allen Blakeney could ultimately see that nobody in the industry was going to be pushed around and picked on the way the oil industry was being picked on in this province. Even an Allen Blakeney could note that they couldn't win a seat in any of the oil producing areas. So what did he do? He sought out one of the few people in the Cabinet ranks who knows anything about business or how to get along with business and put that man into the Ministry. And now the current Minister faces the rather unpalatable task of trying to change the policy and justify the fact that they're changing the policy.

Just a few years after they imposed those strangulation rates, now they got to back off that policy and get back to

the rates of Alberta and British Columbia and the Northwest Territories. And he's not doing a bad job of getting back to those rates. Now, as the Member says that's exactly what Members on this side of the House predicted the Government would have to do. And the question is whether it's too late. We know it's too late to recapture the four years that are lost. The question is whether this Government will be able to convince the industry to show some interest in Saskatchewan even when they're paying comparable rates.

What has Saskoil done? Well they brought in Saskoil in 1973, and in that year it completed zero wells. The next year it completed five, the following year it completed 25, in 1976 it completed 39 wells. But how many companies did it drive away, just by its very presence?

Mr. Chairman, the Minister in charge of Sask Minerals, the Minister in charge of Mineral Corporation, he's a man who deals with business, and he knows that there's a basic suspicion whenever you have Government involved. And we say that Saskoil with its dismal record is just not worth the price. That the Government should be looking at backing off that area, the same way they backed off Bill 42. How many jobs have we lost? What's been the loss of investment? I asked the Minister just a minute ago how significant does he think the drop of drilling activity from an average of 1,000 to the average in the last couple of years of 250 wells, how significant is that? Is that worth the \$15 or \$20 million that they gouged out of those companies? Is that worth perhaps the \$10 million because that is all they were talking about. If you have the difference between the Alberta rate and the Saskatchewan rate, the difference in revenue every year was not large, but when you — oh, the difference in revenue between 1973 and 1972 was large, but that was because the windfall profits came on stream. What you have to do, Mr. Chairman, is compare the difference in revenues between other provinces and this province for the same number of wells. You find that the difference in revenue wasn't large.

The Minister can rise I suppose and pat himself on the back about having gouged a great deal out of the industry since Bill 42. But the real proof of the pudding is how much over a sustained period of time this Government will be able to raise. With no completions there is no question about what is going to happen in the coming years. Revenues are falling. What we have really done is we have grabbed all we could quickly while Alberta's revenues will go on rising because in Alberta they have had not just a snatch it attitude in terms of snatching what is there, but an attitude which has encouraged the industry and will see to it that there is more industry.

Mr. Chairman, we are pleased to see the Government realize its mistake. I am pleased to see the energy secretariat reporting no longer to the Premier but reporting to the Minister and to his deputy. I think they may bring some decent business attitudes to dealing with this matter. I was pleased to see a Natural Gas Board established, again, following the Alberta pattern. At least when this Minister takes over he realizes that you have to get along with business if you are going to have the fruits for this province.

What I don't understand, Mr. Chairman, is how the Minister can claim to say that this is consistent with the Bill 42 approach. The Bill 42 approach got the oil industry into the

mess that the Minister will now try to bail it out of. I have no doubt but that the Premier in words to that effect said to his Minister, well, gosh it hasn't seemed to work very well, we snatched some money while the snatching was good, but look at the long-term effect. Now, he said, all right Messer, Moncur and Messer, can you bail us out? I say to the Minister that very clearly everything that we have seen in these last few months has been a dramatic turn around from Bill 42, and an indication that this Government now realizes that they were wrong when they brought in Bill 42 in the approach that it embodied.

**MR. MESSER:** Mr. Chairman, I choose to disagree with the observations of the Member for Regina Wascana (Mr. Merchant), even though he is flattering in some of them. Let met say that Bill 42 was introduced to capture the windfall profit. That is what it did when it was introduced and that is what it continues to do. The level of incomes from the powers of that Bill fluctuate because the circumstances change in regard to the community that it is taxing. So that the reason for change is not based on the premise that the Member for Regina Wascana bases it on, but a change in costs of operation.

We have made some significant achievements, I think, during the period of time that Bill 42 has been enforced. He talks about development and research and the like of that. I think that had not some actions by the Government of Saskatchewan been undertaken, we would have found very large and significant sums of capital going towards research which had not merits for the Province of Saskatchewan. But yet the money that was used to carry out that research as far as oil development was concerned was in fact being generated to a significant extent from the Province of Saskatchewan. I think that we would have seen significant sums of money going towards the exploration and development of oil in areas outside of Saskatchewan and/or outside of Canada being financed largely from windfall profits that the companies were enjoying through the extraction and exporting of oil from this province and Saskatchewan receiving very little benefit from it.

During that period of time I think that we have been able to reach a level of understanding whereby the companies are much more ambitious, I think ambitious is not an inappropriate word to use, to expend those dollars that are accruing to them on research and exploration and development of oil in Saskatchewan rather than somewhere else. In other words I think the companies themselves undertake to follow an accounting which relates to where their money is coming from and what might be appropriate in expenditures which would continue to provide some benefits in the area where they are generating that money. If there was no action such as the actions of Bill 42, that would not be the case at this point in time, I think.

The Member is something like the Member for Estevan (Mr. Larter) and I have pointed that out to him before. The development — and I don't argue — in Saskatchewan has not been as high as it has in the Province of Alberta over the last three or four years. I think we could argue forever as to whether we have really gained or lost anything due to the policy of this particular Government during that period of time. But the Member has to realize that we are dealing with the commodity that has not disappeared during that time. It

doesn't evaporate, it doesn't run away. And during that period of time the value of that commodity has risen significantly and I suggest to Members of this House that it will continue to rise significantly.

It is somewhat unfair to compare the revenues that the Province of Saskatchewan has enjoyed during a period of time 1973 to 1977 and compare it on a percentage basis to the Province of Alberta and say that theirs has risen significantly higher than ours and therefore we have lost all this revenue to the province. I think that is arguing apples and oranges because we can take the revenues that we may have enjoyed between 1973 and 1977 if we had actively developed oil or we could develop them in 1978 and 1979 and compare the revenues 1979 to 1984 and you pick the multiple, three, four, five times greater the returns would be to this province because they were developed at a time when those resources would be selling for a substantially higher sum of money. I think there is nothing wrong with that. The Province of Saskatchewan has not lost. The province and the people of Saskatchewan have gained. Not only because of the policies of this Government, but the principals who are involved in developing those resources.

**MR. MERCHANT:** I think, Mr. Chairman, it is like saying we can cap all of our natural resources, we can cap them all because we know that inflation will increase the price of those natural resources. We don't have to worry, we don't have to have any development in this province. But of course the weakest thing of all about that is that if the Government believed that, they would be holding on for \$14 a barrel. They don't believe that. They don't believe that and they have demonstrated it by the changes that we have been seeing in the last year. The Government now realizes that through this whole piece in an orderly way we should have been developing our oil and our resources. If the Government really thought that the program was a program designed to wait for the better prices, they would go on waiting for the better prices.

One of the most significant changes and the Minister mentioned it earlier, one of the most significant changes between Bill 42 and now is that Bill 42 didn't take into account any new production. Didn't take into account different rates on new production. The Government backs off that position now and says to the industry, we were wrong, we'll make that change.

Even so, the rates are still less than the Alberta rates. The curious thing about this is that Alberta now is getting a better return on their share per barrel than this Government. Presently, according to the figures that I have, the Provincial Government in Alberta is getting about \$4.33 per barrel and the Provincial Government in this province is getting about \$4.16 per barrel. To some extent that is because Alberta has sweet crude. But the fact is that the Alberta Government is still doing better even with those rates and still having the development. The development, Mr. Chairman, is frightening in the difference. Since 1973, when you compare 1973 to 1976, the last completed year, Alberta is up in exploration by 29 per cent, up in exploration tests by 10 per cent, up in development tests by 59 per cent. British Columbia in the same comparison is up 41 per cent in development test, 47 per cent in footage. Saskatchewan as a result of Bill 42 is

down in exploration footage by 67 per cent.

The Government since 1973 — the Minister says, well, we could argue about the figures and the results — but I say to you, Mr. Chairman and Minister, that your actions in the past few months are what demonstrate that you now realize that Bill 42 was wrong. That is what demonstrates that you realize the error and that the Government now realizes the error, because you have so completely backed off it. You have got a different level of tax now for new production. You have brought your tax royalties into line with the Alberta and British Columbia tax royalties. Although they are still just a tiny bit larger. You have really indicated to the industry, you have almost said, mea culpa, we are sorry, we were wrong, will you please come back.

**MR. R. A. LARTER:** (Estevan) As I come from the basic oil area in Saskatchewan, I would like to first of all commend the Government for making some changes recently in the price on new oil, extending the length of time where an oil company can recover for their expenses and for their operations, extending it beyond the five year period. I think that is commendable. It is a start back. I, as well as all of the oil people in the Estevan area and I am sure every area of Saskatchewan, certainly do not agree with the actions that this Government has taken, of course, and this is old hat, but Saskatchewan's Bill 42, I believe has done more harm to this province, right at the time, and this has been said many times before, right at the time when we are in an energy shortage, and this Government has shut off the taps and all oil people, anybody who's had anything to do with the industry, will tell you this, but the Government with, first of all no oil people with them, didn't agree with this, they knew better and after they hired the odd oil person, a person with oil experience and brainwashed him, he only half agreed with them and they went on from there.

I do agree that the Federal Government is interfering by not allowing the deduction of royalties for tax purposes, I do believe they are infringing on Saskatchewan rights. There is no doubt in my mind on that, but Alberta had the same situation and they sat down and negotiated with the oil companies and they came up with an agreement. I'm sure, even today, if this Government knew how to negotiate and they don't know how to negotiate, they are facing a possible loss in a lawsuit of moneys collected illegally of over \$400 million. Right until the day that that decision is passed down, I know that this Government can sit down with these oil companies and negotiate a settlement and it would be peanuts, compared to what they are going to be facing, but this Government has the answer. They are going to pass retroactive legislation and they are going to expect all clean living, clean thinking, Saskatchewan people, honest people to go along with them and say this dishonest money we've collected, we want you to go along and we want you to say that it's okay. This makes it pretty tough on a Member, on some of the Members who think they have some principles. Retroactive legislation.

You had a Member on "provincial affairs" program last Saturday night. This was really something. Talking Bill 42 in the Lloydminster area where the Federal Government has agreed to provide \$16 million to assist in the development of our heavy crude oil and here was one of your Members, the Member for Cutknife-Lloydminster (Mr. Kwasnica) on there,

preaching Bill 42 all through this conference they had on provincial affairs.

The Bill 42 really has nothing to do with that heavy oil field. It might have and if it does have, it's again proving out that according to a hot line show in Calgary that most of the work is going on, on the Alberta side, so maybe it does have something to do with it. Most of the construction work or most of the oil exploration work on the use of this \$16 million is going on, on the Alberta side of the main street. The Minister in charge of Saskoil denied this the other day, but that's not the way it reads with the Alberta people.

I'd like also to reiterate about production credits. This Government can stand up and talk all they want about increased drilling and what is going to happen in 1977 and 1978, but I can assure the Minister and anyone in the oil field, we'll assure you of this too, that the only increased drilling that you are going to get is to use up these production credits and it will be used in tie end drilling, it won't be used in new production or going into exploration into the deeper fields, it's going to be used strictly to use up that 75 per cent and the only way they can get it back is to do some drilling.

I have mentioned to the Minister before that I think there should be some way of transferring these credits to independent drillers and then I think you would get some new drilling in Saskatchewan. I haven't heard anything too positive on that portion yet and I hope this does come to pass that these independent drillers can use these production credits for drilling. Then I think you would see an increase in drilling in Saskatchewan. And they are willing to negotiate and pay for those credits.

I don't think this Government can even comprehend the potential of what could really happen in Saskatchewan, not only in oil and gas but in any other minerals or in the North. I don't believe it but they keep mentioning that never has there been more activity in the northern part of this province, but I don't believe that they really believe that themselves. The potential in this province is absolutely fantastic and in spite of this Government we are getting probably more returns than we ever have, but the potential is so great that this Government just can't even imagine it so they are stagnating this province.

Again, the Minister made some mention about oil moneys going other places. I would like to just touch on the fact that these potash mines that have been bought out. I don't think there is any doubt about it. The potash money has gone across the line and is being used for other drilling, both in Montana and North Dakota and New Brunswick. Anyone will tell you that some day, because of the move you have made in entering the potash field that you are going to rue that day because you are going to have competition like you can't believe. We are now getting 70 per cent of the American business in the potash industry, we have 70 per cent of our exports to United States and if these potash mines and there is no if about it, some of them are going to come on stream and this money that we have, this so-called wonderful money we have got we've given away for these potash mines are going to come back to haunt us because we are going to see our American market diminish, as you've seen your sodium sulphate market diminish.

**MR. SNYDER:** It hasn't diminished.

**MR. LARTER:** Yes, it has diminished. It's diminished 90 per cent on the export field. Read your own report.

I'm just telling you that you are going to rue the day that you are taking the line that you can handle the resource better than private industry. You are creating competition. You are in the competition business for the first time in your lives. You're used to selling to a collective market or a market that you have no competition in. Now all of a sudden you are in a market where you've got competition and you are going to rue the day that you ever got into it and the people of Saskatchewan are going to be the ones that pay for it.

**AN HON. MEMBER:** They are paying for it now.

**MR. LARTER:** They are paying for it now. You have been drilling for gas and buying up gas fields, or potential gas fields in Alberta which I commend the Government for. I don't object to you trying to look forward to getting future gas supplies for the province. But just recently the Government of Alberta gave you a notice, whether it was direct or indirect, that they were cutting down from 186 billion cubic feet of gas, their potential export over the next 15 years to 126 billion, which makes it all the more imperative that we should be exploring and exploiting our own resources. I think you've made a very, very bad decision on your mineral resources in slowing down all of your exploration.

