

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

December 1, 1977.

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

WELCOME TO STUDENTS

MR. W.J.G. ALLEN (Regina Rosemont): — Mr. Speaker, I would like to introduce this afternoon to you and through you to the members of the Legislature, a group of 27 students from Martin Collegiate in Rosemont constituency. They are seated in the Speaker's Gallery. They are accompanied this afternoon by Mr. Steininger their teacher. I am sure all of us would wish to give them a warm welcome and hope that their stay here will be both interesting and informative.

HON. MEMBERS: Hear, hear!

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I would like to introduce to you and through you to this Assembly a small delegation representing a group of people throughout Saskatchewan who have taken the effort to present a brief to the government of this afternoon regarding the seat belt legislation. Later on in the afternoon, Mr. Speaker, the page girls will be distributing to each member's desk the statement which they will be presenting to the hon. Mr. MacMurchy. They are representing all areas of Saskatchewan - because of my kind generosity of myself that they have used the facilities in my office to make this brief available. I am sure that everyone here will welcome them to the Assembly today.

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, I too, wish to welcome the delegation referred to by the hon. member for Rosetown-Elrose. Unfortunately, I will not be able to meet with them but I have arranged for Mr. Ed Whelan, the minister responsible for SGIO and Mr. Arthur Thibault, who is the former chairman of the Traffic Safety Committee of the Legislature. Both Mr. Whelan and Mr. Thibault are members of the government's implementation committee on Safety '77 and they will be meeting with the group at 2:30.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUESTS

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, I would like to introduce to you and through you to this Assembly Mr. Allan Hyland MLA for the constituency of Cypress in the beautiful province of Alberta, my old home. I am sure the Assembly will join me in wishing Allan and his family a pleasant stay in Saskatchewan and a safe journey home.

HON. MEMBERS: Hear, hear!

QUESTIONS

CONSTITUTIONAL CHANGES

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Speaker, I would address this question to the Premier. Since constitutional changes obviously take a long time to process will you in your discussions with the Prime Minister on Wednesday next, discuss the possibility of more immediate legislative changes by the government of Canada to protect the people of Saskatchewan from the liability for the half billion dollars that you referred to in your press statement of November 30, the potential that came from the CIGOL decision?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, it is important to emphasize that the liability referred to by the hon. member is a potential liability and by no means a certain liability. Secondly, we believe that legislation, notice of which was given yesterday and which will be on the table in this House tomorrow, will sufficiently protect the government of Saskatchewan and the people of Saskatchewan from the prospect of the liability, the potential liability, referred to by the hon. member. Accordingly, while undoubtedly the CIGOL decision will come up for discussion between the Prime Minister and myself, I do not as thou advise, propose to ask him for any specific federal legislation at this time, other than legislation dealing with the amendment to the constitution.

MR. COLLVER: — Mr. Speaker, I would just say that in the telex sent by the Premier to the Prime Minister, he doesn't refer to potential liability at all, he says it places at risk some \$500 million. But, in order to leave open all avenues in your negotiations with the Prime Minister and in order to perhaps prevent any potential damage to the investment climate and the reputation of the province of Saskatchewan, through the introduction of retroactive legislation, will you at the very least delay introduction of the bill until your meeting with him at least on Wednesday, which is only a delay of three days and at least have the opportunity to converse with him and perhaps make suggestions that could be solved without destroying or damaging the reputation of the Saskatchewan investment climate?

MR. BLAKENEY: — Mr. Speaker, let me be clear in stating that it is the view of our government that those who suggest that somehow we have lost \$500 million are the people who are damaging the financial reputation of the government of Saskatchewan. All those who suggest that we should go the Alberta route and lose \$250 million, they are also damaging the financial reputation of the province of Saskatchewan. We believe that our obligation is to move and, move as rapidly as expeditiously as possible to protect our revenues. We propose to do that; we think that laws are required, not conversations, not discussions, but laws under which we can validly collect the revenue. We believe that law has been drafted; it will be introduced tomorrow.

MR. COLLVER: — Final supplementary, Mr. Speaker. Did you not - two parts - did you not write to the Prime Minister: "The precedent established places at risk some \$500 million which has been collected since 1974 under the legislation" and second, can we assume, therefore, from your answers today, that your new legislation in this regard is simply an attempt to bide time in the hopes the constitutional changes can be made before such legislation is judged by the courts and before the people of Saskatchewan have an opportunity to comment on it by way of general election.

MR. BLAKENEY: — The answer, Mr. Speaker, is an emphatic, No. The purpose of this legislation is not to buy time but rather to provide a sound legislative base for the collection of the fund. I think there can be no question that the legislation which we will introduce will be, at least to our judgment and the judgment of a good number of people, constitutionally valid. However, there is no question also that the legislation of

any province in the resource field is now called into question by the CIGOL decision and prudence dictates that we not only enact legislation and enact it as rapidly as possible in this province but also attempt to further buttress our position and the position of every other province by getting an appropriate constitutional amendment. We think that both courses of action should be pursued, should be pursued simultaneously and that's what we propose to do.

SOME HON. MEMBERS: Hear, hear!

MR. E.C. MALONE (Leader of the Liberal Opposition): — Will it be the Premier's position to urge on the Prime Minister a constitutional amendment the same as the amendment referred to in your communication to the Prime Minister and which apparently was agreed upon by a provincial premier's meeting in 1976? And if you are going to urge that particular amendment on the Prime Minister would the Premier be good enough to table that amendment or the wording of that amendment in this Legislature for our consideration?

MR. BLAKENEY: — Mr. Speaker, certainly it would be my intention to urge upon the Prime Minister an amendment along the lines of that agreed to by the 10 premiers. It may well be that the 10 premiers, or such of those that still agree, will wish to reconsider the wording in the light of the CIGOL decision and more particularly in the light of the trade and commerce comments in the CIGOL decision. The amendment agreed upon was one which said that:

Notwithstanding anything in the BNA Act, in every province the Legislature may make laws in relation to the raising of money by any mode or system of taxation in respect of lands, mines minerals or forests or the production therefrom in the province.

Now that was the recommended wording. We would perhaps have to consider whether or not that is totally adequate now in view of the comments on trade and commerce. It certainly was totally adequate to deal with the direct/indirect taxation aspect of the CIGOL decision. Whether or not it is totally adequate with respect to the trade and commerce provisions would perhaps need a further review but I will be urging something along this line, the principle involved in this together with a principle which will ensure that that idea, as agreed to by the 10 premiers is not eroded by a wider interpretation of the trade and commerce provisions.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I would like to direct a question, either to the Minister of Finance, or to the Minister of Revenue, whoever has that responsibility. Taxes under Bill 42 are collected, as the Minister of Revenue can certainly tell us, on a monthly basis. They were due yesterday, and surely if the government is short \$10 to \$12 million this morning, the Minister of Revenue would be well aware of it.

I wonder if the Minister of Revenue could tell this House and the people of Saskatchewan, if that \$10 or \$12 million was received. As I understand from oil companies, the return is made two or three days prior to the end of the month. Could the Minister of Revenue indicate whether those taxes have been received or not?

MR. BLAKENEY: — The answer to this, because the Department of Revenue as such, is

not set up yet . . . I think that the funds are still flowing into other departments of government. I do not know whether or not they have arrived . . .

Well, what is the Post Office, is the better way to say it. Anyone who can give an assurance that anything will arrive in due course in the Post Office in December is a brave man. I will not give that assurance. If the hon. member wishes to pursue that point, we would be happy to do so.

MR. MacDONALD: — Mr. Speaker, I take it from the Premier's remarks or perhaps the Minister of Revenue could then inform me. Has the government then, I understand, and surely the Minister of Revenue would have indicated to his department, has he not given any instructions to his department to refuse the collection of taxes, and certainly if the money has been received, has he given instructions to his department to return those revenues?

MR. BLAKENEY: — I would be happy to try to answer that, and the answer is no. We have given no such instructions. The great bulk of the money is now being collected, not under Bill 42, but under the Mineral Resources Act which has not been under attack, and presumably, so far as I know, is not under attack. The current composite royalty which has been collected for over a year now, so-called composite royalty, is not pursuant to Bill 42, has not been under attack, and presumably will continue to be paid by most or all of the oil companies.

There are some aspects of that which may now be in jeopardy, or at risk, if I may use those terms, but certainly the bill and the collections thereunder have not been a subject of judicial review, and their validity can only be determined by attempting to reason by analogy from the CIGOL decision.

We are busy collecting the money.

MR. MacDONALD: — Mr. Speaker, a final supplementary.

The minister has indicated by the changes, or the Premier, by the changes in the regulations of Bill 42, that the majority of the revenue collected is not under attack — the majority. But he would certainly agree that some is. And I would like to ask the Premier of the province of Saskatchewan, if the NDP government has the right to collect taxes in defiance of the law of Canada? That's the real issue, whether it be \$100 or \$1 million. Have you the right, the NDP government, to collect taxes in defiance of the law because as of the day of the decision of the Supreme Court, there is no law whereby the government can collect those taxes.

MR. BLAKENEY: — Mr. Speaker, I totally disagree with the hon. member's conclusions, totally! Bill 42 and the CIGOL decision dealt with two things, the mineral income tax and the royalty surcharge. Those were the two issues. We have not collected any mineral income tax for a year, we have not collected any royalty surcharge for a year, we are collecting another royalty under another act which is not under attack, which has not been challenged and we propose to continue to collect that money.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — The member for Indian Head-Wolseley may be of the view that we should leave that money with the oil companies. That's not the view of our government,

and not improper to collect that money

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — A supplementary . . .

MR. SPEAKER: — I'll take the member for Estevan.

BUDGETED LOSSES FOR POTASH

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the minister in charge of Sask Potash. Is it not true Mr. Minister that PC Cory and PC Alwinsal have budgeted for \$1 a ton loss for potash sales for this coming year?

HON. E.L. COWLEY (Minister in charge of Potash Corporation): — Mr. Speaker, the Potash Corporation of Saskatchewan has not budgeted for a loss.

MR. LARTER: — Supplementary, Mr. Speaker. Is it not true that both PCS Cory and PCS Alwinsal have budgeted to produce less tons of potash for this coming year?

MR. COWLEY: — No, Mr. Speaker.

AMENDMENT TO CROWN ACTS

MR. E.F.A. MERCHANT (Regina Wascana): — A question to the hon. Attorney General. Is it the intention of the government to introduce legislation at this session which would abolish the proceedings against The Crown Act, or is it the intention of the government to amend the proceedings against The Crown Act to take away the automatic right to sue the Saskatchewan government and replace it with a limiting right to sue, for instance, a right to sue for small amounts of money. I ask whether the government is considering replacing the proceedings against The Crown Act with something analogous to a Petition of Right Act, such as that which exists in Nova Scotia and British Columbia, a suit successfully used in British Columbia to keep Shell Canada from launching a law suit there for \$5 million against that government over gas rights.

HON. R. ROMANOW (Attorney General): — Mr. Speaker, I have no intention of introducing at the present time amendments to the proceedings against The Crown Act. Government policy, of course, as it develops in the future will be announced in due course.

MR. MERCHANT: — Would the minister not agree that if there were amendments to the proceedings against The Crown Act or if you had a Petition of Right Act instead of our current legislation, it would have been impossible without permission for CIGOL to sue, for Imperial Oil to sue. Where you can't cure the problem you've created with those two (I'm asking a question) . . .

MR. SPEAKER: — I don't know whether the member is asking a hypothetical question or a legal opinion. I'll take the next question.

FISH INDUSTRY IN WINTER

MR. G.N. WIPF (Prince Albert-Duck Lake): — A question to the Minister of Tourism and Renewable Resources . . .

MR. SPEAKER: — Order, order.

MR. WIPF: — The Last Mountain Lake Co-op Fishermen's Plant at Dilke is going to be forced to close its doors this winter because of the Fresh Water Fish Marketing Corporation not paying enough money for the fish. This will put approximately 200 fishermen and approximately 30 plant workers out of work this winter. Can the minister tell this Assembly what actions have been taken by this department to ensure that this plant and its 230 people will be able to work in the fishing industry this winter?