**MR. MESSER:** Well, Mr. Chairman, just a couple of brief remarks and if anyone is going to rue the day or be haunted by actions or remarks that were made, I'm afraid it's going to be the Member for Estevan (Mr. Larter). He keeps on meeting himself coming around the corner. He talks about stagnation of development in the Province of Saskatchewan, as far as resource development is concerned. It's absolutely incredible because there has never been a level of activity in the Province of Saskatchewan like we are enjoying this year or in the last several years.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:** Now I don't know how they can call that stagnation. I know when I sat as a Member of the Opposition, that we had stagnation in the Province of Saskatchewan when we had a Liberal Government because there was virtually no development taking place. There was unemployment, there were no jobs, there were people leaving the province. I think that's stagnation. But when you look at a province that enjoys some of the lowest unemployment in Canada, you look at northern development exploration and moneys being spent on development in excess of \$30 million, much, much higher than it ever had been, it's a bit tough, I think, trying to sell any thinking person in Saskatchewan that that's stagnation as far as resource development is concerned. It's just absolutely incredible. The Member for Estevan says that we have in a dishonest fashion taken money from oil companies and we have a case in the Supreme Court now and I'm sure that the people of Saskatchewan would be pleased to hear that he thinks that we have \$500 million that should be given back to the oil companies, \$500 million that the people of Saskatchewan have assumed that they will be receiving some benefits from, or

in fact, have already received a benefit from. He certainly, is the spokesman for the multinational resource companies, not the people who elect him in the constituency of Estevan. Again, I say he meets himself coming around the corner. He says, as far as Saskatchewan is concerned, the money, that \$500 million that the Government has acquired is dishonest money.

The Member for Regina Wascana (Mr. Merchant) says and I use his figures for Alberta, that Alberta's tax is \$4.33 a barrel, Saskatchewan gets \$4.16. In fact, they (the government) makes more money in Alberta, even though, I guess assuming that they are taxed less there according to the Member for Wascana.

You can't on the one hand say that we are taxing in Saskatchewan in an illegitimate fashion and that that money should be given back to the producers when in Alberta the same level of taxation or perhaps, in instances, a higher level of taxation if accruing to the province, yet in that instance it's legal. None of it should be coming back to the producers. You just can't have it both ways, unless you disagree with the figures and I don't know where the Member for Wascana finds his figures, but he's telling us that in Alberta the Government there, in fact receives something more per barrel than what we do here in the Province of Saskatchewan. And he, just before he makes that statement, has chastised the Government of Saskatchewan for taxing, by various means, too heavily the companies that are developing oil in this province. You fellows can't have it both ways.

The Member for Estevan (Mr. Larter) says that the activity as far as Lloydminster is concerned is all being carried on, on the Alberta side of the street. That's not true. The federal-provincial \$16 million program, all of the money will be spent on development activities in the Province of Saskatchewan, not in the Province of Alberta. I'd appreciate it if he would keep that in mind, so that when he's out about the country, again misleading the people of Saskatchewan about where that money is going, he'll know that it's all being expended in the Province of Saskatchewan and not in the Province of Alberta.

**MR. LARTER:** Mr. Chairman, this \$16 million is all public money. I would like to just make a comment on what you mentioned about how I thought that this money, this \$500 million should be staying with the oil companies and not going to the people of Saskatchewan. There is a little difference in the way the Alberta Government did it and the way the Saskatchewan Government has negotiated this whole thing or non-negotiated this whole thing.

The Government of Saskatchewan could have had approximately the same amount of money on a pro-rated or whatever but they chose instead to go their own merry old way and ram things through instead of negotiating. I say, this Government doesn't know how to negotiate, whether it's with a garbage man, with the Federal Government or with oil companies. You don't know how to negotiate.

**SOME HON. MEMBERS:** Hear, hear'

**MR. LARTER:** This is where the whole crux of it comes in. You could have collected the money that you've collected illegally



by the courts, maybe so far, you could have collected this honestly if you would have done it by negotiation. But you just don't know how to negotiate.

**MR. MESSER:** Mr. Chairman, I'm sure that the Members of this Assembly are pleased to hear, as will be the people of Saskatchewan that we should be paying back to the oil companies, \$500 million simply because we didn't negotiate properly or negotiate in a way the oil companies would have liked the Government of Saskatchewan to negotiate that \$500 million.

Mr. Chairman, I suggest to the Member that \$500 million is \$500 million. It doesn't matter how you got it. If it is deserving to the people of Saskatchewan, yet not paid in a way the oil companies would like to pay, is irrelevant, is irrelevant. This is the Government of Saskatchewan, elected by the people of Saskatchewan and we act in their best interests and the law of the land should be observed by all who live in this province, including multinational oil companies.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MESSER:** And for the Member to get up and say that we didn't extract the \$500 million under terms and conditions that the oil companies really agreed to and therefore we should pay it back, is just utter nonsense and I don't think he'll find any large community in the Province of Saskatchewan who would support that viewpoint and I'm glad to hear that that's the position of the Conservative Party of Saskatchewan. I'm sure the people of Pelly will be most interested in that.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LARTER:** Mr. Chairman, if I might make a reply. The Minister is trying to put words in somebody's mouth. I don't know who's it is, but I say that the Government of Saskatchewan could have come up with the same amount of money, honourably, instead of trying to chase somebody out of the country, that's been developing our resources for years. They could have come up with this same amount of money honourably, instead of doing it the way you have done it. That's really the crux of the whole thing, is you can't negotiate. You have chosen to go the other way. I told you before, I didn't agree with the Federal Government's decision on disallowing royalties for tax, but you are ignoring this, are you not? But you still are proving to the people of Saskatchewan that you are stagnating our oil industry and I still say by negotiation, even up to the twenty-third hour, that you could be coming out of this ruling from the Supreme Court of Canada without any problems, but you chose to go the other way.

**MR. MERCHANT:** Mr. Chairman, just in passing on the question of the CIGOL case, I don't know whether the Conservatives, if the Governments loses the CIGOL case and the people of Saskatchewan are asked to return the \$500 million, I don't know whether the Conservatives would take the position that the \$500 million was something that they would rather see in the hands of the oil companies than the people of this province, but whether they would or not, that's not the question. The question is, you're in government and if that \$500 million has to be returned, it

will have to be returned because of your incompetence, your failure to do what every other province has done successfully, get control of the resources of their province. Your failure to do what Alberta did successfully and not only did successfully, but maintained a mounting drilling record and more investment oil at the same time. Now that's incompetence. That's the worst of both worlds. You don't have the money and you don't have the activity either. That is what the people of this province will view if the CIGOL case goes down the drain. They will look at your Government and they will say, "What a bunch of incompetent slobs they are, that they can't even do what any other province has done".

**SOME HON. MEMBERS:** Hear, hear!

**MR. MERCHANT:** Now, Mr. Chairman, the Minister raised another unfathomable quibble when he is dealing with the questions of the drilling record. "It's just as well," he says to the Member for Estevan, "How can you talk about what a lousy job we have done and we have got stagnation. We don't have stagnation. There are jobs here; people aren't leaving the province; we don't have stagnation." Well what could be more shallow than that, Mr. Chairman? He sees before him, stagnation in the oil and gas area; stagnation in potash; the destruction of those industries and says that because wheat prices have been up and there have been a few jobs in other areas, we haven't done such a bad job in my department.

**MR. MOSTOWAY:** No, but they are coming back and growing wheat.

**MR. MERCHANT:** No, but they are sure not coming back to drill oil wells, are they?

Now, Mr. Chairman, I suppose we could discuss the record of incompetence, the record of Bill 42, all night. I don't think that there is any question but that any fair view of the matter will conclude that the Government realizes that they are wrong. As the Member for Estevan (Mr. Larter) has said, and I agree with him, I applaud the Government realizing that they were wrong. I would just be a little happier with them if they admitted that, well, we went in to that area, we tried that form of tax regime and now we realize that we have got to co-operate a little at the same time.

Let me, Mr. Chairman, while I am on my feet, make some suggestions to the Government about oil. There are other areas that I hope we can move to soon, but in the oil area what is the problem that we face in Saskatchewan? Principally it's that the majors have most of the leases and the independents are the only people who are interested in it. You've got small pools, and we've got sour crude. We don't have the gravities that are easily developed, and the majors tend not to be interested in us, yet they hold most of the leases. Now how does a government get out of that problem? I have some suggestions of things that I think the Government should be doing to develop our industry better. I think you've got to make some greater incentive towards farm-outs of the acreages. You've got to almost compel the majors to farm-out the acreages. I thought that the program that you initiated, which didn't work well, of a tax rate on the acreage — it didn't seem to work — in fact, what it did it drove the independents out

because they couldn't afford to sit on their acreages while the majors just paid the price and they are sitting on it. You have got to do better than that.

Some of the programs that I think might be successful is to make exploration acreage conditional upon performance in the field. That's something that this Government should be looking at.

A second area that the Government should be looking at, although it may not be too applicable here, but we have been told by the former Minister of Mineral Resources at least, at the deeper horizons there is now new interest. I wonder whether the Government has considered saying, "Well, we will deal with those deep horizons as a different lease." When the oil company took the lease, if they took it six or eight or ten years ago, there is no question they didn't consider the deeper horizons. They didn't consider it because it simply wasn't possible to get there. They didn't think there was any use in that deeper horizon. Now, perhaps the Government should say "Well, you didn't take that really, so if you are not going to develop it, we'll allow somebody else to develop it. We will move to set up perhaps a different lease base for the deeper horizons". You might have a situation of two different companies drilling in the same area, one having the right to go to the deeper horizon, the other dealing with the higher horizon. That might get development, allow the independents in. The independents really don't have much of a hope the way things are working in this province now.

Now the last thing that I think the Government should be considering, and I think they should be considering it more because of the future of oil and gas in this country and the world, I think you've got to have a program that makes it clearly economic to go after more than primary recovery: a program that sets a very different rate for secondary recovery; a program that sets a very different rate for tertiary recovery. Even if it means that with tertiary recovery that the Government gets virtually nothing out of that tertiary recovery. It is one thing to have programs like the program that is proposed in the Lloydminster area, a program where government would be involved, not dissimilar to Syncrude. If I happen to recall correctly, to remember, that the NDP Party voted against that in convention, but I am sure that wouldn't stop the current Minister.

**MR. MOSTOWAY:** You were there, were you?

**MR. MERCHANT:** Well, I monitor these unhappy events. It is sort of like keeping track of earthquakes and pestilence and plaque, and the NDP conventions. I monitor these things.

Now, Mr. Chairman, I think that the province has a responsibility even if it means no revenue at all, to encourage these secondary and tertiary recovery schemes. And I am not convinced that the only way to encourage tertiary recovery is to say, well we as a government will move into the area. There is the natural reluctance of the industry to become involved with a government. I suggest to the Minister that these kinds of proposals are things that the Minister should be considering, and I would be interested in his comments about them.

Mr. Chairman, the next area that I would like to look at is the area of uranium. I am looking for the figures, but off the top of my head as I recall, about 1985 if we continue the way we are, we are expected to have a shortfall in oil and gas of about \$13 billion. That in fact, by about 1985 we will have a trade deficit of that magnitude. Now we know, of course, that that kind of a \$13 billion trade deficit in oil and gas just is completely unacceptable to Canada, that it just wouldn't be possible to maintain our energy use, that it would destroy industry, and it would at the same time destroy our balance of trade. Historically we have depended in Canada for about 30 per cent of our exports to come from mineral resources and raw materials. Now Members may say that what we should be doing is developing that here, and perhaps so, that's another argument. But historically we have looked to exports of mineral resources to support us to some extent through our balance of payments situation. So as I have said, we have got to look at the nuclear problem, I think. And the projections are that the use of nuclear energy will continue to grow while the use of oil and gas will continue to decline. In fact, those levels will cross with nuclear energy accounting for about 22 per cent of our energy use in this country and oil and gas accounting for about 22 per cent in about the year 2017.

Ontario, for instance, is already getting about 10 per cent of its energy from nuclear power. Saskatchewan can be the world leader in nuclear energy. We can be number one (either will be number one, or northern Australia). Now I say that provided the use of nuclear energy is used in a safe way, and the Bayda Inquiry and the Fox Inquiry in Australia, are both devoting their minds to those problems (Fox has completed their study), provided nuclear energy can be used in a safe way, and I say it is incumbent upon the Government to ensure that that's the case, then our Government should be encouraging nuclear energy in every way that it can.

Again, I say that to the Minister knowing that some of his party are very down on nuclear energy. I have always found it sort of curious that they will say of nuclear energy, well the ethical questions say that you have got to stop nuclear energy. Those are the same people who I believe if they examined the ethical question of the developing world would realize that nuclear energy is something that we've got to bring on stream.

You know, Mr. Chairman, we in this country, as with the United States, use about 14 times as much energy as the developing world. If we are to bring those countries on stream with anything like our standard of living, they are going to be requiring a massive amount of energy, energy that the world doesn't have to keep us going living these kinds of lives and in the comfort that we live. We don't have the energy to keep the Caucasian world going at our wasteful rates of energy use. So never mind bringing in the developing world which represents so many more people in terms of a much larger percentage of the world, never mind bringing them on, even at one-third of our rate, never mind the one-fourteenth at which they operate now.

I think, when someone says there is an ethical question, that they should be looking at the ethical question of how can the developing world hope to have any future in this world, any future in terms of energy use, unless nuclear energy is allowed to come on stream in a very massive way. I think at the same time we would be looking at solar, tidal and wind power, but those kinds of things really can't do the job for the

developing world in the short term.

I wonder whether the Minister wouldn't agree with me that it is important to our province in terms of the tremendous development that is available, and also important to our province in terms of taking our place in helping the developing world that we see to it that nuclear energy, in safe forms, comes on stream to a far greater extent than it is now on stream. I wonder as well if the Minister wouldn't agree with me that is the kind of message that the government should be taking to the Bayda Inquiry. That the Minister shouldn't be saying, well, we'll let the Minister of the Environment go in with a little brief. Now this isn't just an environmental question. This is a question that says are the people of Saskatchewan generous enough to try and help the developing world? We will profit by that, but it is a question of generosity as well. In that way I think our Government should go before the Bayda Inquiry taking a stand and saying we believe that if there is a safe way to do it, nuclear energy should be brought on stream. That Saskatchewan should take its place as a world leader, and since we stand to profit as a world leader, you as the Government should face the tough political nettle of going before the Bayda Inquiry, taking a stand and saying, "We believe there should be development of nuclear energy in this country".

**MR. MESSER:** Mr. Chairman, let me firstly say that the Bayda Inquiry its responsibilities go beyond looking only at the environmental or safety aspects of the uranium mining in the Province of Saskatchewan. They are, and the Member I think is fully aware also, considering global nuclear concerns as well. So that that inquiry will undertake to arrive at a position and recommend to the Government for its consideration a policy for uranium activity, mining activity in the Province of Saskatchewan. I think it is a bit difficult for a government, for the Government of Saskatchewan to undertake to now express a position, a position encouraging nuclear development. We don't have any, I don't think we have any real authority to do it outside of having a resource, which fires that nuclear power. We have no nuclear installations, no experience as far as nuclear power per se in the Province of Saskatchewan. I think we have to be conscious of a number of communities in the world concerned about nuclear power. I believe that those communities in their own sovereign jurisdictions will have to resolve those concerns themselves, and it is not going to be, should not be a responsibility of a provincial government, nor do I think if they assumed the responsibility they would be able to in any credible fashion undertake, as the Member for Regina Wascana (Mr. Merchant) want us to, to promote nuclear power.

There is, I think, a much greater security in allowing the Federal Government to undertake to see that if there is going to be continued and increasing demand for nuclear power and that Canada and/or Saskatchewan is going to be providing the fuel for that nuclear power, that it is done in the best interest of both communities, and that it is used for peaceful purposes and that other activities are safeguarded, other uses of that nuclear power for armament or whatever is safeguarded. Only, I think, a federal jurisdiction can undertake to do that.

I believe that we have a tremendous amount of educating to do in Saskatchewan before the Government can undertake to

express what its position is. Having said that, I might just stop here to say that I think that it is the express responsibility of the Department of Mineral Resources to develop the mineral resources of the Province of Saskatchewan. I think uranium is included in that, in that development of mineral resources. But it has to do it within, I think, certain restraints and certain safeguards, some that are established outside the Province of Saskatchewan. The Department of the Environment will, yes, look after the environmental aspects, but as I said, the Bayda Inquiry will also look at the international and global concerns in regard to nuclear development. So I am saying that I think as far as the department is concerned, as far as agencies that I am responsible for — the Saskatchewan Mining and Development Corporation being the best example, may continue to explore for uranium in northern Saskatchewan even though this enquiry is going on. We do that, I guess under the risk of a recommendation, a recommendation coming from the Bayda Inquiry, which may press the Government to the point where we should not develop uranium. I don't personally believe that will be the case but nevertheless that is a hypothetical situation that we may find ourselves in.

So we are not, I think, at this point in time, as far as the Government is concerned curtailing the exploration for uranium, but we do know that at some point in time we will have to meet some very strict requirements before that uranium can be developed. We are not really talking about nuclear activities at this point in time. It is only uranium. The Saskatchewan Power Corporation did present a brief to the Bayda Inquiry as did the Government of Saskatchewan. The Power Corporation brief said that it was highly unlikely that we would be looking to any kind of nuclear activity for the Province of Saskatchewan until later this century or in the early 2000s. There are other alternatives and there are economic considerations and that it is unlikely that we are going to be a user of nuclear energy in the near future if we are going to be a user at all.

I say that there has to be a tremendous educational program carried out and I relate to Bayda's observations when he held the meetings here in Regina, for he was surprised to find that there was a significant percentage of people in the community of Saskatchewan who felt that nuclear power was only used to generate atomic bombs, and that they weren't aware that nuclear power could be harnessed and could be used for the provision of electricity and other power requirements.

If we have that kind of ignorance in the province in regard to nuclear power, I don't think that it would be very responsible of a government to undertake to state a position before the general public is fully aware of what really nuclear power is all about.

I think that we also have a responsibility before we undertake to encourage nuclear activities in other jurisdictions in the world, to devise a legitimate use of energy, hopefully, when the Member says that we use fourteen times more energy than the developing countries, that we won't set a goal for those developing countries to use the energy at the levels that we use it here, a level which is probably approaching 50 per cent which could be, I think, legitimately interpreted as being wasted. I think that we have to implement a conservation program, not only for those developing countries, as they increase their consumption of energy, but for ourselves

here so that we can undertake to set some credible example. I think that if we were going to do anything in the immediate future in regard to involving ourselves in an international presence, as far as energy is concerned, that it would be a first priority to devising legitimate means for use of energy and undertaking to conserve a growing demand for energy before we find developing countries using energy in the way that we use it here, which is wasteful.

**MR. MERCHANT:** Mr. Chairman, I only have a couple more questions and then I will be prepared to let Item 1 go. I have really only been specifically interested in these Estimates of these two areas, uranium, oil and gas.

Let me say something about the Minister's response. He is discussing uranium development, which I suspect he would agree with me is good for Saskatchewan and good for the world. Then he said he watched me writing down what he said and he back pedalled from it from the very moment that he said it, because one thing you have to give to Happy Jack is that he is a fairly smart politician. As soon as he saw my little hand moving, he knew that he hadn't said something that he was going to be proud of. This is what he said:

There is a tremendous amount of educating to do before the Government expresses what its position is.

Oh, there isn't a tremendous amount of thought to be done before we get a position; there isn't a tremendous amount of consideration involved, or find out what the Bayda enquiry says, none of that. We know what the position is.

**MR. MESSER:** What?

**MR. MERCHANT:** Well, you know it. I can guess at what the position is. There is a tremendous amount of educating to do before the Government expresses what its position is. The only word that was missed, but thought, was there is a tremendous amount of political education to do before the Government expresses what its position is, because that is the reason that the Government won't go before that enquiry and express its view, because of the politics that is in it; because the Government is afraid of the politics of doing what they know would be best for this province and what they also know would be best for the world. They just lack the political guts to go before that Bayda enquiry and say, look we have you here to find out in an environmental way what is safe.

Now it is true that we tied one hand and four of your fingers, one hand behind your back and four of your fingers to your thumb, when we asked you to take that job. We didn't give any money to any of the people who are going to come before you to deal with the questions of safety. We set a target that is a pretty fast target, but that is because we want to get on with Cluff Lake, we have to get on with the business of the day. We have to develop Cluff Lake and we made those guarantees and I think, fair enough, you made the guarantees. You have heard what I think you should do. You should have a Bayda enquiry that is a meaningful enquiry and you should have the brief enquiry that usually proceeds a development that was always going to take place, that could take place for Cluff

Lake and could do the brief kinds of questions first — is Cluff Lake safe? Then you could leave Bayda the broader questions of the requirements of the world and the requirements of the Canada.

You have one hand and four fingers tied up and then you say, well, we are not going to express our view to you because we haven't finished the political educating, that we have to do, before the Government expresses what its position is.

Mr. Chairman, . . .

**AN HON. MEMBER:** Pretty sinister.

**MR. MERCHANT:** Well, I would call it pretty sinister and I will tell you that you don't know what the Government position is. There is only one thing that I like about sitting over here in the Opposition, and that is that I know that the backbenchers have no more idea what the Government is thinking than we do.

**MR. MESSER:** Mr. Chairman, the Member chooses to take a portion of what I said in my remarks and then insert the word 'political' and then develop a speech around that. There is a very significant difference, very, very obvious and significant difference between an NDP Government and a Liberal Government. The Member overlooks that, because when he interprets what I meant when I said education before we state our position, he interprets that that means educating the public only. In fact he has to add a word, politically educating the public. What I am really saying is that when we are the Government it doesn't mean that we are the end all, that we don't have to be informed or that we are not in need of further education in regard to issues that confront that Government; that we are the all holy, as Liberals believe. We believe that this Government, also, has to educate itself before it can undertake to state its position. One of the means of doing that is appointing the Bayda enquiry, which will allow all people in the Province of Saskatchewan to have free access so that when we do find ourselves educated to a point where we can make a decision the province has had input to that, and that is what I mean when I talk about education before the province states a position. I would appreciate it if the Member would quit taking a portion of what I said out of context, and that is bad enough but he had to insert the word 'political' to really make some mileage out of it. I suggest, Mr. Chairman, that that is the fundamental difference between the two political thoughts, that is the reason I and my colleagues sit to the right of you, Mr. Chairman, and to the right of, Mr. Speaker, and they will sit to the left, as the Member pointed out so ably this afternoon for another 18 years until he gets tired and then he will go off to doing something else.

**MR. PENNER:** He didn't say that.

**MR. MESSER:** That is exactly what he said. Mr. Chairman, I am sure that he may get a judgeship before that, but I think that perhaps he will wait, perhaps the Senate will start to appoint younger people again.

Mr. Chairman, I suggest that the people of Saskatchewan know that this Government has undertaken to first educate itself



as to what the consequences are for not only uranium mining or refining, but nuclear activity before it states a position and I think that that is the only credible position that a government can take and that is the position that we take.

**MR. LARTER:** Mr. Chairman, I should just like to ask a couple of questions of the Minister.

I think most laymen in Saskatchewan have a question on uranium development in northern Saskatchewan, and we know there are certain risks, they wonder if the world is supplying uranium and certainly I appreciate the role that Canada has taken and only wanting to supply uranium for peaceful purposes. I think most people would like to know, are we going to sit by, and we know there are certain risks, are we going to sit by and let the rest of the world supply uranium to all parts of the world that are requiring it and not develop our resources?

**MR. MESSER:** I don't know how I can really answer that question. We have uranium mining activity in the province and I relate it to a significant amount of exploration and exploration related to developments going on in northern Saskatchewan. We have an enquiry which has not yet made available to the Government the consequences of such mining activity in the province and I don't think that we should undertake to formulate any positions in regard to further activity in relation to that mining until that enquiry has had an opportunity to finish its deliberations. Even at that time, assuming that it is to develop uranium it will not be the decision, assuming the decision is to mine uranium, it will not be within the powers of the Province of Saskatchewan to decide how and when and where that uranium will be sold. That is the responsibility of the Federal Government. I am not saying that to pass the buck to the Federal Government, I am saying that because they have that power and I think that they are the agency that should retain that power.

We have undertaken to convey to the Federal Government that there are reasons to believe that they should perhaps be more concerned about the sale policy of Canada for uranium to some of the countries that now have nuclear installations. So we have greater assurances, as Canadians, as citizens of this globe, that it will always be used for peaceful purposes.

**MR. LARTER:** One more question, Mr. Chairman. Can the Minister tell me, has the Government gone any further on examination of coal and gasification plans? If you are still working with this plant in North Dakota and how much further we are going on in it?

**MR. MESSER:** The Saskatchewan Power Corporation continues to look at the potential of coal gasification. I am sure the Member as a resident of Estevan and close to thermal installations is aware that coal gasification is a very, very expensive process. In fact there are a good many critics, knowledgeable critics, who say that it is not yet economically viable and there are a couple of processes involved.

We don't have the research organ per se which involves itself only in coal gasification, because it is a very costly

experimental project at this point in time. We feel that our best sources of information is to continue to work with, as the Member pointed out, other jurisdictions that are involved in researching the gasification of coal. We have, I think, good dialogue with activities within the United States and other areas in Canada and I believe, to a limited degree, other areas of the world where coal gasification is now in place. One that comes to mind would be West Germany.

We think there is potential for coal gasification in the Province of Saskatchewan. I think I would be less than honest to say that we are just around the corner from some final decisions. I think that we have a number of years ahead of us before we can see ourselves really thinking out whether or not coal gasification in the Province of Saskatchewan would be viable.

**MR. KATZMAN:** Would you say on that same principle that your proposal to the Bayda Commission the other day would be in the same position. It would be many years rather than as you indicate about 20 years in your brief.

**MR. MESSER:** I believe the Member is probably referring to nuclear power. The closing paragraph of the Saskatchewan Power Corporation brief said it was 20 or 25 years before they thought it would even be economically viable to consider nuclear power. That is not to mean that we are considering nuclear power but in the minds or the view of the Saskatchewan Power Corporation it would be 20 or 25 years before it would be economically viable. There may then at that point in time be other sources of energy which would meet our demands without having to develop nuclear power, wind, solar, whatever.

**MR. KATZMAN:** On that same point then. The Power Corporation which I realize is not involved here is doing a study in solar, and wind sources of energy, would you be willing to give the House the results of that so we can understand how it affects the mineral development?

**MR. MESSER:** Well, we are not really talking about the Saskatchewan Power Corporation here. I don't know whether we have got any conclusive results yet. The information that I believe is tabulated now is highly technical, it hasn't really formulated any opinions yet because the research is ongoing. But I would be more than happy if the Member wanted some kind of information in regard to the solar or the wind or the off peak use of electricity to give him that information. There is nothing secret about it in any way at all.

Item 1 agreed.

Items 2 to 10 agreed.

Vote 23 agreed.

Supplementary Estimates agreed.

**COMMITTEE OF THE WHOLE ON BILL NO. 70 — An Act respecting  
Ophthalmic Dispensing in Saskatchewan.**

**SECTION 1**

**MR. C. P. MacDONALD:** (Indian Head-Wolseley) Mr. Chairman, we have one little problem with that Bill that was brought up in the Committee. I was wondering if the Minister had prepared any amendments so that the regulations would be treated in these two professional Acts in the same manner as other regulations are treated in other Acts, in other words that they would be reviewed by the Regulations Committee of the Assembly. Has the Minister done anything in this regard and could he let us know?

**HON. W. A. ROBBINS:** (Minister of Health) Yes.

**MR. G. H. PENNER:** (Saskatoon Eastview) I think we need to get a more definite answer from the Minister on that.

**MR. ROBBINS:** Yes, we have the amendments, but you didn't ask for them in Committee with respect to this particular Bill. It is somewhat similar to the Denturist Bill and the Psychiatric Nurses Bill. It wasn't asked for in the Committee on Ophthalmic Dispensing. We have it prepared.

**MR. MacDONALD:** I am still not clear, has the Minister got this particular amendment for this Bill here now with him.

**MR. ROBBINS:** Could the Member tell us specifically to what he is referring in this particular Bill, please?

**MR. MacDONALD:** We're just trying to find the sections. Maybe if you will permit us to revert . . . all we want to do is make the regulations of this particular professional association responsible for review by the Regulations Committee of this Assembly the same as all other professional Acts, the same as we asked for the denturists and the psychiatric nurses. Maybe the Minister could have his staff prepare that simple amendment, if it is simple, if not we'll try and resurrect one ourselves here.

**MR. ROBBINS:** We are quite willing to revert.

Section 1 agreed.

Sections 2 to 6 agreed.

**SECTION 7**

**MR. MacDONALD:** Mr. Chairman, it is Section 7 that we wish to flag. Mr. Chairman, while we are waiting, we have another amendment that was discussed in the Committee of Law Amendments. I think the Minister is in agreement with it. It was raised in connection with two or three other Bills. The clause I am

referring to is in Section 7(2)(a).

The governing board may also make regulations defining any word or expression used in this Act but not defined in this Act.

In other words the argument has been that this gives the power to the council of this professional association to define their own Act and to interpret their own Act. This of course is the specific function of the Legislature and therefore should not be within their scope and power.

Therefore, I should like to move seconded by Mr. Cameron (Regina South) that:

Subclause (a) of clause (2) of Section 7 be deleted and that the following subclause be renumbered accordingly.

If the Members of the Committee need more explanation, perhaps the Minister would like to comment on it as well.

**MR. ROBBINS:** Well, if I may, Mr. Chairman, I would simply say we agree with that deletion and we would support that motion.

Amendment agreed to.

**MR. ROBBINS:** Mr. Chairman, we have another House amendment on Section 7, related to subsection (2) of Section 7 of the printed Bill, that:

striking out the word "regulating" in the first line of clause (j) and substituting the following:

Governing advertising by ophthalmic dispensers and the holders of licences to practise as contact lens technicians and regulating . . ."

Those words to be inserted.

**MR. MacDONALD:** I understand then, Mr. Minister you say, technicians and regulating the manner by which the business carries on. Is that correct?