HON. A.S. MATSALLA (Minister of Tourism and Renewable Resources): — No action has been taken and I would like to check into this, so I will take your question under advisement.

MR. WIPF: — Supplementary, Mr. Speaker. Will you attempt to put an export permit in effect for these Saskatchewan fisherman, so that they may get out from under the control of the Fresh Water Fish Marketing Corporation and be allowed to market their fish that they catch on the open market in the United States? Today they said they have a large market for it down there but they're being hamstrung and being put out of work this winter.

MR. MATSALLA: — Mr. Speaker, when I get an opportunity to check into this and get all the information and facts, consideration will be given what action will be taken.

MEETING WITH OIL COMPANY RE CIGOL

MR. S.J. CAMERON (Regina South): — Would the Attorney General indicate to the House whether tomorrow he will be meeting with representatives of the oil industry with respect to the legislation which we expect tomorrow:

MR. ROMANOW: — Yes.

MR. CAMERON: — By way of supplementary, would the Attorney General object to having myself present at that meeting along with my counterpart in the Conservative caucus as a legal advisor. So I respect the caucus. Do you object to our coming to the meeting as observers?

MR. ROMANOW: — Mr. Speaker, I have to answer to that, No, because I fully expect the oil companies will bring their own lawyers.

MR. CAMERON: — Supplementary. Does the Attorney General, who apparently has so little regard for lawyers on this side of the House and, who I am sure has a great deal of regard for the press and their right to have access to means of this variety, will he object to the press being present?

MR. ROMANOW: — Mr. Speaker, I don't believe that much can be gained in opening this meeting to the press. Well, the members opposite, are the ones now for one week alternately have been talking about the need to maintain discussions and negotiations with the industry and urging us to be responsible on the one hand, and on the other hand are suggesting by the suggestion implied in the member's question that we should be doing this kind of talking under the full glare of television, newspaper coverage, lawyers with political or other motivations there. I think, with all due respect, the member's question - he would agree, that's not the right way to go.

TABLING OF STUDY - PROJECT PLANNERS, TORONTO

MR. J.G. LANE (Qu'Appelle): — I would like to direct a question to the minister responsible for the Wascana Centre Authority. The Wascana Centre Authority has now received a study done by a company know, I believe, as Project Planners out of Toronto with regard to the space requirements and accommodation requirements of Wascana Centre Authority. Is the minister prepared to table that study, or will he be tabling the study in the very near future.

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, there is no such a thing as a minister in charge of Wascana Centre Authority, for the information of the members of the House.

MR. LANE: — Is there a minister, Mr. Premier in the Cabinet who would be prepared to answer to the Legislative Assembly and the people of Saskatchewan with some degree of ministerial responsibility for the Wascana Centre Authority, and could you have that minister please answer the question that I have just asked?

MR. BLAKENEY: — Mr. Speaker, I think the questioner in effect raises a matter of principle as to whether the Wascana Centre Authority is a government agency for which we have ministerial responsibility, or whether in fact it is an agency involving the city of Regina and the University of Regina and the government of Saskatchewan, for which there is no day-to-day ministerial authority. I think the latter is the case. We will decline to answer questions on the administration of the University of Saskatchewan and on the same grounds we decline to answer questions on the day-to-day administration of the Wascana Centre Authority.

SOME HON. MEMBERS: Hear, hear!

LAND UNDER THE POPLAR RIVER POWER BUILDING

MR. R.E. NELSON (Assiniboia-Gravelbourg): — A question to the minister in charge of the Saskatchewan Power Corporation. Part of the land under the Poplar River Power building apparently still belongs to Hart Butte Municipality No. 11, and the SPC building is well over the 200 feet high, and there are no warning lights on that building. Mr. Minister, could you tell us who would be responsible if a low-flying plane crashed into that building.

HON. J.R. MESSER (Minister in charge of Saskatchewan Power Corporation): — It doesn't require a legal opinion, but it requires a brighter pilot I would suggest. I don't know whether the member for Assiniboia-Gravelbourg is really serious. I know that the structure is upwards of 200 feet. If, in fact, there should be lights affixed to such a structure at that height and they are not there, I will undertake to convey to the Saskatchewan Power Corporation that some consideration should be given. I cannot at this particular point in time convey to him whose responsibility it may be if there was some such misfortune which I would think is highly unlikely.

MR. NELSON: — Mr. Speaker, any structure over 100 feet must be properly lit and will you assure that you won't wait until next week or wait until spring, you'll look after it now?

MR. MESSER: — Mr. Speaker, I appreciate the member's knowledge in regard to the

Ministry of Transport regulation in relation to towers. If, in fact, he is correct I again relate to him that I will undertake to convey to the Saskatchewan Power Corporation - I know that certainly there are instances where there are structures that are above 100 feet which do not have lights. This may, in fact, be a situation there but I cannot be positive about that in this particular point in time.

WASCANA CENTRE AUTHORITY

MR. LANE: — A question to the Premier of Saskatchewan. You've indicated in a previous answer that the government does not intend to answer to this Assembly for the administration of the Wascana Centre Authority although you are paying 75 per cent and the University of Saskatchewan. I want to know your policy on the matter of ministerial responsibility because your Deputy Premier indicated in this Assembly a week ago on the question as to the RCM Police investigation into the RRAP program in DNS. He said, "I don't know and I don't want to know and I don't care what goes on in my department." I want to know, Mr. Premier when are the ministers going to be prepared to answer for the actions of money being spent on behalf of the public in public expenditures? We are entitled to know, we want to know.

MR. SPEAKER: — I'll take the next question.

FEE LEVIED ON HOMES SUCH AS VALLEY VIEW CENTRE

MR. W.H. STODALKA (Maple Creek): — A question to the Minister of Social Services. Some time ago your department levied a \$50 per month board and room fee on residents of such homes as the Valley View Centre in which the parents and guardians were expected to pay the \$50 per month. Is your department still collecting that \$50 per month? Secondly, are you collecting it from all parents and guardians?

HON. H.H. ROLFES (Minister of Social Services): — Mr. Speaker, I can't say with precise certainty that we are collecting it from all people but there is a policy where we expect people to make some contribution when they freely give up their children to the Minister, but I can't say with all precision that we are collecting it in all circumstances. I think, in some instances, we have some difficulty in collecting it, but that particular policy is under review at this particular time and I hope to make some announcement in due course as to what the policy may be in the future.

MR. STODALKA: — Mr. Minister, I would like to suggest that there are people who have not refused to pay and there are people who are paying the \$50 per month. I would like to know what you are going to do to rectify the situation where some have paid and some have refused to pay. Certainly this is not a justifiable position.

MR. ROLFES: — Well, Mr. Speaker, that's true, that's why the policy is under review. I think it is a good policy where you ask people to make some contribution when they freely give up their children to the government or to the minister. I think it's a good policy to ask them to make at least some financial contribution. But if you have difficulty in making sure that that policy is effective, then the minister and his department should be prepared to have a look at it, and that's exactly what I'm doing at this time. I'm reviewing it but we're having some difficulties with it, and just as soon as we can come to some decision, I will announce that policy.

MR. STODALKA: — Is the minister going to leave it that those people who have paid have lost that substantial sum of money and those people who have not paid are just not going to have to pay anything?

MR. ROLFES: — Mr. Speaker, I do not accept the member's suggestion that the people have lost a substantial amount of money or have paid a substantial amount of money. Anybody that is asked to pay \$50 a month for the keep of his child and the care of that child is not asked to pay an exorbitant amount of money. That policy was a reasonable policy, but the policy simply was not as effective as I thought it would be and, therefore, it is under review.

INCREASE IN CIVIL SERVICE

MR. COLLVER: — Mr. Premier, since the government of Saskatchewan submitted its requirements to the planning consultants of Project Planners, with reference to an increase in the Civil Service of 8 per cent per annum which means the Civil Service would double in six years, would you not think that it would be the responsibility of some member of your Cabinet to at least answer the question as to where and when we are going to see that particular plan prepared by planning consultants — Project Planners?

MR. BLAKENEY: — Mr. Speaker, if the hon. member is asking what this government submitted to some planner, we can answer that question. If the hon. member is asking what the officials of Wascana Centre Authority are doing, or when that plan is being considered by Wascana Centre Authority, we cannot answer. We don't hire those people, they are not responsible to any officer of the government of Saskatchewan and we simply are not responsible for their activities. And that must be clear. We must understand . . .

MR. COLLVER: — A supplementary question . . .

MR. BLAKENEY: — I am on my feet, Mr. Speaker, I am on my feet, and I want to say again that the line between what a government is responsible for and what it is not responsible for is simple enough for those who turn their mind to the question. The question is: Are the services and activities being requested and being asked about, are they being done by government employees? If the answer is, 'no', we're not responsible. Where they are not government employees, we are not responsible; we're perfectly prepared to answer to what happens to the government's money, and you can ask that on estimates. Our contribution to Wascana Centre Authority is debatable on Estimates. The day-to-day activities of Wascana Centre Authority are not debatable in this House.

SOME HON. MEMBERS: Hear, hear!

ANSWER TO QUESTION

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, on November 21, the hon. member for Indian Head-Wolseley asked this question . . .

MR. SPEAKER: — Order, order! I'm going to have to cut you off.

MR. SMISHEK: — I've been trying to stand up for three days, Mr. Speaker, to try to answer the question. For three days I've been asking to get recognized.

MR. SPEAKER: — Order, order! I think if the hon. member was trying to get my attention for three days he couldn't have been trying too hard. I'm sorry, I'm sorry . . . Order.

I've been noticing other members on that side and other ministers to answer questions and I'm sorry I didn't notice the minister. I noticed him today, and unfortunately, I can't squeeze him in.

STATEMENT - WITHDRAWAL OF REMARKS

MR. SPEAKER: — On November 17, 1977, the member for Saskatoon-Sutherland made unparliamentary remarks about two other members, which he subsequently withdrew. This is on page 26 and 27 of the Debates. On November 21, page 59, the member for Regina South drew my attention to the fact that the withdrawal of the unparliamentary terms by the member for Saskatoon-Sutherland did not include withdrawal of the following words, which were uttered on November 17:

We have two members now in the Liberal caucus who have sought and won the nomination for their party in a federal riding. Now what possible reason could they have to sit in these Chambers except that they still want money and that they want to use these Chambers as a sounding board to kick off their federal election campaign, money and publicity.

On November 21, I undertook to examine the matter further and report later. Beauchesne's Parliamentary Rules and Form, Fourth Edition, Chapter 155 clearly states, "The imputation of false or unavowed motives are unparliamentary," and I would, therefore, ask the member for Saskatoon-Sutherland to withdraw the remarks herein referred to.

MR. H.W. LANE (Saskatoon-Sutherland): — Mr. Speaker, as I look at the remarks, I see that perhaps it went further than I had intended which was to say that perhaps this is what people could expect. However, I wouldn't want to have the members be offended at this and think that that is what I would think, even though others might think so, so I withdraw the remarks.

MR. SPEAKER: — I think I am prepared to accept the member's withdrawal. I know he is a new member and he should not attempt to qualify a withdrawal. For this time I'll accept it as an unqualified withdrawal.

The member for Regina Wascana rose yesterday and asked me why he was cut off from a supplementary question on November 24, shown on page 207 of the recorded debates. I think I may have cut the member off because it was the end of the question period. In any case I cut the member off as well because I felt it was not a supplementary and the member posed it as a supplementary. I examined his previous question and his supplementary - this was his second supplementary and I didn't determine that it was in fact a supplementary but a new question.

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, on a point of order. I want to say that this caucus appreciated your ruling yesterday in regard to a question which was raised during the point of order for the member for Wascana. I want to point out that I have some sympathy with the problem that exists during question period. I think it is incumbent upon members of this side of the House that in order to alternate the questions between the two opposition parties that they should indicate as to whether it's a new

question or whether it is a supplementary question, which as in the case of today, two questions in a row went to the member of the party. I think, Mr. Speaker, it is up to the members here to indicate whether it is indeed a supplementary question.

MR. E.C. MALONE (Leader of the Liberal Opposition): — On the point of order, Mr. Speaker. I think I clearly said twice, supplementary.

MR. SPEAKER: — I am not exactly positive what situation the member is talking about. I sometimes do have a problem, if a member rises and there is a lot of other noise in the House, understanding whether the person is up on the basis of a question or a supplementary. Most members usually indicate that it is a supplementary if in fact that's what it is. I don't see a continuing problem there.

ANNOUNCEMENTS

RESERVE GRAND CHAMPION

MR. J. WIEBE (Morse): — Before the orders of the day I am wondering if I could beg on the indulgence of the House to make a short announcement of an accomplishment of one of the MLAs in this Chamber that took place at Agribition yesterday. It is now a number of years in a row that I have had a privilege to stand up in this House and announce that the MLA for Assiniboia-Gravelbourg has once again earned the reserve Grand R Champion and the first in the heavy class for 10 of 20 steers in the commercial section. I am sure that all members of the Assembly would be pleased to join with me in offering our congratulations to him.

SOME HON. MEMBERS: Hear, hear!

SECOND READINGS

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 23 - **An Act to establish a Unified Family Court for Saskatchewan.**

He said: Mr. Speaker, I am proud to introduce legislation today to establish a Unified Family Court in Saskatchewan. The Unified Family Court as the name suggest, is a court where all family law matters can be heard. The simplicity and practicality of the unified family court concept, I think is obvious to most people and hopefully would be obvious to lay people. But over the centuries, neither the law nor the courts have recognized the family as an entity, that required a special approach and special treatment, for their legal problems. As a result, today we have reached the state where we have three different courts with original or trial jurisdiction. Each of these courts can hear some family matters, but no one court can hear all family matters. To compound the problem some actions which may involve the same issue can be heard in more than one court. For example, the question of who should have care of the child and who should be responsible for supporting that child, may be decided by a Queen's Bench Judge, in the case of a divorce; by a District Court Judge in the case of an adoption application; or by a Magistrate, another level of court, under the provisions of the Deserted Wives and Children's Maintenance Act.

Mr. Speaker, as you can see, there are many problems created by this present system. I think that it is correct to say that frequently court time is wasted when two different courts have the same matter brought before them. As far as the courts are concerned, that's one problem. But for the public, the problem must be even more confusing. I

think the average person is confused and uncertain about what each court is doing and about why they have to tell different judges, very frequently, on some point of the marital dispute, the same story. Different judges also, may deal with various aspects of a complex family problem, but have only a limited range of remedies that are available to them because of their, in effect, categorization or pigeonholing.

A fairly typical example of a family matter being heard at different times by different judges, occurs when a husband leaves his wife and children. Immediately, the wife may need financial support and she may bring an action before a judge of the Magistrate's Courts, under the provincial statute known as The Deserted Wives and Children's Maintenance Act. The husband, under my hypothetical case, may decide that he doesn't think that she is a fit mother and then he starts on legal advice, to bring an action to obtain custody of the children, at another level of court, say the Queen's Bench Court. After all of this, the marriage may be irretrievably damaged and either spouse may commence yet an action in the Queen's Bench Court for divorce, with again, the issues of custody and maintenance, issues that were brought and directly, and indirectly, dealt with at the two other courts as ancillary issues to the divorce action.

As well, Mr. Speaker, there will probably be a separate action in our hypothetical case, starting in Queen's Bench for the division of matrimonial property, such as the house and the car, the summer cottage, the boat, etc. if all of these actions start to overlap, for example, if the husband's custody action is started before the deserted wives action is decided, then one judge, such as the judge of the Magistrate's Courts, will start adjourning to wait for the higher court's decision and this is a complicating matter as well. In the meantime, the children may be reacting to turmoil and legal upset in the family, by being affected themselves; taking up bad friends, perhaps even becoming juvenile delinquents and posing yet another set of social and legal problems for society.

The Family Services staff in the Department of Social Services, then becomes involved and that department might start an action to protect the children by taking them into care temporarily. As you can well imagine, Mr. Speaker, by now different courts have different actions before them, involving one family and its same problems and not only the courts, but now it involves more departments of government.

Realizing that there has to be a better way to help people solve and resolve their family problems, I asked the hon. Mr. Justice Emmett Hall to look at the possibility of a unified family court in Saskatchewan. Members will know that he reported to me in November of 1973, and recommended that Saskatchewan set up a unified family court as a trial project to begin in Saskatoon. But he also recommended (and this is the key aspect of the recommendation) at that time, that the judge of this Emmett Hall proposal if I can describe it that way, be a judge of the Magistrate's Court and that the court have access to support staff to provide counselling and other assistance to people with family problems. Other people and groups have reiterated that the unified family court is a desirable step in the reform of family law.

The Saskatchewan Action Committee, Status of Women, the Society for the Prevention of Cruelty to Children, the Council of Women, Business and Professional Women, numerous church organizations and the University Women's Club are some of the groups who have supported the implementation of the unified family court.

I should say a personal note, Mr. Speaker, that I thank these groups for the help that

they have provided me and particularly my staff in working up the proposal which is embodied in this bill today.

I would like to come back to the Emmett Hall proposals. At that time I stated, and I repeat again today, that I wholeheartedly agree and agreed with Mr. Justice Hall's proposals with respect to the unified family court and particularly that the unified family court should be housed in the Magistrate's Court. I will say a word or two about that in a few minutes.

In the 1974—75 session I was hopeful that we would be able to introduce legislation to effect that proposal by Mr. Justice Hall and we thereby created a family court at the Magistrate's Courts level. Now members will know that that bill has not been proclaimed. And that bill has not been proclaimed, Mr. Speaker, because I have tried to convince our federal government counterparts to grant our judges of the Magistrate's Court the necessary jurisdiction to establish there, in the Magistrate's Court a truly unified family court as opposed to putting it where you will note it is being housed by this proposal, the District Court.

The additional jurisdiction which would have been required to affect the Emmett Hall proposal of housing it in the Magistrate's Court, would have included jurisdiction over divorce, division of matrimonial property, custody, adoption, and reciprocal enforcement of maintenance orders.

I want to say that I don't say this in any partisan sense, I think there are legitimate areas of doubt, constitutionally and jurisdictionally in terms of effecting these kinds of transfers through the Magistrate's Court, and much of our time over a series of Attorneys General's conferences, federal, provincial, have been directed to overcoming those difficulties. I would report to the House that virtually the majority of the Attorneys General view the appropriate location of a unified family court to be in the Magistrate's Court. There are two or three Attorneys General who view that the Magistrate's Court, for constitutional and other reasons, should not be the court, but this province and myself was on the side of those who argued the need for working out our legal and other problems in order to get it housed in that particular court.

I argue, Mr. Speaker, that the Magistrates' Courts are the logical court in which to house family law. The problems of the family are immediate problems which do not wait for superior courts on circuit to fit a family matter between a very busy schedule of a murder trial or a trial over a car accident, or the payment of a debt, large or small. I also argue that in Saskatchewan and in this argument concurrence by other Attorneys General and Mr. Justice Hall, obviously, that the Magistrates' Courts are the courts that are most accessible and most familiar to the people. After all, if anyone of us has a run in with the law the odds are very, very high that it will be at the Magistrate's Court level as opposed to any other level of court.

The Saskatchewan situation is unlike that which exists elsewhere in other parts of the country. It is unlike the situation that exists on the lower main land of British Columbia, or in the Winnipeg metropolitan area or in the so-called Golden Triangle of Ontario. Saskatchewan has a peculiar and particular geographic and demographic situation with relatively few people scattered over a relatively large area. I think that requires a court system with a different approach. I won't get into the general concepts of the different court systems to meet that approach but in order to relate it to the bill before us, I'll say that the Magistrate's Court in Family Law would have provided the flexibility, accessibility and immediacy which the geographic and demographic problems

propose particularly for the province of Saskatchewan.

Another attribute of accepting Mr. Justice Hall's proposals of the Magistrate's Court would have been their relative informality as opposed to the relative formality which exists in many of the other Superior Court judges. I think this informality is more appropriate for most family matters than what sometimes is the awesome mystique of lawyers in gowns and the trappings of Superior Courts with terminology and procedures which are perhaps somewhat confusing and awesome.

In Saskatoon, Mr. Speaker, judges Mary Carter and Marion Wedge have already proven that family matters within the jurisdiction of the Magistrate's Court as they have it, can be dealt with humanely, sensitively and correctly to law and I think this shows that the judges of the Magistrate's Court would have been particularly suited to have been the court of the Unified Family Law Court. They are judges who are part of the community in a more real way and judges who are more familiar with the help that various community and social organizations of the community can provide for a family in distress.

Now, I said, Mr. Speaker, at the beginning that there were legitimate constitutional and legal difficulties. I don't want to wave them away simply. Constitutionally legislative jurisdiction over family matters has been divided between the provinces and the federal government. It has been argued that this prevents a province such as Saskatchewan from creating a unified family court on its own. I have already said and I repeat again that most other provinces, including British Columbia, Ontario and Manitoba I don't know about Manitoba as a result of the change in government but certainly prior to the change in government just a few short weeks ago - shared our desire and still do share our desire to have the unified family court, barring the constitutional and legal difficulties, housed in the Magistrate's Court level. Even though different provinces have worked out different accommodations with the federal government for Unified Family Court projects at superior court levels, I report to the House that the provinces, not quite unanimously but so close as to be unanimous, have not abandoned their ultimate objectives that this is the proper place to house this court. Different proposals have been suggested to the federal government and to date, I am sorry to report, have been rejected by the federal government.

British Columbia has tried the approach of having all three court levels housed in one court building with social support services also available in the same building. The recommendations of this project are that physical unification - I stress the word physical - is better than nothing, but that unification of the legal jurisdiction would be much better. Therefore, British Columbia, Ontario and Saskatchewan have supported dual appointment of judges by the province and the federal government so that one judge could hear all family matters. This, too, for the time being, has been unacceptable to our federal counterpart.

Mr. Speaker, faced with this approach on the part of the federal people, Ontario agreed less than a year ago to give up fighting for the unified family court at the magistrate's level and agreed to set up a pilot project at the country or district court level, which we are doing, in Hamilton, Ontario. In fact I think it was opened only in August or September of this year. So that Saskatchewan could be the testing ground for an innovative alternative I argued for a different project in the Magistrates' Courts but the federal government has not seen fit to accept this proposal even on an experimental basis. Clearly the option of continuing out and dragging out a prolonged constitutional

legal hassle seemed to be less a desirable alternative and, in the light of the Ontario decision and in order to get our pilot project underway in Saskatchewan as well, I am pleased to report that I have agreed with the federal authorities to have a jointly funded project in Saskatoon of a unified family court at the district court level. I hope that even after we establish in the district court level that it would not close the door for moving it to Magistrate's if we can get appropriate accommodation worked out sometime in the future.

Ontario, as I have mentioned, already has its project in Hamilton underway, just barely. Manitoba has had legislation on the books for two years but with little sign of a court actually being established - part of this constitutional and legislative disagreement that I have been talking about. I don't know what the position is going to be in Manitoba now with the change in government. I am somewhat concerned, however, that the Conservative government there has recently announced its intention to undo family matrimonial division of property law which was passed by the former Schreyer government and I hope that this does not mean that nothing will be moving in the area of unified family court.

Now, Mr. Speaker, I would like to cover some of the important features of the bill. As I have mentioned the court will be presided over by a district court judge. The unified family court will therefore be a specialized court with a specialized judge. In having just one judge preside over the unified family court Saskatchewan's project will differ from Manitoba's proposal to have all district court judges trooping through the family court. I think that the Saskatchewan approach is better because we will have one sympathetic and hopefully experienced judge dealing with family matters on a full time continuing basis, virtually exclusively.

As Section 2 states in the bill, The Unified Family Court Act will be a court of record like the Superior Court, District Court and Queen's Bench.

The jurisdiction encompassed by the unified family court is extensive. Juvenile delinquency and family or child welfare cases can be dealt with by the unified family court. Maintenance of children, wives and parents, adoptions, filiation, custody of children, perhaps even criminal matters - minor assaults say - as between family members, division of matrimonial property, judicial separation and divorce, all will be encompassed in this court's jurisdiction so it will be very expensive indeed.