Amendment agreed to.

**MR. CHAIRMAN:** We'll proceed to Section 8.

Sections 8 to 22 agreed.

Section 23 as amended agreed.

Section 24 agreed.

Section 25 as amended agreed.

Sections 26 to 36 agreed.

## **SECTION 37**

**MR. ROBBINS:** Might I ask that you just stand the Bill for a brief time because the solicitor is coming with that amendment that I spoke to Mr. MacDonald about which will go in as 38.

**MR. CHAIRMAN:** Will we proceed with the next Bill?

**MR. ROBBINS:** Might I say a word with regard to this. If you look at this amendment, I believe copies are in the hands of the Opposition Members, regulations to be filed with the Provincial Secretary as Section 38:

Where the Minister has approved of regulation under subsection 3 of Section 7 or where the Lieutenant-Governor-in-Council has repealed or amended a regulation or made a new regulation under Section 8, the Minister shall within 30 days after his approval of the regulation or after the appeal or the amendment of the regulation or the making of a new regulation pursuant to Section 8, file with the Department of the Provincial Secretary two copies, certified by him to be true copies of the regulation or amendment.

The remaining portions simply deal with how they should be handled by the Provincial Secretary. We contend that this deals with the criticism that was raised by the Members in the Law Amendment and Delegated Powers Committee.

**MR. MacDONALD:** Mr. Speaker, I appreciate the amendment, however it doesn't deal with the opposition that was raised in the Law Amendments Committee. First of all one of the very fundamental objections that we had in the Law Amendments Committee is, as you remember, the Member for Regina South (Mr. Cameron) expressed them very clearly on two occasions that no other professional society has to have their regulations approved by the Minister. As you know what you have given in fact is with this particular professional association, you have given the Minister a veto on all regulations passed by professional associations and if we are going to pass this Act, establish the Ophthalmic Dispensers as a profession, then no way should the Minister have a veto on the regulations. What we have really suggested in the Law Amendments Committee is two things; first of all that they should be filed with the Provincial Secretary as all the professional associations do with all regulations that they pass or by-laws, and secondly, that these regulations then should be referred to the Legislative Committee on Rules and Regulations or on the Regulations Committee for two reasons.

Number one to assure that they are within the public interest; and number two, to see that they are within the scope of the Act. That was the objection in committee. It was that we very, very definitely object to the Minister having a veto on the regulations of any professional association and what we are asking for is; one, that they be filed with the Provincial Secretary and two, that they be reviewed by the Regulations Committee for two reasons: one, the public interest and two, the scope of the Act.

I would like to have the Minister comment on that because we think that's a very bad precedent for the Minister to have a veto on regulations or by-laws of any professional association.

**MR. ROBBINS:** Well, Mr. Chairman, I have to say that there are precedents. It is in the Practice of The Physiotherapy Act. It is in The Dental Nurses Act and it is in some other Acts.

Section 5 of this particular Act if you read it:

Subject to the approval of the Minister of Public Health the council may make regulations.

And it goes on and lists them all down through the Act itself. The Physiotherapy Act, chapter 322. It is in those Acts, this one is no different. And there is a reason for this because the Optometrists want to make sure that we will protect their interests in the future because there are some disagreements between the Ophthalmic Dispensers and the Optometrists and that provision was put in after discussing it thoroughly with these groups and the implications of this part of the Act.

**MR. MacDONALD:** Mr. Minister, I only want to comment. I don't know about the health services or the health groups but certainly if you tried to tell the Saskatchewan Teachers' Federation that the Minister of Education was going to have a veto on the by-laws of their association or if you tried to tell the nurses or the doctors or the lawyers or you go on and on with any profession in this province to turn around and try to tell those professional associations that you, as a Minister, had a veto over any by-law or regulation that was passed by the bar society or the medical society or the nurses association or the teachers, you would have a revolution on your hands as a Minister. And I don't know about those health services that are being provided or those other health associations and I am not aware, there may be the odd one, but certainly it is not common for professional associations of the Province of Saskatchewan for the Minister to have a veto over their by-laws that they pass. I can't see any reason for it if you are establishing them as a profession, you are giving them the power to set up a council, you are giving them their own disciplinary powers, you are trying to establish them as a professional responsible group or organization and yet you want to veto or you want to approve all regulations or by-laws. I just think it is a bad principle and a very bad way to proceed in this regard and I think the Minister would be very wise if he withdrew that particular clause even though there is a precedent in other health groups within the province.

**MR. ROBBINS:** Well, I must inform you that the Optometrists were in here yesterday insisting that they get this protection and the Ophthalmic Dispensers do not disagree with it and that's been a long negotiation process.

Section 37 as amended (now Section 38) agreed.

Section 7 agreed.

Section 38 (now Section 42) agreed.

Motion agreed to and Bill read a third time.

**BILL NO. 64 — An Act respecting The Saskatchewan Psychiatric Nurses Association.**

Sections 1 and 2 agreed.

Section 3 as amended agreed.

Sections 4 to 9 agreed.

## SECTION 10

**MR. MacDONALD:** Mr. Chairman, I would like to move the same amendment that I moved in the last Bill, Clause 2 of Section 10:

That the council may also make regulations defining any word or expression used in this Act but not defined in this Act.

And I would like to move the following amendment:

That Clause 2 of Section 10 be deleted and subsequent clauses be renumbered.

**MR. CHAIRMAN:** I would like to remind the Member that this has already been done in Law Amendments Committee.

Section 10 agreed.

Sections 11 to 24 agreed.

## SECTION 25

**MR. ROBBINS:** This is exactly the same as the previous amendment in the previous Bill.

**MR. CAMERON:** Just a brief comment in respect of this. I actually think what is going on here, I don't think the Minister is being hoodwinked but I think there is some inattention by the Minister to the establishment of a precedent here which the House has never before accepted to my knowledge. The traditional rule in respect to the by-laws of professional associations, this applied as my learned friend has indicated, to doctors, lawyers, nurses and teachers and so on, is when they pass by-laws they are required to first file the by-law with the Provincial Secretary, then the by-laws are required to go before the Regulations Committee of the Legislature to be passed upon in two respects. One is whether the by-laws are within the public interest and secondly, is whether the by-laws are within the scope of the Act. Those are the limitations that are put upon the self-governing professions. Now these Acts, this one again, what you have done is adopt quite a different procedure because you have here given the Minister the power in the first instance to veto a by-law in which event it would never come before the Committee of the Assembly.

Secondly, I think, is you have given the Lieutenant-Governor-in-Council that power as well. So it seems to me it is quite a departure from what has been the traditional practice with respect to self governing professions. I just think that Members ought to know, again it is one of those issues of principle, that put on the one side the principle and convenience on the other side in respect to which nobody seems to get very excited. But I think that Members ought to know that they are here giving up some of the traditional power that they have had as Members of the Legislature, in respect of overseeing the affairs of professional society. That is really what all of us are here doing. We are vesting some of the power that we have traditionally had, in the Minister. Like giving the Minister the right to veto. As I say the teachers, I don't think they

would stand for that. The nurses I don't think they would either, I know the lawyers, the doctors and other professional groups wouldn't. I am not sure how we got into this situation and as I say I think it has come about not as a deliberate matter on your behalf but I think it has come about as a certain amount of inattention paid to the detail of it. But we ought to understand what we are doing. And I hope it doesn't create a precedent as a matter of fact for some effort in the future to bring some greater regulation in other respects.

**MR. MacDONALD:** Mr. Chairman, I just want before the Minister rises to put one more comment. He mentioned in the last Bill that both the optometrists and the ophthalmologists have accepted this as a matter of convenience for them but that doesn't satisfy me as my learned colleague has indicated. In other words they are hoping that the Minister might arbitrate between the two bodies in case of some disagreement. That unfortunately is not justification for establishing this kind of a precedent and moving in this direction. I know that the Minister is only acceding as he indicated in the past Bill to the wishes of those two groups, and they are very concerned about what might happen with the regulations of one body with another body. So therefore they are hoping that the Minister might have power to protect them and therefore they are giving him the power to assess the regulations and to either veto, approve or disapprove of those regulations. But it still is a bad principle, despite the fact that the Minister may in all sincerity be trying to arbitrate or to try to be the intermediary to bring about a compromise in any disagreement between two professions like the denturists and the dentists. And I still say it is a very bad principle.

**MR. ROBBINS:** Well, Mr. Chairman, I must point out that after the Minister has approved or disapproved it must be referred to the Regulations Committee. That is what the clear intent is in these amendments. We think that solves the problem put by the Member for Regina South (Mr. Cameron), I hope it does.

**MR. CAMERON:** Well, I stand to be corrected here too, but when I was in Committee, the Clerk of the Assembly reluctantly, because it was so open to misinterpretation, felt he was honour bound and constrained to bring to the attention of Members that this was a departure from the traditional practice and that Members of the Assembly were losing some of their power in the process because for the first time, I think he indicated, that the Minister was taking unto himself a power to disallow a by-law or regulation of a professional society. That is what he said. That is my recollection of it. The Minister will recall I am sure, Mr. Chairman, as clearly as I do that he was reluctant to do it. But he felt that as the Clerk of the Assembly he shouldn't let it go by without drawing it to the attention of the Members. I for one was much obliged that he did, in fact that he had some courage to do it in the committee because the division was there. I thought he made a good point and that Members of the Assembly, I don't believe, should be prepared to grant to you the power to veto these by-laws, because the power already exists, first to file with the Provincial Secretary, and then secondly, to have the by-law reviewed by Members of the Assembly. But it seems to me that we are doing something that according to the advice we received



from him is quite new. I say it again I don't think you are doing anything here deliberately, I think it is a result of either some sort of advice you are getting or a certain amount of inattention. I don't know what the reason is. But I don't think we ought to be doing it.

**MR. ROBBINS:** There is no intention to take any powers away from the Assembly except to make this thing work, and the professional bodies require this in effect because I realize there are some problems there but there is certainly no intention to take powers away from the Assembly. We simply have to have, we think, that power of veto in relation to the relationships between those different organizations to make the thing work.

**MR. CAMERON:** Why do you have to have it in respect to the Psychiatric Nurses Association? There is no conflict there.

**MR. ROBBINS:** To make sure that the role that they carve out for themselves doesn't conflict with the Registered Nurses.

Section 25 as amended agreed.

Section 26 now Section 30, agreed.

Motion agreed to and Bill read a third time.

### **BILL NO. 106 — An Act to amend The Residential Tenancies Act, 1973**

#### **SECTION 1**

**MR. G. H. PENNER:** (Saskatoon Eastview) Mr. Chairman, I am not prepared to agree to Item 1 at this stage.

There are a number of things that need to be said with regard to the Bill that is before us. Some of those things were said earlier during second reading of this Bill. I want particularly to refer to a statement that was made by the Minister when he indicated during second reading in his introduction of the Bill that there are shortcomings in the operation of the Act. I think he was making that statement Mr. Chairman, with reference to The Residential Tenancies Act and the amendments that came before the House about a year ago.

The observations of the Minister I think are accurate. In fact the Bill that came before this House last year, many of the observations that were made by this caucus last year to the Minister who was then in charge have shown through practice to have been correct. The Bill as it was presented a year ago, represented a colossal mess. It has been a colossal mess from the point of view of landlords; it has been a colossal mess from the point of view of the new Minister who has had to pick up the responsibility for the legislation and the new Rentalsman who has had to pick up responsibility for administration of a Bill that was ill-conceived, poorly introduced and poorly run.

We have taken the position since this Session began about 50 days ago, or however many days it is, through Question Period of determining policy from the Government of when the controls

on rent are to end. Repeated questions have been put to the Minister and to the Premier, to the Attorney General in the absence of either of the other two. Each time we have drawn a response that has been evasive or a response that has indicated that the Minister and his department aren't prepared to give any indication to that at all.

At the same time the Minister who was in charge a year ago when my colleagues and I were on our feet debating this Bill, said that the rent control legislation was put before this House as part of a package, a package that had to do with wage and price controls, a package that was part of what had been introduced at the Federal Government level — the Minister smiles and he knows exactly that that's exactly what he said. The Government has indicated, Mr. Chairman, that the wage and price controls at the provincial level are to come off September next. They said that it was part of that total package at the time and yet they have repeatedly refused to give any kind of indication whatsoever during Question Period of what their intention is with regard to The Residential Tenancies Act.

So many of us sat with bated breath waiting for this Bill to be introduced so that we could have some kind of clear indication from the Minister and from the Government as to what the plans were with regard to a decontrolled program. So we're presented with Bill 106 which doesn't give us any kind of indication of decontrol whatsoever from the way we read it. Now there are some who would say that there is a bit of a difference of opinion on that score. We have read the news reports of the Minister being quoted saying this Bill represents decontrol. We all like to hear that. Everyone likes to hear it. I am sure that those people who are apartment owners are glad to hear about the concept of decontrol. Wonderful concept. But what we hear and what is written in the Bill don't appear to be the same thing.

What the Bill has done is introduce another level, another hierarchy, another level of difficulty with regard to the entire question of establishing some kind of rent for apartments in the Province of Saskatchewan. That's the first point I want to make.

I want to refer particularly, when I talk about the fact that it builds in another level of hierarchy to part two of the Bill. We just don't understand how another level of bureaucracy with additional costs built into it, additional staff required in order to process what is going on, can possibly be the case. We understand that the concept of that particular level within the legislation is something that has come out of the Lowery Report. The Lowery Report and this particular piece of legislation are as different as night and day. It is one thing to take one concept out of the Lowery Report, but if you don't take any of the operational aspects out of it, to make it work, it's not likely to function very effectively.

It is also interesting to note the comments of the Minister of the day when these ideas were put forward, where he indicated that it was far too expensive, likely to cost in the order of \$8 million to \$10 million to incorporate, that it would require something between 150 and 200 additional staff. This is taken from the Leader-Post of September 18, 1976. I appreciate he was talking about the entire recommendations of the Lowery Committee. Here we have a piece of legislation that is put before us, that picks out part of it which in our view, can't

function and can't function very adequately.

We have some other concerns with regard to the Bill as well, Mr. Chairman. We have some concerns with regard to Section 5, for example. If you read Section 5 of the Bill and look at the legislation as it presently exists, you will note that Section 5 of the Bill asks that Section 6(a) as enacted by Chapter 3 of the Statutes of Saskatchewan, 1975-76 be repealed. If you go to Section 6(a), Chapter 3 of the Statutes of Saskatchewan you will find that that is a section of the Bill that says that the office of the Rentalsman will be directly responsible to the Minister. Here we have a Bill with an amendment that says that vehicle of liaison is taken away. I am asking the Minister, I expect him to respond when he gets on his feet, why it is that the Minister can put forward an amendment in a Bill that takes away the control of the Rentalsman Office from the Minister (that's question number one) and to whom is the Rentalsman to report? To whom is the Rentalsman directly responsible if he is no longer responsible to the Minister?