The most complicated aspect of the legislation is the granting of the jurisdiction of the Court of Queen's Bench to district court judges. The Court of Queen's Bench has jurisdiction over family matters such as divorce, division of matrimonial property and custody of infants. In other province such as British Columbia and Ontario, county or district court judges are local judges of the Court of Queen's Bench or its equivalent. As local judges of the Court of Queen's Bench they can exercise the jurisdiction of Queen's Bench judges.

By amendments to the Queen's Bench Act in Bill 33, section 3, we are going to add sections 67(a) and 67(b) to that Bill and we will deal with that when it comes up later. These sections make district court judges also local judges of Queen's Bench for the purposes assigned by the Lieutenant Governor in Council. The jurisdiction to be assigned, I say to the House, will be all Queen's Bench jurisdiction over family law matters.

Section 4 of The Unified Family Court Act which is before the House then describes

the judges of the unified family court as being local judges who are authorized by the Lieutenant Governor in Council to act as judges of the court.

Section 13 to 15 of the bill before you provides flexibility so that the unified family court will be able to hear matters related to a family problem that would not otherwise be considered a family problem. For example, an alcohol related offence.

Appeals from the unified family court will be taken to the Saskatchewan Court of Appeal.

Section 18 provides that Queen's Bench alimony or maintenance orders may be enforced via the procedure for maintenance orders made under The Deserted Wives' and Childrens Maintenance Act. The latter act sets out (I think all members will agree) a very quick, effective remedy which will be available in addition to those means of enforcement already available to Queen's Bench orders.

In Section 20, Mr. Speaker, we try to deal with the confidentiality of professional consultation and try to preserve that confidentiality there. However, reports of a court nominated custody investigator are expected so that any recommendations of such a person and the information on which they are based, will be subject to close scrutiny.

Section 22, is adopted from the Family Court Act 1975. This Section is designed to deal with situations where one party to a family matter becomes a nuisance by invading the privacy of of another party to the action. Examples of such behaviour are telephone calls or other unwanted contacts. In such cases the judge may make an order prohibiting the objectional behaviour.

In Section 23, the unified family court judge is given some latitude to de-emphasize the formality of the proceedings where he or she decides that the circumstances are appropriate to do this.

In addition, by Section 25, the judge has the discretion to hold hearings in private.

Section 24 states that the jurisdiction of the unified family court will be concurrent to the existing jurisdictions of the trial courts while the pilot project is in operation. While this approach contains the possibility of compounding the problem of which court to proceed in, I anticipate that the advantages of the unified family court will very soon attract the greater number of actions to it especially with the co-operation of the bar and the bench, which co-operation I might add, we have received very fully to date in developing the bill and the program.

Mr. Speaker, as the idea of unifying family matters in one court is still a very new concept to Canada and, obviously, very new to Saskatchewan, I think it is best that we have this family court act apply initially to a pilot project area. And it's my intention to limit the application of this act to a pilot project area for Saskatoon. This is the basis of the agreement that the Minister of Justice and I have entered into with respect to the bill that is before you.

To this end, Section 26 provides that the Lieutenant Governor in Council may designate the areas in which a judge may exercise jurisdiction and in which the court will operate. And as I indicate to you, the only designation there will be for Saskatoon during the period of the pilot project. I don't want to lock myself in for the three year period only. If it turns out that it is working very well, we may want to expand it to

other areas with consent of the federal authorities because federal authorities obviously have to agree, they have to appoint a judge, a district court judge. There are monetary and other factors involved in this aspect of thing.

Finally, by Section 29, is a consequence of introducing this new bill, the former Family Court Act which was based on the Hall proposals of housing it in the Magistrate's Court, which was our objective, is being repealed.

Mr. Speaker, I've reviewed one of the amendments contained in Bill 33, an act to amend the Queen's Bench Act. I would propose with your toleration at this time to cover the further provisions very briefly of that bill, while I am not speaking of that bill, but I think it's important because they're a consequential and to cover the other two bills which contain amendments consequential to the establishment of the unified family court. The further amendments in Bill 33 abolish the charge of criminal conversation which is an action for monetary damages maintainable by a husband against one who commits adultery with his wife. This act discriminates on the basis of sex and therefore, is being abolished.

Bill 12, an act to amend the reciprocal enforcement of Maintenance Orders Act, 1968 gives the unified family court jurisdiction over extra provincial maintenance orders.

Bill 16, consequential bill also, amends the court officials act to include the unified family court act.

In addition to the apparent need for unifying family law jurisdiction in one court, there is the equally apparent need for social support services to be provided in conjunction with the unified family court. This is in that family court. This is the conclusion that has been reached by Mr. Justice Hall, by the Ontario Law Reform Commission and recently by the federal Law Reform Commission. So I must report to the House that I've been working with my provincial colleague, the hon. Mr. Herman Rolfes, Minister of Social Services and with my federal counterpart, the hon. Mr. Ron Basford, Minister of Justice, to design a project to meet those twin objectives. The result of our consultations, which have been very fruitful and very good, will be this joint three year unified family court project in Saskatoon beginning, we hope, no later than spring, 1978, as I say, beginning in the sense of everybody ready to go and the case is heard, although I hope the appointments and much of the apparatus will be in place before that time.

I think, before I take my seat, Mr. Speaker, I have to give a very brief general outline of the shape of this proposed project, the law is one thing but how it will operate with support personnel, obviously the Legislature will want to know some aspects about that. The unified family court project will consist of the unified family court with a unified family court judge and the attendant court personnel. In addition, the Department of Social Services - as I have said, this is a joint project in a sense and will provide family counsellors, who will work with the families who come to the unified family court. The counsellors will be available to families at any time, before, during, even after the legal action. The family counsellors will help families reach their own decisions about reconciliation, which is something I had hoped would be one of the main thrusts of this court or, if that doesn't work, separation, so that the people involved, the families that wish to reconcile may be helped to work out their differences while the families that say it's all over can be helped to do so in a humane and a civilized way as possible.

An additional support service person will be a child's custody evaluator or investigator. This person would at the request of the unified family court judge make such interviews as are necessary and report to the judge recommending the appropriate disposition of a custody issue. In this way, the judge will have the best possible information at his fingertips when he must decide about a child's future.

Mr. Speaker, we're making considerable progress in amending the rules of court in consultation with the Law Society and with the Bench, who have been very co-operative.

Before I close, I would like to pay my public tribute to the Minister of Justice of Canada, Mr. Basford. We have had our difficulties over the last couple of years and the argument about Magistrate's or District Court, as have all the provinces as I've outlined, but I'm happy with the manner and the attitude with which he has approached this proposal. We're on our way with, perhaps, not what I would have loved to have had if I'd had the world the way I'd like to have it but, certainly, I think something which will be a significant, a very significant step forward in family reform to the people of Saskatchewan. It will be the second province after Ontario and in that regard if one can overlook Ontario, we can say that we still are leading at least a part of Canada with respect to an innovative unified family court project. The time frame is three years. This will give it time to work out the problems, see how the rules work, how the mechanism works, generate the experience, generate the statistics, maybe save some marriages and families if we can, all of which would allow us to evaluate the design and the operation of all aspects of this matter.

Mr. Speaker, I have been somewhat lengthy but I felt it was worth the effort to explain to the House in detail the clauses, the background and the future proposals of this bill. I trust that we can count on the support of the members of this Legislature, regardless of party, to this bill and this program and it gives me, accordingly, a great deal of pleasure to move this bill.

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, a few comments before I beg leave to adjourn and consider the minister's remarks. We, of course, support in principle the efforts of the Attorney General to attempt to come to grips with a social problem. It's one of the more frustrating matters I think, that we've seen in some time and that is that there would be any dispute between levels of government over the question of marriage, divorce, and all of the ramifications. Surely the attitude of the, I suggest politicians and civil servants, should have been — there is a problem, let's try and resolve it in the fairest and most sensible way. I think that it is obvious that it has to be dealt with administratively on a local or provincial level. I don't think there is any question of that.

Why there would be jurisdictional disputes between governments on this problem, I think is beyond reason, and I say beyond comprehension.

I question the Attorney General's aside when he said that he is worried about Manitoba undoing the legislation. The legislation is not exactly the same as Manitoba's, and I think the Attorney General will admit that.

The government of Manitoba has made it clear that they felt it was rushed to get it on the policy record prior to the last election. Their own officials had concerns about the way it was re-drafted, and had they committed themselves to this form of legislation, and to

the principle of a unified court to deal with problems at the local level.

As an aside, I have a great deal of reluctance in supporting anything that the Minister of Social Services is involved in. I don't know whether he is going to bring golf lessons into the unified family court, or whatever he is going to do next. There is some question as to the benefits of his involvement. However, Mr. Speaker, Mr. Minister, we support the principle of a unified family court.

I watch with interest, as I am sure the Attorney General does, how the actual court will function over the next three years. I would like to commend to the Attorney General's suggestion, if arrangements could be made, and if the funding would be available, that it shouldn't be just a Saskatoon project. I think (and I know the Attorney General is aware) that perhaps we could speed up our assessment of the capability of the court by having the court operate in Regina as well as in Saskatoon. It think it would be in order. I think at the same time, Mr. Minister, that we would be able to assess much more quickly changes that need to be made with two areas, the court operating in two areas, I think would speed up our ability to assess the quality of the program.

I urge upon the Attorney General that he look at the two main centres during the experimental stage. Again, we support it in principle. We will have more comments to make and I beg leave to adjourn debate.

Debate adjourned.

HON. W. ROBBINS (Minister of the Department of Revenue) moved second reading of Bill No. 40 - **An Act to establish the Department of Revenue, Supply and Services.**

He said: Mr. Speaker, prior to presenting the motion for second reading of this particular bill, I wish to make a few explanatory comments with respect to it.

The new department of Revenue, Supply and Services which this bill will create, will consist of major organizational units that are currently located in the Departments of Finance and Government Services.

Mr. Speaker, it is traditional in this province that the tax collection function has been directly associated with the Department of Finance. This arrangement has worked well over the years. However, with the increasing importance of provincially collected taxes

as a source of provincial revenues, the time has arrived when the function merits departmental status.

In the current year we expect revenues from The Education and Health Tax Act to be in the order of \$187 million. When you compare this figure with the amount collected in 1968-69 something less than \$64 million, it is apparent how important the provincial sales tax has become to the province as a source of revenue. I must point out, Mr. Speaker, that increase of more than \$123 million or 192 per cent over the collections in 1968-69, and Mr. Speaker, that increase has been attained or achieved without any increase in the rate of tax. In fact, Mr. Speaker, the tax has been removed, as members of the Assembly are aware, from meals, book and reading material, and a number of other minor items.

Obviously the basic reason why the tax revenue flow is much higher today is because retail trade is much higher. And if you look at the statistics, you will find that personal income in this province at the end of '76 was roughly three times what it was at the end of 1969, and that retail trade had increased by 2 1/2 times, or a figure of roughly over a billion, a little over a billion, about \$1,052,000,000 in 1969 to \$2,522,000,000 in 1976. Now, obviously some of that is related to the inflationary trends which we have discussed on other occasions in this House.

I must point out, Mr. Speaker, that the tax rate was raised to 5 per cent by the previous administration on March 2, 1968. It is 5 per cent today, the same rate that was applicable at that time. I must also point out, Mr. Speaker, that it is the lowest rate among those provinces that levy a provincial sales tax.

Mr. Speaker, during the same period, revenues from gasoline tax have increased by 76 per cent. By comparison, in 1970-71, when the tax on gasoline was 19 cents per gallon, the same as it is today, total revenues under the Fuel — Petroleum Products Act were slightly less than \$50 million, some \$31 million less than we expected to collect in the current year. I stress again, to the members of this Assembly, that the gasoline tax is identical to what it was at the end of the term of the previous administration some seven years ago. To be fair, we should point out that there is some small increase in that \$31 million increase, related to the tax applicable to diesel fuel, basically related to common carriers on the highways, the large trucks that we see transporting goods.

I believe the differential in the diesel fuel tax rate is approximately five cents, 26 something today, 21 in those days. But I also must point out, that although there has been that increase in diesel fuel rates, these do not directly affect the average motorist at all.

It is evident, Mr. Speaker, that these tax sources are of sufficient importance that they now deserve special attention, and that is why the government has made the decision to establish a new department entitled, "Department of Revenue, Supply and Services".

Mr. Speaker, sections 7 — 17 of this particular bill deal with the revenue collection function and correspond directly to the equivalent sections currently embodied in the Department of Finance Act. In terms of practical operation, the Taxation Branch of the Department of Finance, will form the nucleus of the revenue side of the new department. This includes the administrative services division sub-vote, and the education and health tax, and motor fuel and tobacco tax sub-votes. In addition, Mr. Speaker, the new department will be responsible for the closing out of the files under the recently repealed Succession Duty and Gift Tax Act.

In addition to these direct responsibilities concerning specific taxing statutes, the Department of Revenue, Supply and Services will perform a monetary role in respect of taxes and other revenues collected by other departments of government. This does not necessarily mean that responsibility for collection of all revenues will automatically be transferred to the Department of Revenue, Supply and Services. Where the collection of revenue is ancillary to a major program function of another department, there will probably be no particular advantage in transferring it to the new department. I could give numerous examples of that situation.

However, I should point out specifically, Mr. Speaker, that personal and corporate income taxes which are collected on our behalf by the federal authority, form an integral part of federal-provincial financial arrangements, and will continue to be administered by the Tax and Fiscal Policy Branch of the Department of Finance. I think members will understand the reasoning behind that approach because it is under a federal-provincial agreement, and the collection procedure is not directly a function of a department of the government of this province.

I must point out too, Mr. Speaker, that the collection function in other departments may well be supervised by the Department of Revenue's Supply and Services. We intend to monitor these collection activities to ensure that our revenues are adequately protected. Where economies of scale or other factors render it advisable these collection activities may well be assumed by the new department.

Mr. Speaker, I would to comment very briefly on the highly effective and efficient manner in which the various divisions of the Taxation Branch have fulfilled their roles in administering these taxing statutes and in collecting provincial revenues. It's a premise, of course, of government, that we should be applying tax logically, reasonably and equitably throughout the jurisdiction in which we serve. In 1975-76, the last year for which complete figures are available at the present time, the Public Accounts for the province reveal that net revenues under The Education and Health Tax Act amounted in that fiscal period to \$147,500,000. Mr. Speaker, the total cost of operating in the Education and Health Tax Division, excluding commissions paid to vendors, was \$1,020,339.75. I want members of the Assembly to be aware of the fact that this means that the cost of administering this vitally important act was less than seven-tenths of 1 per cent of the revenues collected.

A somewhat similar situation holds true for the Motor Fuel and Tobacco Tax Division. Total revenues under The Fuel Petroleum Products Act - again I am going back to the last year in which we have complete figures, 1975-76 - amounted to a little more than \$45 million, while The Tobacco Tax Act yielded about \$7.5 million. The total costs for administering these statutes were \$647,000 or slightly more than 1 per cent of revenue collected. These two divisions will be an integral part of the new department and in our view, will set the standard for efficient and effective revenue collection activities throughout the government.

The second facet, Mr. Speaker, of the new department is the transfer of major organizational units from the Department of Government Services. These include the Systems Centre, the Central Vehicle Agency, the Purchasing Agency, the Queen's Printer and Mail and Messenger Service. Mr. Speaker, like the Taxation Branch, these are essentially large operational units with a significant accounting requirement. It was therefore deemed to be logical to incorporate all of these related or similar functions in the new Department of Revenue Supply and Services. Section 18 to 46 of this bill are

simply transferred from The Department of Government Services Act and hence, represent no change in policy. Mr. Speaker, I take pleasure in moving second reading of this bill.

MR. G. PENNER (Saskatoon Eastview): — Mr. Speaker, there are some remarks that I would like to make, just very briefly, before I beg leave to adjourn the debate. The bill appears on first blush, Mr. Speaker, to be rather innocuous. Yet when one listens to the remarks that the minister has just made when he, for example, says that the methods of taxation in the past have been extremely efficient, have been well done, one has to wonder for what purpose a bill to create a new department and a new bureaucracy. It is our view, Mr. Speaker, that the act would be better titled, an Act to establish the Department of Revenue Supply Services and Control of Government spending. We see little value in developing a new department unless some measure of control in spending is going to occur. Mr. Speaker, I understand that the minister intends to see a differentiation between the spending of the tax dollar and the collection of the tax dollar but, I am sure he would agree that if there is going to be any degree of control in the spending then there has to be a considerable degree of control with regard to the collection. The minister is through this bill going to be assuming the collection of certain revenues to the government, but not all of them; education and health tax, gasoline tax, tobacco tax and so on, are going to be a part of this department's responsibility as we understand it. As he's indicated, some of the major items that are cash inflow to this government, are not going to be a part of his responsibility. I'm thinking of things like income tax, federal-provincial payments, which when compared with those kinds of taxes that are locally or provincially collected, are much bigger. I think it is interesting to note, Mr. Speaker, that cash inflow as a result of federal-provincial payments alone has increased substantially in the years between 1973 and 1976 and yet your department is going to have no responsibility for that, except in a monitoring way, whatever that means. The cash inflow as a result of income tax collected in Saskatchewan, the province as we all know, with the highest provincial income tax rate of any province in the Dominion, has increased more than any other province in the Dominion in years, since 1972. It has also increased substantially - up by some 240 to 250 per cent since 1973, when we were collecting about \$114 million and the estimate for 1977-78 is in the neighborhood of \$393 million. We have a new department and we have a new bureaucracy which is being established, Mr. Speaker, and yet those major sources of cash inflow to the government is not going to be the responsibility of this department. We cannot at this stage, Mr. Speaker, just simply go along with the approval of a new department and the approval of a new bureaucracy, unless the minister can show us that the concern that we have about controlling government spending is going to be an intrical part of this new department. I want to say again that the minister himself has said that the method up until now has been highly efficient. People have done an extremely good job under those conditions and because so much of the cash inflow to the government is not going to be a part of this responsibility, we see it as the building of a bit of an empire, Mr. Speaker, that is not really required. Now I should like to give more detailed study, Mr. Speaker, to the comments of the minister that he has just made and would therefore beg leave to adjourn the debate.

Debate adjourned.

HON. W.A. ROBBINS (Minister of the Department of Revenue) moved second reading of Bill 36 - **An Act to amend The Tobacco Tax Act.**

He said: This is a very small bill. It really does nothing more than transfer from the

Department of Finance the collection responsibilities for the administration of The Tobacco Tax Act to the new Department of Revenue Supply and Services. The bill also changes the designation of the minister to eliminate the need to amend the legislation each time the ministerial responsibilities may occur. Mr. Speaker, I move that this bill be now read a second time.

MR. G.H. PENNER (Saskatoon Eastview): — Mr. Speaker, the remarks that I made with regards to the bill establishing the department would apply here. Obviously, if the department is not going to be established, there is no need to transfer any taxation responsibility. With that Mr. Speaker, I would beg leave to adjourn the debate.

Debate adjourned.

MR. ROBBINS moved second reading of Bill 37 **An Act to amend The Education and Health Tax Act.**

He said: Mr. Speaker, a similar situation occurs with respect to The Education and Health Tax Act and this bill merely transfers the responsibility for the administration of that particular act from the Department of Finance to the Department of Revenue Supply and Services. Again, the bill also changes the designation of the minister to eliminate the need to amend the legislation whenever the ministerial responsibilities are reassigned. Mr. Speaker, I move that this bill be now read a second time.

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, the members on this side of the Assembly and this little corner of this side of the Assembly must oppose this bill and the two previous ones and since this bill makes reference to the department of revenue, I would like to make some general comments on there that I would have preferred to have made, had my colleague to my right done his homework and perhaps could have proceeded and finished rather than adjourning debate but if I may proceed with my comments on the proposed new department.

Mr. Speaker, this department that is being set up, is basically the same as the structure that is being used in Ottawa by our present federal government. It is supposedly this ultra streamlining that bureaucracy down there has said is the super way to handle things. Mr. Speaker, I suggest to you that there is probably no government in the world with a worse record in controlling costs in relation to income than the federal government. It is simply horrible. Mr. Speaker, the federal government is an awesome, awesome, giant and I do not pretend to pass judgment on what their experts may suggest down there. The various departments down there, many of the departments that a minister looks after, are bigger than the entire government of Saskatchewan. Mr. Speaker, we take the position that this department is unnecessary, a needless duplication and simply a retirement program for an old face that is on his way to oblivion.

MR. SPEAKER: — Order, Order! The member puts me in a difficult position because he rises in this debate and said he's making the remarks that he would have made on another bill. Now it is common in second reading that members who speak to a bill, speak to the principle of the bill and the simple principle involved here, if I may interpret . . . if I may interpret for a moment is to transfer the administration of this particular Education and Health Tax Act from the area where it is located to another area. Consequently, I would hope that the member would relate his remarks closely to the transfer of this particular act to some other jurisdiction.

MR. THATCHER: — I respect your judgment. If I may respectfully point out to you that this bill does make reference to the Department of Revenue, Supply and Services. Might I respectfully suggest because this department is not now in existence that it must therefore open up the entire area of discussion. I have been proceeding on that assumption. If I am incorrect, you inform me that I am incorrect, then I shall terminate my remarks right now. Will you make your ruling?

Mr. Speaker, we contend, as my colleague from Saskatoon Eastview has indicated, that this is nothing more than a little bit of empire building. We suggest to you that it is needless, unnecessary duplication - a new Deputy Minister, a new bureaucracy right down the line. Mr. Speaker, common sense says in a government that is having trouble, and an awful lot of trouble, and keeping its expenditures in line with its revenues, certainly the man at the top who is going to handle this must be fully cognizant at all times with what's coming in before he can disperse it. Mr. Speaker, as we proceed now to set up a different department which will isolate the revenue from the expenditures, I suggest to you that there will be barriers put in the way of the minister who is dispersing the funds because it's just that much more bureaucracy, that much more red tape, with which he must therefore come in contact in acquiring his information as the dollars come in. Mr. Speaker, I reject as totally invalid the minister's suggestions that the number of dollars coming in has some bearing on whether this department should be set up. Now talk about unadulterated nonsense, even that minister knows better than that. What have we got computers for? What have we got business machines for? And what have we got people to run them for if we can't handle a few things with extra zeros on them. Mr. Speaker, I have heard some nonsensical arguments, particularly from that minister but that one had to be a real winner.

Mr. Speaker, with this department being set up and perhaps the possibility of other winners like this, I wonder who else in the back benches that may be moving into the Cabinet next. Because sooner or later this minister will be split off from his duties so that he can no longer hold the office of Revenue and the Co-operatives, etc. so we are going to need new ministers here, need another face in the Cabinet, brand new deputy, brand new line right on down. Mr. Speaker, I suggest to you that we need this department like we need a hole in the head. When we have a government which has totally lost control of itself, in its expenditures in relation to its revenues, if we have to have a new department, we would be much better off if we had a department of cost cutting. Mr. Speaker, I don't think we would need the bureaucracy to do that cost cutting, that you're setting up here right now. Mr. Speaker, it is our intention to oppose this bill; we will have additional comments on this bill, on Bill 40, when it comes up. We will oppose this bill and the two preceding bills.

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, I don't propose to adjourn debate; I want to make a couple of comments, I think without putting the Speaker to the question of whether you can wash all over the board. I propose only to address myself to the tobacco tax and also the education and health tax. I couldn't help noticing that the minister in some of his remarks, took great pride in the fact that the Provincial Government was collecting a very small amount of money he said, in relation to the money that was in fact generated. And I rise only to point out to the ministers and the members of the House that that's possible because this government collects the money on the backs of the small businessman that it subjects to these taxes and the job of the collection of those taxes. And one of the things that the government should have done long since, was increase the amount of money that they pay to the small confectioners

and the businessmen and so on, who have to collect both the tobacco tax and also the education and health tax. And Mr. Speaker, that problem falls particularly upon the very small businessman, the fellow running a restaurant or a confectionery. Because for the large businesses they tend to have an accounting department anyway. Simpson Sears or Hudson's Bay or one of the large dealers have people who are dealing with those tapes, dealing with the money and indeed it's not a great added expense for them, or added effort for them. Well the small businessman what he's faced with is usually sitting down and figuring out these piddly little taxes and having to look after those taxes and pay the government the money, or pay the money to the government. Another thing that happens to the education and health tax particularly is that the large business does very little credit work, while the small business does a lot of work on credit but the money is due to the government before the tax is collected, if that money is due in a credit circumstance. So for the small businessman again, a special penalty seems to apply against him, where he finds himself having not only to collect the money so the minister can say with whatever pride that it's not very expensive for the government to collect these taxes; the small businessman not only absorbs that cost for the government but frequently finds himself lending money to the government because the tax is due on a credit transaction before the tax is collected.