When we debated this Bill a year or so ago, Mr. Chairman, there was a great deal made by the Minister of the day about the importance of the supply-demand factor. The Minister said, boy, when that supply factor is to the point where it exceeds the demand, then the need for the legislation no longer exists. I think most of us took the position of agreeing with that, certainly our caucus did. When you examine the CMHC figures of April of this year for Regina you will find that the vacancy rate is listed at .7 per cent. The Minister will say, well that's not particularly significant. That's a low vacancy rate. All the more reason why we ought to retain the controls. But I think the Minister understands as do we, that the CMHC figures take into consideration only those apartments that are six suites or greater in size. They don't take into consideration the duplexes and the four-plexes, the row housing, the suites in private homes which all contribute to the total market, to the total availability of places where people may rent. I think that the Minister would have to admit that if all of those factors were taken into consideration, that the figure would likely be closer to two per cent. I suggest to the Minister that taking that as a fact that there is no reason in the world, why the Minister and his department and the Government that he represents is not taking a position of giving a very clear indication of when controls are going to be lifted in the Province of Saskatchewan.

Now the Minister is likely to give us some kind of comparison with the Province of Alberta when he responds to that. He's going to say, well in Alberta they are not lifting the control until, I think it's 1980. I'd like the Minister to put that into some kind of perspective with respect to the fact that in Saskatchewan there is no date at all, that in Saskatchewan the controls came into effect in 1974, while in Alberta they came into effect in 1975, and how he squares that with the inequity that is present in the overall assumption that was put before us when the Bill was presented, that somehow there are landlords that are gougers, that landlords somehow are pretty bad people, you know, because they are gouging those poor innocent little people who can't afford to pay their rents. A false assumption in large measure because if there were landlords and let's assume for a minute that there were some who were prepared to gouge their rents, this legislation didn't affect them at all because they had already been making their killing. That landlords in Saskatchewan who were setting their

rents with some degree of compassion, for the people who were renting their suites, for the people who were on fixed incomes, who were keeping the rents low, keeping in mind the people who had a difficult time paying their rents, that they're the people who got it in the neck when this legislation was put forward in the first place. There's no question about that. There's no question about the fact that those people are in the majority.

There's no question also, Mr. Chairman, about the fact that we heard platitudes last year, when we raised some concerns about how this thing was going to work, about how all the regulations are going to fix things up. Ah, the regulations will be fair and reasonable. And, of course, we've heard all kinds of drivel in this House, but nothing much to match that. Regulations that were put in place that wouldn't even allow the interest paid on a CMHC mortgage as a real expense for the landlord. Rates that were set at 15 per cent by CMHC that landlords had absolutely no control of, that the Rentalsman often wouldn't recognize as being a legitimate expense. Setting a ceiling at eight per cent.

We don't think that's a particularly fair way of dealing with those people who were involved in trying to rent suites, when they could take their money and invest it in almost anything, with no risk attached at all and be better off than having invested it in apartment blocks or duplexes or whatever, as many of them had done.

I had a number of cases brought to my attention and I'm sure that the Rentalsman office in Regina and the Rentalsman office in Saskatoon had the same instance. People who had worked a lifetime, for example, in farming, had gone out and invested their money in an apartment block during their retirement years and found out they couldn't even convince the Rentalsman's office that they could make a fair return on their dollar, and would have been far better off if they'd simply put their money in the bank and left it there and provided absolutely no service to our society at all.

The section of the Bill dealing with the mobile homes, Mr. Chairman, in many respect is unfortunate. I suspect that that is in there because of the provision in the last piece of legislation that was before us, related to the five mile limit.

It was discovered by your department, no doubt, that there were a number of people who owned, or who wanted to develop mobile home parks who did it outside the five mile limit. So what you have attempted to do is to create some kind of legislative confinement here, when in fact, I think that's the responsibility of the Minister of Municipal Affairs and his District Planning Branch to sit down on a regional basis with local governments, those who are affected by these kinds of things, because we're largely talking about those areas outside the five mile limit of urban centres and maybe six miles, seven miles, eight miles out, and the difficulties that they cause with school jurisdictions, for example. I don't think that the place for that kind of situation or confinement is in this Act.

In Section 8 of the Bill that is before us, we have, what in my opinion, is a particularly vicious section. It suggests here that because there is a problem in an apartment block that may relate to a refrigerator going out of order or a washing machine going out of order and for every day that that piece of equipment is out of order that the landlord is going to lose

one-tenth of his rent. You know as well as we know that there are many, many times when that kind of thing happens, when it is completely beyond the control of the owner. When it might take four or five days, with the greatest amount of pressure possible on the part of the owner to get somebody in there to fix the stove or to fix the refrigerator and yet he's still in a position of losing one-tenth of the rent that is coming to him. I call that ridiculous, I think it's ludicrous I think whoever drew up the Act with that particular section in it doesn't have a foggy concept of what it is like today to get professional help in specialized areas.

Now, I'm prepared to admit that if a landlord neglects to fix things that need to be fixed, that he ought to get it in the neck, but to suggest that in every instance that should happen, as I said, is ridiculous. I put an amendment before the Minister, Mr. Chairman, that he's had an opportunity to look at since about 2 o'clock this afternoon which in our view will rectify that and I'll be putting that in due course as we go through the matter item by item.

In subsection 2 of Section 8, there is a comment with regard to, well let me read it:

Unless otherwise agreed between the landlord and the tenant, the tenant is responsible for the ordinary  
...

**MR. KOSKIE:** Take it as read.

**MR. PENNER:** Well, it's interesting that the Member would say he takes it as read, I doubt he's even looked at the Bill, so I shall read it to him so that he understands the silliness of this section as well.

Unless otherwise agreed between the landlord and the tenant, the tenant is responsible for the ordinary cleanliness of the exterior of the residential premises occupied by him, including the grounds, where the tenancy agreement grants them the exclusive use of the property on which the residential premises are situated.

As far as it goes, we accept it. We think that where you have a house for rent or where you have a duplex for rent, that it's reasonable to expect that the tenant should be responsible for those grounds. We suggest to the Minister that it's reasonable also to expect that a person renting a suite in an apartment has some responsibility for the common areas in that apartment. He has some responsibility for the hallways, for the washroom area. We suggest to the Minister that there's a simple amendment that can be put, that will put the principle that you establish in that section with regard to duplexes or four-plexes, you know, that kind of situation that would also apply in an apartment situation.

If we move along, Mr. Chairman, to Section 10 of the Bill, we're going to put forward an amendment here too, that the Minister has had an opportunity to look at and which I expect the Minister and his department will have no difficulty accepting, because it's just plain ordinary common sense. I know the Minister's extremely interested in plain ordinary common sense.

The present section reads:

Immediately advise the board and within ten days after termination of the tenancy, serve on the tenant and the board a written notice of claim setting forth the full particulars in the amount of the claim.

Now for those who may not be particularly familiar with the Bill and the present legislation there is a practice that when someone rents an apartment he's to put a deposit down on that. Some of us have done that, the days when we rented our first little place after we were married and whatever the landlord said, we put it down and the understanding was that when we finished our rent of that place, that if everything was in great shape and the floors were scrubbed and the refrigerator worked and the taps worked and all the rest of it that we'd get our deposit back. If there were some problems, there would be some of it taken away from us. We accepted that, we understood it.

There's been a normal practice that if a landlord has taken a deposit, let's say of \$75, which is probably too low in today's circumstances, but let's say it's \$75, and if there is at the end of his time in that particular suite a conflict with regard to \$25 of the \$75 the general practice is that the landlord will give back the \$50, the part that is not in dispute, and that there will be some kind of resolution of the problem with regard to the \$25. We think that makes good sense. The way this reads it would appear that the landlord isn't able to give back the amount of the money or the amount of the deposit that is not in dispute and must wait until the entire thing is resolved. We think this works a hardship on the tenant. If there is no dispute about \$75 out of a \$100 or \$50 out of \$75, then we think it's reasonable, Mr. Minister, that you ought to have this section deal only with the amount of money which is in dispute. So again we have put forward an amendment for your group to take a look at, which we expect that you will accept.

We have some difficulty, Mr. Chairman, with Section 34 H of the Bill. We really don't understand what Section 34 H of the Bill is to do, except to make work for the level of bureaucracy that I talked about earlier. We're now to the point, as we read it, if you look at subsection I, that when this Bill comes into force no increases in rent may be made until there is a written statement and all that kind of thing that goes to this commission. We don't understand why that should be the case, unless as I said it's to justify the existence of the group that is put into place by part 2, the Residential Tenancies Rent Review Board. I guess if you are going to create a Residential Tenancies Rent Review Board you had better create something for them to do. I take it that having decided on 55 L through S, you've decided that you better have 34 H in there so that they've got some work to do. We don't understand why that ought to be the case. We feel that there are some things that you could do' realistically, to help those landlords who were caught in a bind when this Bill came into existence.

I think we would generally agree, Mr. Minister, that there were landlords who had raised their rents a way out of proportion before the Bill ever came into existence. Those who didn't, those who were compassionate in the establishing of their rent have been really caught in a squeeze. There's some justification for those people being able to raise their rents considerably

more than eight or ten per cent, while others are held back. We think that can be done, can be done effectively, if you insist upon continuing the controls without Section 34 H and without part 2 which we don't consider to be a decontrolled program at all and that's why we are intending to place an amendment and again I've given the Minister a copy of that which I'm sure he'll not have any difficulty accepting, that part 2 of the Bill just be wiped out and that we don't adopt any portion of it whatsoever.

**AN HON. MEMBER:** Delete it.

**MR. PENNER:** Well delete, wipe out, it has the same impact. We simply don't feel that there is any reason for continuing with part 2 of the Bill.

Now with those very few remarks, Mr. Chairman, I would like to, in addition to the questions that I've already asked, ask the Minister another question and that is, is the Minister prepared tonight to give us an end date for the rent controls as they exist in Saskatchewan?

**HON. E. C. WHELAN:** (Minister of Consumer Affairs) Mr. Chairman, after listening to the Hon. Member's one-sided, biased version of what's going on, I don't know where to start, but looking at the clock maybe if I just hit some of the highlights and attempt to answer some of the exaggerated criticisms and illogical suggestions, perhaps we can get on.

At no time in the history of any piece of legislation that's ever been introduced in the legislature has there been so much study, so much thought given before the legislation was introduced. The Lowery Committee, which was made up of landlords and tenants, brought down this report.

In addition, we had an In-house Committee and on the In-house Committee there was probably the ablest rental lawyer in Saskatchewan who had spent ten years with the Wartime Prices and Trade Board and who had spent ten years advising landlords under the old Provincial Mediation Board Act.

**MR. LANE:** (Qu'Appelle) Who is that?

**MR. WHELAN:** Stan Norman. There isn't a doubt in my mind that the In-house Committee and the Lowery Committee made a thorough, complete study and I must emphasize that it took into consideration the administration, the landlords and the tenants. Up until now listening to this discussion tonight I haven't heard anything that suggested there was anyone on that side of the House, interested in the tenants.

They say this is a colossal mess, this is one of the comments that's being made, but if you look at Manitoba, look at Ontario, look at Alberta, you can talk to any group of people that administer rentals across this country, and we have done this, you will find that everyone of them are experiencing difficulties. Which one do you want to pick? Which one do you want to start on? Which one do you want to quote? Right across this country, in the larger cities, there isn't a large city in Canada, including Regina and Saskatoon, according to

not only Central Mortgage and Housing statistics but our own statistics, that has as much as a three-quarter of one per cent vacancy rate.

They want an announcement on decontrol. Graham Harle, the Minister in charge of decontrol or rental or whatever you want to call it, in Alberta, announced a June 30th decontrol date in that province. Given three months notice, what happened? I ask the Hon. Member to take careful note of what happened because we were getting exactly the same performance here. Graham Harle said very carefully, we are prepared to bite the bullet, we are going to ride this thing through. But after 15 days, after monitoring the rental increases that had been asked for he discovered they averaged better than 30 per cent, some of them went as high as 100 per cent, a few of them as high as 180 per cent. When all of his own Members on his own side of the House of the Alberta Legislature rose up, he brought rent control back. He didn't have any plans except he announced that there would be a decontrolled date of June 30th. And don't forget that in Calgary, the vacancy rate is 1.4, which is two or three times our vacancy in either Saskatoon or Regina.

The speech is being made on the other side of the House about hierarchy, overlooking the section in part two which says very clearly that the Rent Review Board could be the Mediation Board, ignores it completely, makes no reference to it, doesn't let on that it even exists, and it's in the Bill, he doesn't pay any attention to it, we thought he would have at least mentioned that when he talks about adding more. There is a section that very clearly sets out the possibility of the Mediation Board being the Rent Review Board. Other provinces have moved to a Rent Review Board; three of them are at that stage now. Quebec, for instance, is one of them. And I think this is the natural stage, and the only stage as Graham Harle learned, you have to go through a stage and a plan for decontrol. You just can't announce a date. I know we can pick out cases and quote parts of cases where people aren't getting a good percentage return on their money. But you know, every time I've had a letter about this and referred it to the Rentalsman, it just didn't turn out the way the story was told. Each time when the facts came back and the report came back to me, it just wasn't the way it was told.

I notice the Hon. Member made a great to-do about the change in the Act, where now it says, "a Minister shall . . . the Board shall be under the control and direction of the Minister." We looked through every piece of legislation of a similar nature in the Saskatchewan statutes and we can't find a quasi judicial body such as this that says the Board shall be under the direction and control of the Minister. We don't think there is a precedent for it. We can't see how a quasi judicial body can operate, we're not alone in this. We have some pretty responsible members from the Saskatchewan Law Society telling us this. As a matter of fact, I've had some stand at the end of my desk saying that there is no statement like this in any legislation, federal or provincial, that they can find, and they are going to sue me and hold me personally responsible if this sort of legislation says "control and direction," if this kind of clause exists in the legislation. I challenge the Hon. Member, if there is an Act, if he can find one in the provincial statutes, let him tell me where it is, because I know of none. I recall vividly how the Wartime Prices and Trade Board operated, how the Mediation Board operated, how the Tax Enforcement



Section operated, how the Land Contracts Section operated, how the Farm Security Section operated, and I say you are making a mountain out of a molehill without any information, without any knowledge.

We talk about mobile homes, and we'll discuss that in more detail. The mobile home area should be scrutinized and we should look at the possibility of defining, after a careful investigation, the status, the control that people have over the land where they establish a mobile home. I think that's a big subject and we won't go into that.