Now, Mr. Speaker, I am not sure that either one of those points have very much to do with the amendments that are before you but I feel the minister should be a little more careful before he takes pride for himself and his officials, who I am sure are diligently doing their work; for holding costs down when indeed they have not held the costs down at all. They've just transferred the costs to the small business community because they really don't have much regard for small businessmen or for the business community of this province.

Motion agreed to and bill read a second time.

HON. W. ROBBINS (Minister of Co-operation and Co-operative Development): moved second reading of Bill No. 38 - **An Act to amend The Hospital Revenue Act.**

He said: Mr. Speaker, this bill is similar to the last two bills introduced in that it is a minor amendment transferring the responsibility for collecting the hospital revenue tax from the Department of Finance to the newly created Department of Revenue, Supply and Services.

In addition, to effect the changed responsibility it was necessary to replace the reference to the Department of Finance with the Department of Revenue, Supply and Services.

Mr. Speaker, I move that this bill be now read a second time.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I have reason to request (not that we intend to place any great obstacle in the passage of this bill) but I have some information that I would like to gather before second reading is finalized and I waited for the people on my left to get up but they didn't get up, so I would therefore beg leave to adjourn the debate.

Debate adjourned.

HON. W. ROBBINS (Minister of Co-operation and Co-operative Development) moved second reading of Bill No. 35 - **An Act to amend the Credit Union Act, 1972.**

He said: Mr. Speaker, it is my pleasure to speak in support of the proposed amendment to The Credit Union Act. The reason for requesting these amendments is as follows: Co-operative Trust Company, whose membership consists basically of autonomous credit unions and co-operatives, receives deposits from individuals through the Saskatchewan Credit Union under the provisions of the Registered Retirement Savings Plans and the Registered Home Ownership Savings Plans, permissible under The Federal Income Tax Act.

I think members will realize that large sums of money are often involved here. There are savings . . . the latest statistics indicated \$1,731,000,000 in credit unions in Saskatchewan. They do approximately half of the banking businesses that were in the province and large numbers of credit union members purchase registered retirement savings plans and registered home ownership savings plans through Co-operative Trust. Co-operative Trust has desired to, when these funds come to them, redeposit them back in the Credit Union. Actually, that is not permissible under The Credit Union Act as credit unions only have the power to accept deposits from members, and Co-operative Trust is not a member of each of these individual credit unions so that creates a real problem. Therefore, the amendment is requested on that basis, that we would permit Co-operative Trust, which does receive large sums of money under these two specific savings plans under The Income Tax Act, to redeposit funds when they desire to do so back into those particular credit unions. The amendment, therefore, deals strictly and solely with that particular approach.

Mr. Speaker, I move this bill now be read a second time.

MR. W.H. STODALKA (Maple Creek): — Mr. Speaker, we in the Liberal caucus agree and understand that the bill . . . really all it accomplishes . . . it allows the Co-operative Trust Society to reinvest the money that the members invested in the Registered Home Ownership Savings Plan and the Registered Retirement Savings Plan and it also offers to Co-op Trust the same protections on their investments as an ordinary member would have within the credit union. We have no objections to the legislation.

MR. L.W. BIRKBECK (Moosomin): — Mr. Speaker, likewise the members of this caucus will be supporting this bill.

Motion agreed to and bill read a second time.

HON. N. BYERS (Minister of Saskatchewan Telecommunications) moved second reading of Bill No. 1 - **An Act to amend The Saskatchewan Telecommunications Act.**

He said: How many hours?

Mr. Speaker, a year ago when this government announced the details of a seven year, \$100 million program to provide improved telephone service to our rural residents . . . we call it the voluntary assimilation program. Since that announcement, Mr. Speaker, close to three-quarters of the province's 742 rural telephone companies, representing over 30,000 subscribers have decided to take advantage of this program. I think that this is a firm indication of the overwhelming support for the program by our rural companies and their farm subscribers. This support is understandable because the program has given rural companies, many of whom were encountering problems in areas of finance and maintenance, a definite service alternative which their subscribers can vote to support or reject.

Briefly, Mr. Speaker, the voluntary assimilation program has these advantages for our rural people.

1. It will reduce the number of subscribers per circuit on the multiparty lines to a maximum of four. Where it is necessary, the Crown corporation Sask Tel will undertake to redesign and rebuild the existing system to meet this objective.
2. We will replace the existing aerial pole facilities with buried service. Our target was that over a seven year period that we would undertake to lay in the order of 34,000 or 35,000 miles of buried cable. In the first year of the program, Mr. Speaker, I am pleased to report to the members of the House that we have exceeded our target for the first year. In the first year of the program we have laid well over 5,120 miles of cable and have rebuilt the phone system in approximately 77 or 78 former rural telephone companies.
3. As part of the government's attempt to place more of our public servants, Crown corporation staff in the smaller centres of Saskatchewan. We have undertaken to provide maintenance service to our telephone system by qualified Sask Tel personnel. We have already moved to make this task easier by establishing some 27 new subdistricts throughout the province. We have already constructed work centres in 23 of these areas in the last two years. Therefore the voluntary assimilation program will also make first-time telephone service available to rural residents who are now without service. We estimate that there are about 8,000 such farms in the province which could benefit from this program eventually.

With respect to the proposed amendments in the bill, there is a new section 26(a). As a result of the voluntary assimilation program in the previous unserved area program, Sask Tel is now responsible for thousands of miles of rural lines. Members will know that many of these lines were installed by the consent of the owners on private lands to avoid conflict with road construction. These simple easements or consents were unregistered because of the extra costs, such as the legal survey and the formal documents as well as the general objection by some farmers to registered encumbrances for lines which they considered necessary in any event. Now many of these lines have now been taken over from rural telephone companies which have been wound up.

This legislation is, therefore, necessary to:

1. Transfer the rural company consents or easements to Sask Tel.
2. Assure to Sask Tel the right to continue to keep and maintain the lines on the lands.
3. Assure to the owner certain rights, including the right to have a line moved to accommodate his needs.
4. Assure to the owner that any easement that may have been registered by a rural company can be discharged by Sask Tel.

The second amendment, subsection (1) of section 31. This section is to be amended by striking out \$500 million in the ninth line and substituting \$750 million. The large capital program of Sask Tel is making it necessary to increase the borrowing limitation.

Some of the elements of the capital program include the \$100 million rural service buried cable building program that will include the proposed downtown Regina project, the ongoing modernization of our telephone plant. Just to refresh the memories of members, I remember six years ago I believe, Sask Tel had a capital budget in the order of \$25 million. For the present year, the capital budget is in the order of \$102 million and we anticipate for 1978 a capital program that will be equal to and even greater than that provided for in the present year.

Members will know that the northern program that was started in 1972 to take telephone service to the northern half of our province will, by the time that program is completed, have cost in the order of \$18 million to \$20 million. We now have direct distance dial service to all those communities in the North; many of them have private line service; all of them have access to the direct distance dialling network.

We have continued to upgrade the quality of the hardware in our communications delivery plant, the extension of automatic number identification to a number of communities each year; we have virtually supplied telephone service to most if not all of the resorts in this province; to most of the people living on Indian Reserves within the province. Members will be aware of the very sizable expenditures that were required for the installation of coaxial cable for the eventual coming of conventional cable to our four major cities. I am sure they will agree that in retrospect even the government of 1969 had good foresight when they launched that program and we were able to continue it. I think it was a very wise move, so that the cable is in when the jurisdictional matters are resolved so that Sask Tel has really been in the forefront in providing the hardware for conventional cable service.

Mr. Speaker, there are several aspects of the capital program one could comment on. I think all members are proud of the very fine communication services that we do have in this province. I urge them to support those provisions of the bill which are necessary to facilitate the delivery of the voluntary assimilation program to our rural people, and secondly to support the provisions of the bill to increase the capitalization of the Crown corporation Sask Tel to deliver that rural program, as well as the other aspects of the capital program. Accordingly, Mr. Speaker, I take great pleasure in moving second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. D.M. HAM (Swift Current): — Mr. Speaker, although we don't reject this bill in its entirety, the PC caucus is having difficulty supporting the bill because of one major objection, specifically the request to increase the borrowing limits of the corporation as much as you have indicated.

In 1976 during the spring sitting, Mr. Speaker, this Assembly amended the Saskatchewan Telecommunications Act to increase their borrowing limits from \$250 million to \$500 million, an increase of \$250 million less than 10 years before. The borrowing increases only amounted to \$250 million in 1968, yet last year the limits were increased by 900 per cent.

Now, Mr. Speaker, the government is asking for another tremendous increase, raising Sask Tel's borrowing power from \$500 million to \$750 million. I was not aware that our inflation rate was dropping, in fact statistics indicate that our rate is again rising.

Mr. Speaker, economists throughout the free world are warning of continuing inflation.

They generally agree that most of these inflationary problems are created by excessive government spending. These increases can only serve to add to our inflationary problems.

We feel that it is untimely and unwise to support these amendments.

MR. R.E. NELSON: — Mr. Speaker, I want to commend the minister for the recent progress to do with Sask Tel and extending and upgrading facilities in the rural telephone companies. I am very pleased that Sask Tel has chosen to extend the program started under a former Liberal government in my constituency, by the father of my colleague from Regina South. While I believe this Act will update many of the transfers not recorded in the past, I would urge the minister to speak with his personnel regarding the settlements to farmers in the rural areas. Several of the people in my constituency have complained to me with regard to damage to their farms. Most of these were allowing Sask Tel the right to cross their land even though they were not getting any personal advantage from the particular telephone lines. When the people in charge of the compensation came, it did not appear that their formulas had been updated in any way to settle at current land prices. In the last few years the price of land has tripled in most areas, and this should certainly be taken into consideration.

Too often in the past, and certainly the example is made plain in the Coronach area, this government has ignored the farmers and treated them like poor country cousins by ignoring their rights and abusing their property, only to come back after the damage has been done, offering little or nothing in compensation. I ask the minister to give co-operation in this matter with regard to the section of the act dealing with settlements to owners and lessees.

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I want to address a few remarks to the minister, related to this act. And perhaps the remarks that I address to the minister, Mr. Speaker, will allow him an opportunity to make a reply when we go to Committee of the Whole.

A couple of years ago, Mr. Minister, I drew to your attention, a few of the problems in this particular project for which you say you had overwhelming support. I'm not going to criticize the degree of what you call overwhelming support, because I know that you, as minister, will recognize that there have been a number of rural telephone companies who have chosen not to go with the Sask Tel plan. And I think the reason for that is very clear, Mr. Minister, and I think that there was an area of some consideration that should have been given by your department.

I'll draw to your attention, Mr. Minister, a couple of cases, and ask you to consider them. Certainly you have the case where a rural telephone company has a tremendous amount of debt, the lines have not been looked after, a very small portion of them have been buried, we find that rural telephone company going into the system. As I understand it, the debt then is absorbed by the Sask Tel. Now on the other hand, and let's go down the road 20 miles where you have a rural telephone company which has spent a lot of money out of the subscribers' pockets who have built their own lines. Eventually they have buried their own lines, and you come to them and ask them to come into the voluntary program, and both will have the same telephone rates. I believe that I am correct in that statement — that both will have the same rates as far as the use of the phone is concerned. Well, the minister says, not necessarily, but I suggest to him

that I know of a few cases where there is a variance in the rates, but in more cases, I know that they do in fact, have the same rate.