I want to emphasize again there never has been more discussion. We keep a list of the number of landlords we have discussed legislation with, the number of tenants, the number of tenants' associations we've met. The fact that we've had an In-house Committee, the fact that the Lowery Committee sat, we're convinced that this legislation was introduced after careful thought and careful consideration of all of the people involved. I say all of the people involved.

May I come back again to 34 H. In our estimation it sets forth a possibility of a decontrolled procedure that as decontrol is carried out, there will be an opportunity for a tenant who feels exploited to appeal to a board, as the property in the areas is decontrolled. It could easily be the Mediation Board. To suggest that we are having bureaucratic boards one on the other, one on top of the other, is unfair when the decision hasn't been made and the opportunity for a choice is left in the Act.

**MR. H. W. LANE:** (Saskatoon Sutherland) Mr. Chairman, some brief comments about the Act in general, I share some of the ideas that my colleague for Saskatoon Eastview (Mr. Penner) has put forward, but before I get into the Act itself I would like to make several observations about the legislation.

Now, in the comments made by the Minister he uses the word decontrol and I believe attempts to lead this House to believe that we are moving towards a period of decontrol and I think that's absolute nonsense. Looking at the Bill, Mr. Chairman, it's a Bill which doesn't head towards decontrol at all. It's a Bill that encourages entrenchment and it's a Bill that will promote this particular legislation for some time to come. Now, before commenting on the Bill, I should like to refer the Minister responsible to a recent work called Rent Control, a Popular Paradox, and in this particular recent edition which draws on some fairly well known accountants, it's prepared by Frazer Institute of British Columbia. It talks about Sweden and I quote from page 176 from the sub-heading "Farewell to Rent Control".

In the 70s there has been something of a housing revolution in Sweden, the gradual abolition . . .

Well if the Member for Humboldt (Mr. Tchorzewski) if he once during this Session has the guts to get to his feet, or Quill Lakes (Mr. Koskie), and speak into a microphone, we'll take note of him, Mr. Chairman, but I haven't seen that happen yet, so we won't notice him. If I might start that again . . .

In the 70s there has been something of a housing revolution in Sweden . . .

Now I assume the Minister will accept the fact that in Sweden they were into a rent control situation, the quotation goes on to say . . .

the gradual reduction in the housing shortage, and in the 70s the shortage has been replaced by a surplus. In the face of the growing surplus, the rate of construction has decreased from an all time record of 110,000 dwelling units in 1970 to 70,000 in 1975. The last remnants of rent control were removed in 1975. Some glimpses of this somewhat surprising development will be presented here.

And they go on to discuss it. I would like to quote also from page 193 from this work, from incidentally a well known, I believe he is a socialist, you can confirm that it's Gunnar Myrdal who makes this observation.

Rent Control in certain western countries constituted maybe the worst example of poor planning by governments lacking in courage and in vision.

And I don't think that there is any better illustration of that right here in Saskatchewan and I'd like to quote something else from the back cover of this book and this is the one I think is the most applicable to our situation and other situations that have attempted to use rent controls, the quote goes like this:

In many cases rent control appears to be the most efficient technique presently known to destroy a city, except for bombing.

And if you look at the example of the inner core of New York City, of course there you have living proof of what happens when governments move in with rent control.

Now this particular legislation has since its inception been bad for tenants. If you don't believe that, of course, perhaps the Minister could look to the new suites that are coming on stream where landlords are attempting to offset losses from older accommodations where they haven't been able to gain a fair return by averaging out and raising the prices of new suites. And of course the whole field of rent control is strewn with inconsistencies where the same suite can be a \$100 more or less difference in price to two different tenants depending on what the arbitrary decision of the Rentalsman and depending of course on whether the landlord has chosen to escalate his rents prior to the inception of rent controls.

And now there are lots of other ways in which it is bad for tenants, it's bad for landlords. It's bad for landlords because it bogs them down in paper and it bogs them down in hearings, and again the inconsistency factor. I have one particular case that's presently going on in my office the facts of which arose approximately a year ago. It took some time to get the matter before the Rentalsman because when the legislation was voted on the machinery establishing the Rentalsman office hadn't been thought out very carefully and there was no Rentalsman, and of course by the time the man was ready for an appeal, it was that point in time when all the fields were flooding in and personally

we were from our office, we were running around trying to find where or when the Rent Appeal Commission had been established and we had been given the answer that there was none yet, but would be coming shortly and they were gathering up the appeals and they would be hearing them. The appeal was heard sometime last fall, we still haven't got a decision. Now surely, the legislation if you are going to impose it can have something that is better thought out than this.

And it's bad, Mr. Chairman, for taxpayers. What are we going to spend this year, a million dollars, and that doesn't account for the new level of bureaucracy referred to by my friend for Saskatoon Eastview (Mr. Penner). Now surely that's not a commonsense approach. There's a lot of money being spent, and it seems to me that if some commonsense were exercised. I'm thinking of a situation as I knew it in Saskatoon where in 1967 or thereabouts, rents were fair, a lot of landlords were getting into the act, and building places, and of course it didn't take long till there was a very plentiful supply of rental accommodations on the market. By 1969 to 1971 personally I as a tenant experienced a reduction in rents because of the over supply in the market. Now, if the Government were to scrap all of the legislation and I urge it upon you relating to the Rentalsman office and the Residential Tenancies Act from its inception, and start from the beginning what you might do is first of all prepare the rules of conduct between landlords and tenants, something a little more updated naturally than the Landlord and Tenants Act which was weighted heavily toward the landlord. Now rather than something which is weighted heavily in favour of the tenant, perhaps some rules of common sense might be drafted which show fairness to both sides. And then instead of all this legislation regarding rent control, some form of an Appeal Board in which isolated cases of tenants who are dissatisfied with their rent could come before the Board, and if the Board felt they were being gouged, then look at their case and this would eliminate all the thousands of cases which you are going to have to deal with. I don't know how many cases you have dealt with already but I assume there is a vast number, since we were told when appeals couldn't go ahead as the waiting lists were long. This would let all those landlords and tenants who chose to contract with each other and were happy to proceed and were happy with arrangements that they worked out between themselves, they could be left alone. The Government wouldn't have to interfere, there wouldn't have to be this huge level of bureaucracy and I urge it for your consideration.

Now in terms of the Act itself, I would like the Minister if he might, to answer the purpose of Section 5, under Part 1, which repeals subsection 2 of 16. Now the original Act reads under Section 6, subsection (a) subsection (2) that the office of the Rentalsman shall be under the control and direction of the Minister. Now with repealing that, all we have left of course, is that the Lieutenant-Governor appoints and that's it. Now who is going to be responsible to administer this Act? Who will the landlord or the tenant who has a dispute or a grievance come to finally ask for some firm commitment from the Government? Now I suspect, and maybe I am wrong in this, but I urge the Minister to answer this, but I suspect what is happening here is that no Minister is responsible, and of course then, when people come with complaints they can say this is going to be dealt with by Cabinet and everyone in Cabinet can say he can deal with it or he can't deal with it, and they can shift responsibility. Now I hope that's not what this is

trying to accomplish but I fear that it is.

Now on Section 15(a), I see the situation dealing with the mobile home. Now again, I have a question for the Minister I am wondering whether this Section was invoked to deal with the situation which happened in Saskatoon? I am not sure, it really doesn't make that much sense. I don't know why the Section is there but perhaps you could explain it. Section 8, subsection (a) is clearly a penalty clause. Now surely a penalty should arise when there has been some offence. But there is no requirement that an offence be constituted before the penalty be invoked because there is no reference to a landlord wilfully withdrawing services or a reference to a landlord negligently allowing services to deteriorate or some malicious act on the part or something intentional. It simply says that on every occasion etc., one-tenth of the rent is lost. So in other words if there is some error, or something happening to the suite, or to the premises, the landlord is going to be punished whether or not he deliberately or maliciously committed any sort of withdrawal of services. And I would recommend, Mr. Minister, that the words either wilfully or intentionally or something even like negligence be inserted if a penalty is going to be invoked, otherwise I would suggest that the simple laws of abatement of rent apply. In other words, if services are not available for a day without the wilful or intentional misconduct of the landlord, then the rent be abated by one days rent. Surely that makes sense and the common law provides for that.

Now another Section that gives me some trouble is Section 10. This is one of those Sections that doesn't seem to serve any useful purpose, and it prevents the carrying on of normal contractual relationships. Why not encourage landlords and tenants to deal with each other insofar as possible and not set up the battle lines before there ever is any intention of either party to dispute something and I would recommend there that the words 'immediately advise the Board', why would the Board want to know, and I put this question also to the Minister. Why would the Board want to know in each case where a tenant leaves the tenancy? Why should the landlord be obligated to give this information to the Government? I wonder why you want it, and I would advise also that the words be added 'and the return of the undisputed portion of the deposit plus interest directly to the tenant'.

**MR. WHELAN:** On a Point of Order, Mr. Chairman, I think we can discuss the principle of it, but if you are going to go down one Section at a time and ask me questions, I think it would be far better if you did that as each Section came before the Committee, and then we could deal with it as it was before the Committee. I can't remember each one of the questions you are asking. I think it's unusual, to say the least, the procedure that you are using.

**MR. CHAIRMAN:** I think your point is well taken, Mr. Minister, if we could more or less in your opening remarks, if you could discuss the generality of the Bill we will be dealing, and we will be dealing with them clause by clause as we go along and if you could refer to those clauses at that time it would be much easier for all concerned and I think it would expedite things, and I know that you have the right to discuss the complete Bill but I think in more of a general term and not

item by item.

**MR. H. W. LANE:** I will try to be more general, Mr. Chairman.

The Act perpetuates the notion that there is an unfair situation here. That for some reason the landlord is going to be guilty of doing offences and I think that is nonsense. There are several sections that refer to penalties directed to the landlord. I think that all that landlords want in this province is fairness, equality. If there are going to be penalties to landlords for breaching the Act what about the tenant who wrongfully withholds the rent, surely there should be a penalty attached in that case also.

In very general terms I think that the entire part Two of the Act should be withdrawn. What it does, and I agree with my friend for Saskatoon Eastview (Mr. Penner), it adds another level of bureaucracy, the Residential Tenancies Rent Review Board. How the Minister can deny that I just don't know. What has happened — incidentally another question that I wish the Minister would answer is the kind of cost we are looking at in terms of this entire new bureaucracy. We talk — forgive me Mr. Chairman, for being specific for one moment — of appointing one or more members to this particular new board and I would invite the Minister to think back in the history of what we have just gone through where there were to be one or two members, we had three to start with and then we increased that to nine, what is it now — 12 that we have sitting on the Rent Appeal Commission. Perhaps you could answer that for us. Certainly the numbers are growing. Incidentally, where is the entire machinery that is to be set up under part Two, where is that mentioned in Estimates? I see no mention of that in the Estimates for this year. So I am wondering where the Government proposes to get the money from. In terms of the Alberta legislation, which has been mentioned and in particular remarks made by Graham Harle, I would refer to the statement made on April 25, 1977, to that Assembly by Mr. Harle:

The new Bill will permit Cabinet to approve regulations to remove controls after January 1, 1978, from those rental units, where the rent paid on or after June 30, 1977 reaches or exceeds the following limits.

What they are doing in Alberta is controlling to a certain point in time and after they hit a certain level then it is out of controls. I assume under the reasoning that more expensive rental accommodations will have more discerning tenants, perhaps that is the reasoning behind it, I am not sure. But control in those lower areas of rent to bring them on stream and then move towards the decontrol program.

At least Alberta is moving towards a decontrol program and I don't see that happening here as I indicated earlier in my remarks. What I see happening here is an entrenchment of rent controls in the province. I can see that they are going to be with us forever if the Government has anything to do with it.

I would like to refer to an article from today's Leader Post in which Mr. Smishek is quoted as saying words to this effect. He said that:

the positive effects of the program (referring presumably to the controls program) have already reached a maximum.

There are no further benefits to be had from continuing this.

Does he mean to say that they have reached a maximum in some areas but not in others? He also indicates,

The danger of a new burst of inflationary pressures when controls end is overstated. There is enough slack in the economy now to ensure that there will not be excessive wage and price demands.

Surely he can't say that in one breath and another Minister of this particular Government stands up and say but we are going to continue to control rental accommodations forever.

I would invite the Minister responsible for this particular program or the Minister of Finance to indicate to this Assembly tonight when the controls with respect to rental accommodations will end, or on the other hand if they are not moving towards a decontrol program to clearly come forward and state that. Have the courage to get up in this House and say now clearly that this is the case that there will not be any move towards decontrols if that is in fact their intention.

I refer also to an article regarding rents in Alberta. The article is taken from a local paper which indicates that rents even under the controls program, the medium rents are well below what the Government allows because now people are starting to build again and of course the supply and demand situation is going to take care of the market. I invite the Minister to answer some of the questions we have talked about here. And in particular the broad concept of whether or not he agrees that rent controls as stated by the author of this particular book is the most efficient technique presently known to destroy a city except by bombing, and relate that if he would to New York City where the situation has already happened.

**MR. P. P. MOSTOWAY:** (Saskatoon Centre) Mr. Chairman, I want to make a few remarks in regard to this Bill and at the conclusion of my remarks I want to ask the Minister whether he will consider something in regard to another thing that has cropped up, it is still within this general area that we are talking about.

First of all I want to say that representing a constituency where there are a large number of tenants, I am not so sure that it is all black and white as to whether rent controls have been good in the past or not. To say that they have been all good is certainly not true and all bad is certainly not true also. There have certainly been good things about the program. It is true that certain areas could have functioned better than they did. But that is exactly what this Bill is intended to do, to kind of shore up, to make any adjustments, relative to that.

I don't know if it was the Member for Saskatoon Eastview (Mr. Penner) or not, I think it was, who was talking about the vacancy rate of houses and duplexes when you have a large number of citizens, particularly senior citizens, that is of no value to them. You can have thousands of houses, they can't possibly purchase them, they can't possibly live in them.

The Member for Saskatoon Sutherland (Mr. Lane) was talking about the Swedish example. They have had 30 years of good socialist government there, and all of a sudden somebody decides that some program isn't any good. But all of a sudden he says it is of no value. Look at the whole picture, just don't take one example of the last few years where it may or may not be working well.

**MR. LANE:** It was the socialist . . .

**MR. MOSTOWAY:** Well, it may be socialist. It was and still is in spirit in Sweden. The Hon. Member for Saskatoon Sutherland talks about New York City, well I just wanted to say that maybe things are rotten in New York City. New York City, the largest city in that great capitalist country, but I want to suggest that that is exactly what happens when you don't get too much involvement from senior levels of government. That is exactly what happened in New York City. The Member knows that. He talks about the Hon. Minister of Finance. Was he referring to rent controls, I don't think he was. Does it say specifically in that clipping . . . well, then don't assume that he did.

In regard to rent control in the past certainly the majority of tenants have been good but there have been some bad ones. And certainly the majority of landlords have been good and there have been some bad ones. I know some tenants who have almost wrecked apartments, rooms etc., and that is to be regretted. But there are also some landlords who have pulled some neat little tricks also. I can name you cases in Saskatoon where they actually cut through electrical wires to cut off the supply of electricity to apartments.

**MR. LANE:** Name one.

**MR. MOSTOWAY:** Name one? I will give it to you, I won't mention the name in the House here, but I will supply it to you tomorrow.

**MR. LANE:** Did you take it up with the Rentalsman?

**MR. MOSTOWAY:** Absolutely. Case solved. Okay. There are cases of where some landlords, not many, have cut off water and heat. I know of some cases in Saskatoon where it would be just a pure living hell for the tenants because the landlord disagreed with the Government and they did to a certain extent, but they shouldn't have hassled their tenants. Nobody can deny that in Saskatoon there have been landlords who really hassled their tenants. That is not playing a fair game, because they disagreed with some government policy.

Talking about getting out of rent controls, I think, it is a good idea that we get out of it gradually. Because you have different situations in different areas of Saskatchewan. It is my hope that it will work that way, a gradual phasing out. How can the Minister possibly give you a date, how could he, this is what you want. I say you expect an awful lot of the Minister, you expect him to foresee the future and that isn't playing cricket.

I wanted to get off onto another track, onto another thing. In Saskatoon there has been occasions where certain landlords as of late have been thinking in terms of forming companies, in fact, I think one initiated this whole thing forming holding companies and in turn saying to the tenants, you may buy shares in this company that will more or less guarantee you living accommodation in that particular apartment. In fact, I know that the chairman of the Securities Commission gave one such landlord out of Saskatchewan permission to do that. I say that isn't playing fair, Mr. Minister. It puts the tenants in an awkward position. It is a form of harassment as far as I am concerned. This isn't fair and I can name you some apartments in Saskatoon, one in particular where this method was taken, I just don't know what the situation is now. There are a large number of tenants, I had all kinds of phone calls and letters from those tenants pleading with me to see if I could try to ask you, Mr. Minister, and I really want to pursue this. I would like to see . . . pardon me?

**MR. LANE:** Did you sell that block?

**MR. MOSTOWAY:** You said you were thinking of buying it, you said you had the cash on hand, I didn't. Mr. Minister, I should like to suggest that if there is any way for you to bring in an amendment to this Act, that you do so to stop that sort of thing from materializing in the future. If there is no way that you can bring in an amendment then I want you to seriously consider bringing in another Bill to stop this sort of nonsense.

**MR. J. G. LANE:** (Qu'Appelle) I would like to make a few comments. I think the Hon. Member who has just sat down has perhaps hit the nail on the head. That in fact part of the problem with this legislation is the mistake the Government made in combining rent control legislation with a system for administering fairness between the landlord and tenant. In fact they should have been separate. Now the Minister was well warned when the legislation was first brought in that the concepts were, first, mutually exclusive and secondly, shouldn't have been integrated into the Bill. Your own caucus seems to indicate that you did make a terrible mistake by trying to combine the two. You have got yourself into a mess and you really don't know how to get out of it and the only thing which is typical of your Government in solving a problem is adding another layer of bureaucracy which you have done, which is the obvious action of your Government the usual action of the Government. I think it is nice to see that that is exactly the feeling of some of your caucus Members.

**MR. WHELAN:** I want to say to the Hon. Member who just spoke that we are discussing with every lawyer who is acquainted with the Condominium Act, the rent control legislation, The Urban Municipalities Act, The Securities Act, and we are going to be doing everything we can to prevent converting apartment blocks to holding companies. As a matter of fact, we are discussing it with the Alberta people where they have legislation which prevents this sort of thing.

Other questions I will answer when we hit the section in the Bill.



**MR. PENNER:** Mr. Chairman, I wonder if I may be permitted to make a few remarks following those of the Minister in response to some of the comments I made and then some of the remarks of the Member for Saskatoon Centre (Mr. Mostoway). The Minister made great fuss about the fact that no piece of legislation that has ever hit us had ever had more study and thought than this one. I can only say that that represents an extremely sorry day for the people of Saskatchewan if that is true. He talked about the analysis of the Lowery Report, I think we have to admit that there is one part of the Lowery Report that is in this Bill. But there are many other aspects of that particular study that are not incorporated into it at all. He made great to-do as well about the fact that there is a good deal of thought with regard to the Wartime situation that relates to this Bill. I can only say that that may be one of the problems with the Bill. That is that it is 25 years out of date. If that is the case those ideas and concepts were probably pretty good for the day, but that was in the mid '40s and we are talking today about the late 1970s. He made comments as well about giving some kind of assistance to those on fixed income. He mentioned, I think, particularly the elderly, and made some passing reference to the fact that we need to be certain that those who are older or are on fixed incomes have some place where they can stay. Nobody would deny that. Certainly we are not in any way suggesting that places where people can get reasonable accommodation for a relatively small amount of money in today's economic world, shouldn't be there.

I wonder where the Government's responsibility in that area lies. We have got a housing building assistance program I understand here in Regina. Some 600 units. The qualification for getting into that is that the family make an income of \$21,000 or less. I don't consider people who make \$21,000 a year on low income. Where is the Government's responsibility instead of doing that kind of thing in assisting those people who really are in difficulty, in making housing available for people who are in that kind of situation and being involved with the senior level of government in that kind of thing. I don't think it is fair to suggest that it is the responsibility of landlords in Saskatchewan to provide that all on their own. If the Minister didn't mean that then I think he ought to clarify it. Because that certainly was the implication that I got from what he had to say.

He talked about the vacancy rate. I take it that the figure that I gave for CMHC for April of .07 per cent is the figure the Minister accepts. He didn't argue that. The Minister still must assume that what I had said earlier is correct, that that figure only represents apartment blocks of six units or more. That it doesn't represent duplexes, four-plexes suites, row housing and that kind of thing. The Minister even in his most conservative moments . . . pardon the pun . . . a small 'c', would have to admit that we are talking about roughly a two per cent vacancy rate right now. I asked earlier for the Minister to give us some kind of indication of what his department intends with regard to getting out of this thing.

**MR. WHELAN:** We did our own survey.

**MR. PENNER:** Well, then I would like the Minister in that event to table his survey to show this House the figures that give him that kind of backing to make that kind of statement because we

would like to analyze it. We have got the CMHC figure on the one hand, we know what it represents, we know when it was taken, we know what period of time it covers, we know the kind of accommodation it covers and I think it behooves the Minister if he has got that study to table it and let's look at it and let's analyze it so that if we are wrong then we can stand up and say that we are wrong in the same way that we expect the Minister to stand up and indicate that when he is in that kind of a situation. The Member for Saskatoon Centre (Mr. Mostoway) made the comment that he doesn't think the entire situation is all black and all white and I think that is simply undermining the statement made by the Minister in second reading that I quoted earlier that the Bill and the whole program has had a lot of problems attached to it and we all accept that.

The Member talked about harassment, he talked about the harassment that landlords had given to tenants. Let's emphasize the 'some', let's recognize that it is highly unlikely that you can ever legislate no harassment. And I don't care whether you talk about the landlord-tenant situation or the superintendent-teacher situation or whether you talk about any other kind of situation, there is always going to be a certain amount of that and we always want to do what we can to minimize it. To suggest that harassment is related specifically to this situation, to make something out of landlords who are an ogre is not fair and I, therefore, accept the emphasis that the Member gave to 'some'. Some few! And I say to the Member, I don't know how we are going to get away from that, I think that will always exist. To suggest that the Government ought to be harassing people because landlords have been harassing people is not in our opinion to be a reasonable approach to the situation.

**MR. MOSTOWAY:** Just one thing, and that's in regard to that conversion into holding companies. I forgot to mention that Saskatoon City Council is on record as favouring the loophole being plugged. And I had occasion to speak to the mayor of Saskatoon who assured me that all of City Council and he would love to see that loophole plugged. I figure what better people to get advice than locally elected aldermen from the home city, there can be no better advice than that.

**MR. PENNER:** I couldn't agree more and I never gave any indication at all in what I said that what the Member said wasn't absolutely right.

**MR. LANE:** (Saskatoon Sutherland) Just one question before we get on with the point by point. I would like to ask the Minister once again whether he is going to give any indication as to when, in light of the comments by the Finance Minister, as to when rent controls will end or when we are going to start into a decontrolled program and the projected date on which rent controls will end?

**MR. WHELAN:** Well, I bow to the superior wisdom of the Conservative Party in Ontario, who just extended their rent controls for a year. A bow to the superior wisdom of Graham Harle who is the Conservative Minister in Alberta, who extended their rent controls to 1980, who, in conversation with me, said, "You know, I thought the landlords would only ask for 10 or 15 per cent but look what they did to me, they asked for 30 per cent,

some of them 100 per cent and some 180 per cent". I think that when we talk about Rent Review Boards, we have got Rent Review Boards in three or four other provinces. I don't know how they twisted it up so that it looked as if we were dealing with the Wartime Prices and Trade Board. We have tried to follow the same sort of procedure that has been followed in every province in Canada and that is what the Rent Review Board's position is. It is in three or four provinces now and there is a possibility that it will be developed in other provinces. After Graham Harle's experience in Alberta, I am under the impression that sooner or later he will adopt the same idea. If you could be sure even with a vacancy rate of 1.4, as it is in Calgary, that you wouldn't have a 30 per cent increase, I think that there wouldn't be any Rent Review Board, but otherwise there is going to be one. There has to be one, you have to look at all parts of the proposition, the tenants, the landlords, the people who administer the government of the country, it has a responsibility to everyone, not just the landlords. I have been sitting here getting the impression that there were just the landlords involved in it and that's just not so.

**MR. LANE:** Mr. Chairman, the point is that you are comparing apples and oranges. You are saying they have extended controls in Alberta, the point in fact is that they are moving towards decontrol. There is no indication whatsoever in this Act, in fact controls are more firmly entrenched in this new Bill. What is going to happen now is that there is no increase of any kind. In fact, here is the point, this Government will be handing out increases in utilities and has been to landlords and there will be no increase of any sort if this goes through. Every single increase for every single suite will have to come before your bureaucrats. Now how can you possibly compare and say, well we are doing what they are doing and you know that in itself isn't really acceptable. Surely there is some intelligence of your own in this Government and you can think of some of your own ideas.

**MR. WHELAN:** No, I disagree completely and absolutely with your interpretation of the Act. We are just miles apart on it. I say that, first, we have committed ourselves to a 10 per cent increase and the landlords will get that. We also said that if they had an increase under the hardship clause they would have to apply and they are applying. I think that is on record, and there is no question about that in Alberta . . . they have said that they shall have an eight per cent increase this year and that there is a maximum on what that eight per cent can cover. But to suggest that I should be able to give you a date when I can't tell you what the vacancy rate will be, and if we have any conscience whatsoever and any responsibility to family groups who are renting, we are just not going to give a date until there is a vacancy rate. We have said that over and over again. The only reason I am talking about Graham Harle is because he said there would be no rent control after June 30th and he gave the landlords 90 days to give their notices and then he monitored the increases that they were asking for. They averaged over 30 per cent and then he had to backtrack, he had to change his position.

I predict, as they have in three other provinces and as they are going to do in the fourth, there will be a Rent Review Board. It has nothing to do with the Wartime Prices and Trade Board, it has to do with reality.

**MR. PENNER:** Could the Minister give us an indication, he talks about a vacancy rate being there. He talks about something that is nebulous. Would you give an indication to the House, what in your opinion, is a reasonable vacancy rate before the controls should be lifted?

**MR. WHELAN:** I don't think any responsible, elected official who is administering this sort of a program would, because there are a whole number of items involved. I recall vividly the Premier's reply in this respect, it depends on what sort of categories you are working on. No, I don't think you can make a commitment for that. There has to be accommodation for people to live in. What do you want to do? Are you saying that I should make a commitment that would put people on the street, so they wouldn't have a place to live, is that what you are suggesting? No way, I am not going to commit myself so that could happen down the road. Maybe you think that that is a responsible way to act but I don't think it is.

**MR. PENNER:** I take exception to the Minister's comments. He won't give us a date and yet he keeps talking about the fact that there has to be a sufficient vacancy rate and in his own mind he hasn't got the foggiest notion of what that sufficient vacancy rate is. I can only draw one conclusion and that is all the talk about decontrol is simply that, it is talk and has nothing to do with what the legislation is, that is before us.

I want to make one other comment while we are on Section No. 1, Mr. Chairman. The Minister talks about the fact that if the controls were lifted that all of a sudden rents would be going up 30 per cent. And it is interesting to me how there is such a difference in the attitude of a minister on the one hand with regard to that and on the other hand an obvious trust relationship that exists by the Government with regard to all other aspects of our economy when they are prepared to lift the price and wage controls in the fact that those who are bargaining and coming to agreements are going to be reasonable in doing so. I don't understand how it is that that concept that the Premier has accepted and the Government obviously had accepted applied in all other sections of our economy but the Minister and his department don't accept the fact that that same reasonableness can exist in the landlord-tenant relationship.

**MR. LANE:** (Saskatoon Sutherland) Another question if I might. In particular, what the Minister is doing, he is putting the Government in a position where they are saying to themselves they have gotten a real good deal for tenants. Well, that is sheer nonsense. Now what has happened is that in many cases, in those isolated cases where landlords were charging too much they have the legislative authority to continue doing so and add on more each year. In many cases where landlords were satisfied with the rents they were receiving, once it was put under control and they got this certain limit each year they felt obliged to take it each year. And I suspect that the Minister because of the changes in this Bill has recognized that fact that now many tenants in Saskatchewan are paying much more than what it would have been without the rent control program. So don't go passing this Government off as being the friend of the tenant. What you have done is you have alienated both groups,

if they knew the facts. If tenants knew the facts of how much more rent they are paying in addition to the taxes they are paying to support your bureaucracy that you have put in place they would be more alienated.

Section 1 agreed.

Section 2 as amended agreed.

Section 3 as amended agreed.

Section 4 agreed.

## **SECTION 5**

**MR. PENNER:** Mr. Chairman, I should like to introduce an amendment to the House, seconded by the Member for Morse (Mr. Wiebe);

That Section 5 of this Bill be withdrawn so that subsection 2 of Section 6(a) is enacted by Chapter 3 of the Statutes of Saskatchewan 1975-76 be retained.

May I just clarify my point, Mr. Chairman, that relates to a point I made earlier.

Subsection 2 of Section 6(a) says:

The office of the Rentalsman shall be under the control and the direction of the Minister.

We consider that to be a reasonable position and urge all Members to support the amendment.

**MR. LANE:** (Saskatoon Sutherland) Perhaps the Minister could state just exactly why if I read it correctly, there is to be no Minister responsible.