I think that it is incumbent upon the minister to recognize that some people have spent a great deal of money, and some telephone companies have practically all of their lines buried, and they refuse to come into the program because the minister's department would not, in fact, give them special rates. And I think, Mr. Minister, that your department owes to those companies that had the foresight to go ahead and to modernize their facilities, and to bury their lines that had been paid for, and not give them the same treatment as to those people who did not have their lines in as good a shape.

However, Mr. Minister, there is one thing that bothers me about this, and I raised this question before. I'm certainly not attacking your department or Sask Tel for modernizing its lines, and getting its lines buried and so on, but in many cases, Mr. Minister, we've had people who had been employed by the rural telephone companies for many years — people who had given good service to the rural telephone company. Some of them, Mr. Speaker, had two or three years left in their working years before they could reach a minimum amount of retirement from the rural telephone companies. I would like to ask the minister to consider this, and to make a reply when we get to Committee of the Whole, if in fact, his department has considered these people. I do know, and I give the minister credit, that some of the younger people were taken into Sask Tel, and I commend the minister for that. But I also know of people who were reaching the age of retirement, who had two or three years left, who were not considered, Mr. Speaker, and thus were deprived of a potential pension which they could now have received.

You say there is legislation coming? O.K. Well, I'd be pleased to hear the minister make his comments in that respect and at that time. Mr. Minister, basically, those are my two concerns that I have, and I shall await your response when we come to this bill in the Committee of the Whole.

MR. J. WIEBE (Morse): — Mr. Speaker, a few brief comments in regard to this particular bill. I am sure that you will afford me the same leeway to wander through the various aspects of this program as you have the other members who have spoken today.

First of all, let me congratulate the Minister of Sask Tel (Mr. Byers) for the excellent job which he has done in regards to this particular program. Let me, as well, congratulate the minister and the government for their ability to recognize a good sound, far-reaching Liberal proposal that was made to this House four years ago, at which particular point in time, Sir, I believe that the present Speaker of the Assembly was minister in charge of Sask Tel and I believe that records will show that there was a considerable amount of debate originating from the member for Morse constituency, urging the provincial government and Sask Tel at that particular time to undertake a program of this magnitude and serve the people of the province of Saskatchewan and in turn enhance the rural life of the people who do live within the province. I am very pleased that while it took four years for the government to realize that we did have a good program, I am very pleased, of course, that they did accept it.

This, Mr. Speaker, is one of the small frustrations of being in an opposition seat, in that

suggestions that are made by the opposition members while they may be good, have a tendency at times to be voted down or to be disregarded for that particular year, not because the government doesn't agree with that particular program, but if that program were implemented at that particular time that opposition party, or member, may receive a little bit of credit for it. But it is rather encouraging to note that the ideas and suggestions made by opposition members eventually are fulfilled by the government members opposite, even though it be at some later period down the road.

I am rather surprised, however, of the position taken by the Conservative caucus and I believe I read the member for Swift Current (Mr. Ham) when he said that they were planning on voting against this particular piece of legislation, that reason because of the amount of money that was required to put this program into operation.

I have no difficulty whatsoever, Mr. Speaker, in supporting this particular bill, mainly because the government and Sask Tel is spending money to increase the betterment and the advantage of rural life in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — If we as legislators are going to try and encourage our people, our farmers within rural Saskatchewan to stay on the farms and not move into our cities, we must make life that much more enjoyable and that much more convenient to them. As well, the money that the Sask Tel is borrowing in this case is money that is going in to increasing the capital asset position of the people of the province of Saskatchewan. It is not money that is going into wages and this type of thing, so that I have no objection whatsoever in supporting this piece of legislation and I sincerely hope, Mr. Speaker, that after my remarks are concluded that the members to my left will have a change of thought and support this particular resolution along with the rest of us.

Let me say to the members opposite that I am quite happy in the seat which I am presently occupying and I will always speak in favor of any action that the government takes following a suggestion which I made in years previous.

Mr. Speaker, I will be supporting the amendment.

MR. D.G. BANDA (Redberry): — Mr. Speaker, I'm pleased to hear that the members of the Liberal caucus are going to be supporting this bill and I want to say that although they are trying to take credit for the program, I wonder where they were when they were in power for seven years . . .

AN HON. MEMBER: — Liberals started it.

MR. BANDA: — Well anyway, Mr. Speaker, I am certainly disappointed that the members of the Conservative caucus are suggesting that they are going to be voting against the bill and I want to have more to say on that and I beg leave to adjourn the debate.

Debate adjourned.

HON. E.C. WHELAN (Minister of Consumer Affairs) moved second reading of Bill No. 5 - **An Act to amend The Sale of Training Courses Act, 1972.**

He said: Mr. Speaker, at the conclusion of my remarks I will be moving second

reading of a bill to amend The Sale of Training Courses Act, 1972. This bill is intended to revise slightly the list of exemption institutions under the act to extend the licensing period required under the act to five years and to clarify a training course contract requirement.

But first, Mr. Speaker, let me say that The Sale of Training Courses Act which was passed in 1972 has been proven to be generally effective. However, the existence of the act regulation was limited to courses offered by trade schools. Now, with the act, regulation is extended to include all training courses. The act provides for the licensing and bonding of persons providing or selling courses. It provides for suspension or cancellation of licenses in certain circumstances such as when there has been misrepresentation or dishonesty. The Sale of Training Courses Act regulates the activities of those persons providing training courses to the public other than courses specifically excluded, including those courses offered by the University of Saskatchewan.

The first amendment to the bill I am presenting today is necessary to give the same exemption to the University of Regina. This is a necessary housekeeping amendment due to the creation of the University of Regina as separate from the University of Saskatchewan in Saskatoon.

Mr. Speaker, The Sale of Training Courses Act presently requires the annual licensing of training courses, vendors and sales people. It has been the experience of my department that this annual licensing has proven unnecessarily cumbersome, particularly for vendors and sales people applying for licenses annually.

The second amendment in the bill I present for second reading today is to change the annual licensing period to a five-year licensing term. This will reduce the administrative costs and time of training course vendors and sales people applying for licenses each year. It will also mean that less time will be necessary for the issuing of licenses by my department.

A similar amendment was made to The Motor Dealer's Act some two years ago and my department reports that the five-year licensing period was well accepted and quite beneficial to the motor dealers and their industry, particularly in reducing the time and expense in applying for licenses. It is my belief that this amendment to The Sale of Training Courses Act will provide the same type of reduction in time and costs to training course vendors and sales people.

I wish to point out, Mr. Speaker, this amendment does not change the purpose or affect of licensing training course vendors or sales people. It represents merely, a measure to reduce the costs and overhead to the licensee as well as to reduce a necessity for administration and issuance of licences by the department on an annual basis. The Sale of Training Courses Act also contains certain requirements respecting the form of training contract used by sellers of training courses. The act prohibits the use of a training contract unless it is endorsed by the registrar on a date that is within 13 months of the date of, "Intended use of the form of contract."

Mr. Speaker, the bill I present today contains a third amendment, resulting from a recommendation of the Statute Revision Committee which suggests deletion of the word intended to clarify the meaning of a training course requirement section of the act. This amendment will have the effect that a training course contract used by a vendor, or seller licensed under the Act must be endorsed by the Registrar at a date that

is within 13 months of the date of the use of the contract. Mr. Speaker, I view these as necessary amendments to a significant piece of legislation. I recommend the bill for the approval of all members of the House. With these few words, I move second reading of this bill.

MR. R.H. BAILEY (Rosetown-Elrose): — Just a few comments to the minister. As I did with the hon. minister in charge of Sask Tel, I want to make a few statements and allow the minister to make a comment then when this bill comes to Committee of the Whole. Certainly anything which will break down the necessity of extra costs in extending it from one year to five years is certainly a very desirable thing. I am wondering, Mr. Minister, as you include the University of Regina in this particular act, having included the University of Saskatchewan as well, does this act and will this act be applicable to the training courses which are in effect - I guess it's a debatable term - offered by Community Colleges as well? I think that's a question that has to be answered, because I think the minister will agree that in the programs offered by Community Colleges to the people of Saskatchewan, this act could well affect their program as well.

Another point I would like to leave with the minister for his perusal to deal with it in Committee of the Whole, is a type of question dealing with those courses which are offered from sources outside Saskatchewan and the degree to which this act and his department can control the offerings of these courses. I would like to leave those points with the minister for clarification during Committee of the Whole on this bill. I can assure you, Mr. Minister that this caucus will be supporting this bill.

Motion agreed to and bill read a second time.

MR. WHELAN moved second reading of Bill No. 6 **An Act to amend The Collection Agents Act, 1968.**

He said: Mr. Speaker, at the conclusion of my remarks, I'll be moving second reading of a bill to amend The Collection Agents Act, 1968. The effect of this bill will be to change the licensing period of the act to five years instead of the present annual requirement. The amendment will not change the purpose or effectiveness of licensing collection agents; also it will not result in any loss of consumer protection. This act still protects debtors against harassment, from frequency or inappropriate timing or telephone calls and from false information or information given to a debtor's employer. The act will continue to protect the business community against fraudulent collection agents.

Mr. Speaker, my concern is the administrative time and expense to collection agents and collectors who are required to apply for licences annually; I must also consider the expense to my department which is required to process these licences each year. The five year licensing term we think is more acceptable. It is my belief that extending the licensing period for collection agents to five years will be of benefit to the agents as well as to the people in the department. At the same time the amendment will allow for a continuous review of supervision of licences to ensure that all holders of such licences comply with the legislation. Therefore, Mr. Speaker, I recommend the bill for approval to all members of the House. I move second reading of this bill.

MISS L.B. CLIFFORD (Wilkie): — These acts, 5, 6 and 7 have been more or less housekeeping acts and we in the Liberal caucus will be supporting them.

Motion agreed to and bill read a second time.

MR. WHELAN moved second reading of Bill No. 7 **An Act to amend The Credit Reporting Agencies Act, 1972.**

He said: Mr. Speaker, following my comments I intend to move second reading of this bill, The Credit Reporting Agencies Act, which was passed in 1972 to regulate the activities of people in the business of furnishing information to subscribers regarding the credit rating of consumers. The act ensures that reasonable steps are taken by credit reporting agencies to provide maximum accuracy of this information. The act also gives consumers a right to contribute to the accuracy of credit reports. A consumer can request disclosure of information contained in his or her file and any agency is compelled by the act to clearly and accurately present this information to the consumer. This has been proven to be particularly useful to consumers who thought that the information in their file was inaccurate. The consumer can dispute inaccurate information and have it corrected. The act also restricts the flow of credit reports to only those people or agencies authorized by the act. The Credit Reporting Agencies Act also requires that any person acting or operating as a credit reporting agency must be licensed by the Department of Consumer Affairs. This licensing is presently being done on an annual basis. This means that credit reporting agencies must annually apply for a license. It is my intention to reduce the administrative cost to the time of agencies applying for licenses. The amendment will also have the effect of reducing the time of the cost of administering the licensing of agencies by the Department of Consumer Affairs.

Mr. Speaker, this minor amendment will not in any way affect the rights provided to consumers by the act, nor does the amendment change the purpose or effect of licensing; it's merely a measure to reduce time and cost.

Mr. Speaker, I recommend the bill for the approval of all members of the house and I move second reading of an act respecting amendment to The Credit Reporting Agencies Act 1972.

Motion agreed to and bill read a second time.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 28 - **An Act to amend The Community Capital Fund Act, 1974.**

He said: Mr. Speaker, I am pleased to rise to move second reading of this bill an act to amend the Community Capital Fund Act. I am pleased because this change is a clear sign of growth and prosperity which has occurred in the last six and a half years under this government.

Community Capital Fund, Mr. Speaker, was established in the spring of 1974 to provide a five year program of grants to assist urban municipalities and financing community capital projects. Since 1974, when the program was established, the provinces paid out in excess of \$42.6 million of the original \$47 million appropriated to the fund.

Original fund, Mr. Speaker, was established using population projections based on the 1971 census, and now that the 1976 census figures are finalized, we're pleased to find it necessary to add another \$1.5 million to the fund. This addition will ensure that the provisions contained in Section 8 of the original legislation are fully covered.

Mr. Speaker, to date some 500 urban municipalities have benefited from this extra

financial assistance. And as a result, over \$120 million worth of construction has been carried out.