**MR. WHELAN:** There are lots of pieces of legislation written that way. The Premier makes the appointment as to who it should be and that is done time and time again. I am sure that if you look at the legislation in this province you won't find another Act with that Section in it. Tell me, I want you to tell me one. I think it is a ridiculous Section. I have the best members of The Law Society telling me that it was a ridiculous thing and that they were going to sue me because I was directing and controlling the Rentalsman. I can't understand why it was ever put there in the first place.

**MR. LANE:** Just one further question then. What you are saying then is that there is too much heat on you personally from landlords and tenants and that is why you don't want to be responsible to administer this Act?

**MR. WHELAN:** You know you are talking nonsense all the time. First in Sutherland you were talking for the tenants and now you are talking about the landlords, because there are a number of them in the gallery. I just say that it is poor law and as a lawyer you should know that. You should know that it is poor law to have a Minister directing and controlling a quasi-judicial board. And that is what good lawyers will tell you, it is just not the way it is done, they should be independent, completely independent.

Amendment negatived.

Section 5 agreed.

Section 6:15 amended agreed.

Section 7:15(a) agreed.

Section 8 as amended agreed.

Section 9 repealing and substituting for 23 of Act agreed.

## **SECTION 10**

**MR. PENNER:** Mr. Chairman, I should like to propose an amendment to subsection (1) of Section 10 be amended by:

Striking out the words immediately after "advise the Board and" where they appear in the third line and the words "and the Board" where they appear in the fourth line.

Seconded by the Member for Morse (Mr. Wiebe).

**MR. WHELAN:** Our committee that studied this felt that in cases of dispute the board should be involved, and that is really what it does, and I am against the amendment.

**MR. PENNER:** I don't think it negates what the Minister is saying I think it is simply that the amendment simply changes the timing of the situation. It doesn't necessarily negate the involvement of the board but the way the Section reads now it says:

immediately advise the board and within 10 days after termination of the tenancy serve on the tenant and the Board a written notice of claim.

I think the point with regard to why the board needs to be involved at this stage is well taken and if the Section reads:

within 10 days after termination of the tenancy serve on the tenant a written notice of claim setting forth the full particulars and the amount of the claim.

And if that results in any problem, then there is still the opportunity to refer it to the Board. And I think it streamlines it without negating what the Minister is apparently after in the Section.

**MR. WHELAN:** Our administrative committee feels that under the circumstances the deposit is in jeopardy because of the shortage of accommodation, and they want it the way it is, and we agree with it.

**MR. LANE:** (Saskatoon Sutherland) I wonder why, if the Minister wouldn't consider some form of provision for returning any undisputed portion of the claim back to the tenant with interest. Now I just wonder if the tenants in this province really know how much of their money in the last year has escheated to the Crown because of money coming into the hands of the Rentalsman which wasn't picked up, and it seems to me, why are you in this respect acting against tenants? What have you got against tenants?

The same as you have against landlords? Why not give them back their money? If it is undisputed, let them have it and let them have the interest.

**MR. PENNER:** Mr. Chairman, there is no reason in the world why a tenant should not be entitled to the amount of money that is not in dispute immediately upon his severance of the occupancy of a particular suite. If I have, as a tenant, paid \$100 deposit to the Minister of Municipal Affairs to rent a suite and at the end of my time he says, "Well, Penner everything is fine except for \$25 damage to that wall," why should I not get back the \$75, which he agrees I should get, which I say I should get, and if I have any question about the \$25 let that be the amount that is in question, instead of him saying, "Yes, I agree that you should get back the \$75," and I accept it as being reasonable, but I don't get any of it. I do not understand the logic of that situation.

**MR. WHELAN:** Because that isn't what my people are telling me. I think you have got it all cockeyed.

**MR. PENNER:** Mr. Chairman, I wonder just before you take that vote, and I am not going to ask you to read it again, would the Minister explain the procedure that he just indicated that I don't understand?

**MR. WHELAN:** I think you are misconstruing what's going to happen because this procedure will only take place where there is a dispute. It would have to go through the board and that protects the tenant's interest.

**MR. PENNER:** I have an amendment I want to put with regard to subsection (2), seconded by the Member for Morse (Mr. Wiebe):

That subsection (2) of Section 10 be amended by striking out all the words after subsection (2) and inserting instead "does not reply in writing to that claim, no further claim will be allowed; the landlord may retain the amount of his claim."

**MR. CHAIRMAN:** I am going to have to ask the Member where he means this subsection (2), where it is?

**MR. PENNER:** Mr. Chairman, if I haven't made it clear my apologies. In subsection (2)(a), if you begin reading,

if a tenant within 10 days after receipt of a notice of claim pursuant to subsection 2,

those are the words that I am referring to when I say all of the words after that be deleted and in their place be inserted as I have written it.

**MR. CHAIRMAN:** Then after subsection (2) where it appears in the fifth line, I think that would clarify it.

**MR. PENNER:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** With that change in it we find the Motion in order.

**MR. WHELAN:** The problem we find with this is how do we know that the landlord wrote him?

**MR. PENNER:** You assume that he did.

**MR. WHELAN:** You assume that he did, Yes, but you must remember that it is the tenant's money.

**MR. PENNER:** Mr. Chairman, I am not certain that the observation made by the Minister is any more valid to the amendment than it is to what's in the legislation now. Just so that Members understand what is being suggested, it says:

If a tenant within 10 days after receipt of a notice of claim pursuant to subsection (2), does not reply in writing to that claim, no further claim will be allowed and the landlord may retain the amount of his claim.

My response to what the Minister has said is, if there is some kind of contest to the matter then the fact that the landlord has already written, is going to be obvious.

**MR. WHELAN:** The present section as it is shown says . . . you are leaving that out very carefully, I suggest . . . the reference to the Board is there and you have taken that out.

**MR. LANE:** (Saskatoon Sutherland) Mr. Chairman, this section is typical of the Act and the mother Act. From day one this has been a backwards Act. If everybody agrees that is when the work starts, that's when you start filling out forms and sending money. If everyone agrees they've got a lot of work on their hands. And it doesn't make sense that if everybody agrees you don't just leave them alone and take your governmental, bureaucratic hands off of them and leave the situation alone. Why get involved if everybody is happy?

**MR. WHELAN:** Because too many times the tenant ends up without the deposit and you don't care about that, I guess.

**MR. LANE:** There's a procedure, Mr. Chairman, if the tenant wishes to get his deposit back there is that procedure already in the Act, the first one. He can apply to the Rentalsman and indicate that there is some irregularity. Now what happens is that in every single case this is going to have to happen.

**MR. WHELAN:** How can you be sure that the landlord has written unless it goes through the Board?

**MR. LANE:** Mr. Chairman, I would ask the Minister, would it be



fair to say that about 50 per cent of the work of this branch of your department is involved with disputes and dealing over damage deposits?

**MR. WHELAN:** Maybe 10 to 15 per cent, but I am sure the Hon. Member has read the Bill carefully, and the whole administration with regard to deposit is being moved to the Mediation Board, anticipating that sometime in the future the Rental Review Board will be the Mediation Board and the Rentalsman, as such, will be phased out when there is accommodation available. Now that may be piling bureaucrats on bureaucrats, but that isn't what is intended.

**MR. LANE:** (Saskatoon Sutherland) But nevertheless the effect has been, I am sure you will admit that if a deposit is in dispute, no matter how small, even if it is \$12, that you are willing to spend \$500 if necessary with people to administer that and deal with that \$12 and tie it up even if there is no dispute?

**MR. WHELAN:** We have a representative who is now my executive assistant who worked with the Mediation Board for 15 years and handled deposits, and I can assure you that that amount of time wasn't spent on it and it wasn't that kind of a problem.

Section 10 agreed.

Section 11: Section 34A amended agreed.

## **SECTION 12: SECTION 34H**

**MR. LANE:** (Saskatoon Sutherland) I'm not sure, Mr. Minister, what the effect of this clause is yet. I don't see exactly what it is that you are getting at, but I think the entire clause should be struck if it means what it seems to mean. There should surely be some factor automatically built in because your own Government is going to be passing on increases and no matter whether Sask Power passes on an increase or whatever, every landlord, with respect to every suite, with respect to every increase of rent, is going to have to appear before your boards and justify an increase. Surely you could automatically build in some increase where those increases are natural and they come from your own Government. Now if you can't do that, you can't strike it, at least perhaps you could consider taking allowance after the coming into force of this section, and replace it for 1978, because what is going to happen is that some of the landlords have already gotten their 10 per cent increase, and what you are going to be doing is discriminating against all those who have not been fortunate enough to apply in advance. Again, the inconsistency and the discrimination continues. Now I would invite you to answer that and see if there is any way that you would be prepared to change it.

**MR. WHELAN:** I think, Mr. Chairman, the answer to the Hon. Member — we have to depend to some degree on the discretion of the people who will be working in the Rentalsman's section. But just for reference sake so that you will know where we got the idea, so you will understand why we have introduced it from the Teal-Lowery Committee. Lowery of course, is a very competent chartered accountant and the committee had landlords and tenants in its make-up and they put together an excellent report, they

were unanimous in this respect and one of the areas where the insisted we proceed was, and I quote:

Recommendation 7(2): No percentage increase in rental rates be automatically allowed (and we are a little late on this) for 1977, except upon approved application by landlord.

That's where we got it, that's where it comes from, that's why it's there.

**MR. PENNER:** It's interesting to note too the comments of the Minister of the day, when he scoffed at the report. He said it is going to cost an extra \$8 or \$10 million and another 100 or 150 civil servants in order to administer that. I go back to the point I made earlier. If you want to adopt the Lowery Report, adopt it, but don't pick it out and pick out something that looks as if it is convenient to you and then leave out all the rest of it. You know as well as we do that you have done this.

**MR. LANE:** (Saskatoon Sutherland) Mr. Chairman, I should just like to get an answer from the Minister. So in other words, if this Act goes through and becomes legislation then all those landlords who have been fortunate enough to get their increases in before the coming into force have their automatic 10 per cent or whatever it is and that all those who after the Act comes into force are not entitled to it. Is that right? That is going to be the effect.

**MR. WHELAN:** The Hon. Member for Eastview (Mr. Penner) asked me this question earlier on and I replied, and a commitment was made and it will be kept that where there hasn't been an increase over and above the automatic increases because of hardship, where the automatic increase was allowable for this year, that it would be received. I made this reply to a question that was aimed at me by the Hon. Member for Eastview early on in the discussion.

Section 12 agreed.

Section 13:35 amended agreed.

Section 14:37 agreed.

### **SECTION 15:43 amended**

**MR. LANE:** (Saskatoon Sutherland) Mr. Chairman, some of the subsections in Section 15 indicate penalties for landlords. Now surely any person with a sense of fairness would look at that Act and say, well you know this is a one-sided Act. Now what we are asking for is either remove the penalties for landlords and look at it in an equal situation, some equality, some sense of fairness. What about the tenant who wrongfully withholds rent? No penalty there. Surely there has to be some equality and some fairness in this Act.

**MR. WHELAN:** It's a Section, and I was amazed that the Hon. Members didn't make some reference to it, where rent isn't being paid, where the suite has been damaged, where the procedure has been speeded up, where the landlord can get possession, and that

section was one of the recommendations that they made to us. It in there. I am amazed that that hasn't been caught because we feel that in some respects you have to have penalties, but with good administration. I recall vividly The Leasehold Regulation Act which had rent control for the province for something like 12 years and I don't think there were more than four or five instances where charges were laid and fines were levied. But you need some kind of legislation in order to negotiate, and I think that's the key to it.

Section 15 agreed.

Section 16:50 amended agreed.

Section 17:53 agreed.

Section 18:55 amended agreed.

Section 19:55B amended agreed.

Section 20:55H amended agreed.

## **SECTION 21: Part II**

**MR. PENNER:** Mr. Chairman, I have an amendment to put which I expect the Minister will find easiest of all that I have put tonight to accept:

That Part II of the Bill being, Section 55I to 55S be withdrawn.

**MR. CHAIRMAN:** It has been moved by the Member for Saskatoon Eastview seconded by the Member for Morse (Mr. Wiebe):

That Part II of the Bill being, Sections 55I to 55S be withdrawn.

I think that you are referring in your motion to Part 21, Section 21.

**MR. PENNER:** I would have to agree that you are right, Mr. Chairman. Section 21 of the Bill, which relates to the Sections 55 that would become part of the Act. May I indulge the Chairman to make whatever change would put the amendment in order.

**MR. CHAIRMAN:** With that change it would read:

That section 21 of this Bill, including Sections 55I to 55S be withdrawn.

With that change I find the motion in order.

**MR. PENNER:** Just to explain my position, Mr. Chairman, I indicated earlier that it is our view that this Section builds in another level, another tier, another section of the bureaucracy. I think one has to keep in mind that when you look at the Estimates for 1977 for the Rentalsman's Office they are up 50 per cent. I can't understand how that gibes with the concept that we are in decontrol program. We have an office that was started last year, we have statements that are being made that we are in a decontrol program and yet the expenditures for that department are up 50 per cent and I attribute it largely to this.

I therefore urge all Members to accept the amendment.

**MR. CHAIRMAN:** Again, if I might repeat, it is moved by the Member for Saskatoon Eastview (Mr. Penner) seconded by the Member for Morse (Mr. Wiebe):

That Section 21 of this Bill including Section 55I to 55S be withdrawn.

Amendment negatived.

Section 21 agreed.

## **SECTION 22**

**MR. L. W. BIRKBECK:** (Moosomin) Mr. Chairman, just before we wind this up tonight, I would like to say, that the Minister responsible has shown a distinct and total irresponsibility which is very strange, since he has been talking about the Members opposite being responsible, acting responsible as it pertains to the tenants and landlords of this province.

I just want to tell you, Mr. Minister, that this Bill and your response tonight to questions from this Opposition shows clearly and distinctly irresponsibility to the landlords and the tenants in this province.

Section 22 agreed.

Motion agreed to and Bill read a third time.

## **MOTION**

### **TELEGRAM TO THE CANADIAN NATIONAL HOCKEY CLUB**

**MR. G. H. PENNER:** (Saskatoon Eastview) May I beg your indulgence and the indulgence of the House to introduce a motion. We've done a lot of significant things today, but we might be able to do something to wrap it up, that's more significant than anything we've done up to now. I would like to move, seconded by the Member for Quill Lakes (Mr. Koskie) that Mr. Speaker send the attached telegram to the coach and players of Canada's hockey team in Vienna:

The Legislative Assembly in Saskatchewan on behalf of the people of Saskatchewan, congratulates the Canadian National Hockey Club for its victory today over Sweden in the World Hockey Championship and wishes the team well in the remaining games.

Motion agreed to.

The Assembly adjourned at 11:15 o'clock p.m.