Communities like Regina, have used their allocation towards building neighborhood rinks, a city hall, an agrodome, a police station. Saskatoon has built a fire station, a police station, a skating complex with the assistance from the Community Capital Fund. Prince Albert, Mr. Speaker, has used its allocation for street improvements, storm sewers, a court house, and a senior citizens recreational centre. Shaunavon, Mr. Speaker, has used its allocation to build ball diamonds, tennis courts, a swimming pool and upgrading its streets. The village of Alsask purchased new machinery and remodelled their fire hall. Mr. Speaker, in my own home town of Semans, the village has used its allocation to build a new water reservoir, a new fire hall, and a new land fill site. These, Mr. Speaker, are just a few examples of how the fund has assisted urban municipalities throughout this province to acquire new facilities, new equipment. Facilities and equipment that in most cases, were previously beyond financial ability of the particular community.

Mr. Speaker, the Community Capital Fund or the CCF Program, appropriately named, I might add, has in its two and a half years of existence provided our local governments with the money, the expertise and the opportunity to expand in its provisions of service to the respective jurisdictions. The Community Capital Fund Program has not just seen buildings built, or machinery purchased, but rather it has also meant that many councillor, mayors, administrators and other community leaders, have had the opportunity to increase their knowledge of the processes such as capital budgeting and contracting, forbears of knowledge which increased the strength of our local government decision making power. Opportunity, increased knowledge, and a strengthening of our urban municipal government's ability to serve their electorate, a sign, Mr. Speaker, of a truly well developed program.

For just a minute, Mr. Speaker, I want to refer back to my earlier mention of my home town. Here, Mr. Speaker, is a thriving village of 350 people, many of whom are retired and semi-retired farmers, who by choice have chosen to remain in that community. These people could not afford to aggregate the necessary capital required to improve the fire protection services, they could not afford the necessary moneys for a new water reservoir. They could not afford the moneys of much needed modern garbage disposal system. But because of this program, they now have all three, without a huge, crippling tax burden to hinder any future endeavors. I can remember, Mr. Speaker, that back in 1974, when this program was first introduced, the then opposition, some of whom, but not many, are still presently sitting across the floor, they went to great lengths in questioning the validity of such a program. I guess, Mr. Speaker, such questioning is one of the reasons why they are still sitting in the opposition. We are, Mr. Speaker, through this bill, setting aside another \$1.5 million to the fund to ensure and to prove that, when this government makes a cost sharing agreement with partners in government, it keeps its part of the bargain.

Mr. Speaker, through this and many other programs, the Blakeney government has elevated our local governments to a position in which they are now the envy of others throughout this country.

I'm proud of our efforts in the municipal field and I urge all members of this Assembly to support this bill. Mr. Speaker, I am pleased to move that this bill be now read a second time.

SOME HON. MEMBERS: Hear, hear!

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, the minister is well aware that I wasn't in the House in 1974 to deal with the validity of his statement. The comments that were made by the minister, I found rather amusing, because what the minister was doing, Mr. Speaker, in increasing his fund by the \$1.5 million, was certainly recognizing the fact that there had been a decline in rural enrolments and an increase in the city enrolments and, therefore, it's necessary in order to match the fund, that the declining rural enrolment having gone to the city so that the fund has to be increased and he took a great deal of pleasure in saying so. As a member of the opposition, Mr. Minister, I'm not too sure that I'm satisfied with the fact that just because the population of the cities has increased, that you shouldn't increase the amount of money going to them. I'm not saying that at all. But obviously, the population of the province has not increased any appreciable amount and all you're doing is saying that you take credit for the declining rural population and also taking credit for the fact that you have to increase the grant to meet the amount of payments ready for the city. I think, Mr. Minister, that you were wise. You have to take the enrolment statistics of 1976. When the program started by your own admission, you were taking the population count of 1971. I don't think that there is anything wrong with the bill. I don't think there is anything wrong with the amendment. The only thing wrong was the comments that you made, in the fact that you were trying to take credit to the government for the increase in the amount of money that was needed. The population hasn't increased, only in the cities. It certainly hasn't increased in the rural areas. I am pleased to see that they are going to get more money. I would like to leave this question with the minister and he can deal with this question when the bill comes to the Committee of the Whole.

This act to amend this particular bill, Mr. Minister, I am wondering what effect the amount of money is going to have on the proposal of your government to the revenue sharing with the municipalities. Will this act remain in force? Will it be part of the revenue sharing program, or in effect will you in entering into revenue sharing with the municipalities then find it necessary to delete this act altogether. I think that the act in the three questions I have in regards to the act in revenue sharing, obviously will have some bearing on revenue sharing because if you leave it in place of course, then the RMs who are requesting revenue sharing will want to deal with the figures there as well and I'll just leave that with the minister at this time.

MR. G.H. PENNER (Saskatoon Eastview):— There are a couple of comments I want to make. I don't know whether I should direct them to the minister or to the member who just was seated. I think we're dealing with Bill No. 28 - An Act to amend the Community Capital Fund Act and I don't know how enrolments, urban or rural - as I understand the act, Mr. Speaker, the act applied to urban and rural parts of the province and moneys that are made available are available equally to urban municipalities and they are available to rural governments as well. I want to say to the minister that I was reasonably close to what he was saying until he missed that community capital fund thing and began to call it CCF. You know the good feelings that I used to have as a member of a municipal council about this fund, I never associated with CCF and now that you've done that I don't know that I have the same feeling about it as I used to have. I would suggest to the minister that in the future, that good things you know that he continued to allow to be associated with good things and not through that kind of thing into it.

With reference, Mr. Speaker, to the comments made by the member for Rosetown-

Elrose, I'm not sure he was speaking as a superintendent when he was talking about . . . anyway.

Certainly a capital fund of this sort, not to be a part of the revenue sharing formula and I think the minister and the committee that has been established through his department and through SUMA are examining revenue sharing from the point of operation and operating funds and operating revenues, and so on, and that the capital programs that exist would be distinct and apart and my guess would be that if the minister would respond to that particular question, that would be the way it would go. I think it's the only way it could possibly work.

MR. P.P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, I would like to say a few words on this program but I want to do a little bit of research because I'm of the opinion that the member for Elrose seemed to be speaking on the wrong bill and consequently I may have to dig up a little bit of information to set him straight on what the community capital fund, better known as the CCF fund is really all about, so consequently, Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 26 - **An Act to amend the Department of Municipal Affairs Act, 1976.**

He said: Mr. Speaker, I am pleased to rise to move second reading of Bill 26 - An Act to amend the Department of Municipal Affairs Act. During the fall of 1975, we undertook the reorganization of the Department of Municipal Affairs to ensure that the needs of our rural and urban municipal governments could be better served. This organization began in the spring of 1976 with the passage of a new Department of Municipal Affairs Act. That new act split the department into two divisions; an urban division and a rural division, each having its own Deputy Minister. The intent of the organization was and still is, to ensure that all municipal governments have the widest input possible in provincial government policy, effecting their respective operations. Shortly after the passage of the new act, Dr. Harold Dick, born and raised in Saskatchewan near North Battleford, and a man with a number of years of experience in urban administration with the federal government was appointed Deputy Minister of our Urban Affairs Division. Since his appointment, Dr. Dick, has initiated through consultation with urban municipal governments, a number of department organizations, as well as initiating regional meetings between officials of local governments and visit local governments and senior personnel of the urban division. As a matter of fact, Mr. Speaker, the first such meeting was held in Yorkton last July and a most recent meeting is being held up in Spiritwood, in the northern part of Saskatchewan. Out of these changes and direct consultations with our urban governments have come discussion on revenue sharing, urban law review, and changes in the community planning operations.

Now, Mr. Speaker, in the area of rural affairs, Mr. Archie Clampet, another Saskatchewan native and long time executive director of the Municipal Road Assistance Authority was appointed as deputy minister. Mr. Clampet has over the last year and a half, consulted extensively with our rural municipal governments to improve their input into our municipal policy. In this area we have come up with a number of new major changes such as revenue sharing and a regional advisory office in North Battleford. To ensure that this process of positive change can continue we're proposing a number of changes to the Department of Municipal Affairs Act.

Primarily the changes are needed to effect the transfer of duties from the Municipal Road Assistance Authority to the Department of Municipal Affairs Rural Division. This transfer of the Municipal Road Assistance Authority from an agency to that of the integral part of the Department of Municipal Affairs will not mean a deterioration of the emphasis on rural transportation. What it will do is to increase its importance in the main stream of rural municipal policy.

The new Section 5(a) gives the rural affairs division the authority to continue programs formerly administered by Municipal Road Assistance Authority. Since the early '50s the province has expended millions of dollars to upgrade our rural road system through the Municipal Road Assistance Authority. This investment, Mr. Speaker, has resulted in the finest municipal road network in Canada and has virtually meant that all of our rural residents are now either located on an all weather road or have immediate access to one. This is certainly a tremendous change in just 25 years.

In saying this, Mr. Speaker, this government has no intention of sitting on its past achievements. We have recently launched, after an extensive consultation process, a new program of surfacing our major grid roads, a program called Super Grid. This will, over the next five to ten years, see 5,000 miles of our grid road widened and surfacing started to provide an even better all weather rural transportation system. Mr. Speaker, the Super Grid Program follows up on the now completed Grid Road Program and sees an increase in the province's share of the cost to an average of some ten per cent.

Although the Grid Road Program is completed and the Super Grid underway, we are still continuing to assist in the strengthening of the secondary rural road system this being the main farm access program.

Under this program which will eventually see 18,000 miles we have already completed in excess of 10,000 miles of upgraded and gravelled road. The main farm access program is continuing and provision has been made to cover certain aspects of the former grid program to ensure that the system consistently improves. The former Municipal Road Assistance Authority, Mr. Speaker, also operated X that very system and through these amendments it will be integrated into the main stream of government municipal policy. At present, the province operates some 16 ferries spread out from Buffalo Narrows in the north to Riverhurst in the south. Each ferry provides a connecting link in our rural transportation services and where viable we have gradually replaced such ferries with bridges, the latest being the new bridge at Maidstone.

Through the Rural Affairs Division we will continue to provide such services and through continuous consultation continue to improve this area of service.

Under the present legislation the minister could enter into agreements only under Section 8 for such things as special training courses. Under the new provisions, the minister can enter into any agreement under this act.

The new section 27(a) permits regulations to be made to carry out the objectives of the legislation.

Section 30 has been changed to transfer the references presently contained in The Municipal Road Assistance Authority Act to The Department of Municipal Affairs Act. Mr. Speaker, the bill transfers the authority of The Department of Municipal Affairs Act to permit the repeal of the Municipal Road Assistance Authority Act. Mr. Speaker, the

bill now before the House will continue this progressive approach to resolving our rural transportation needs by increasing the flexibility of the delivery of services and by ensuring that rural transportation plays an even greater role in the municipal policy of this government.

I am pleased, Mr. Speaker, to move that the said bill be now read a second time.

MR. R.E. NELSON (Assiniboia-Gravelbourg): — Mr. Speaker, the minister in reorganizing the department could have had and should have had a good opportunity for the government to reduce the powers of the department. He could have reduced the bureaucracy, he could have reduced much of the administration costs, he could have given more local autonomy back where it belonged to the rural municipalities. I do not see this in this particular bill. The department should not be allowed to designate roads, grid roads, access roads, super grid roads, or any other roads without agreement with the RM Councils involved. I believe on the Super Grid Program, Mr. Speaker, the maintenance area should not be forced on RM's. The RM's know what they need, they know how to maintain roads, and the councils should be allowed to decide for themselves how they repair and how they maintain the roads of their rural municipalities.

MR. N. LUSNEY (Pelly): — Mr. Speaker, in view of what the member across the floor said I feel that I would like to comment on it and I would need some time for research so, Mr. Speaker, at this time beg leave to adjourn debate.

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 27 - **An Act to repeal the Municipal Road Assistance Authority Act, 1966.**

He said: Mr. Speaker, this bill is a follow up to the Department of Municipal Affairs Act. I don't think I need to make any extensive comments so I will just move that the Bill be now read a second time.

Motion agreed to and Bill now read a second time.

The Assembly adjourned at 5:00 p.m.