

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

December 2, 1977.

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

WELCOME TO STUDENTS

MR. A. THIBAUT (Kinistino): — It gives me great pleasure this morning to introduce a fine group of students from the Domremy school. There is 36 in number right here by their teachers, Ralph Gaudet and Dianne Dowhay. Domremy is about a couple of hundred miles from here and you can imagine what time they got up this morning to get down here and be here on time for the opening. I want to say they live in one of the finest parts of my constituency and it's also an area where you have the finest ski resort, those of you who like skiing can hit down towards that part of the country and enjoy it. Being that it is traffic safety year, I want to wish them a very educational stay here this morning and I hope the members will be on their best behavior. I want to wish them a very safe journey home and also a 'bon voyage'.

MR. W.J.G. ALLEN (Regina Rosemont): — Mr. Speaker, I am delighted to introduce to you and through you to the House another group of students this morning from the Regina Community College. They are 24 in number and are seated in the gallery behind the opposition members. Thirteen of these students, Mr. Speaker, are new Canadians so a special welcome to them, not only to the House but I think to our country. I am looking forward to meeting with them a little bit later in the morning. I am sure all of us want to wish them and their teachers, Joanne Zikman and Leslie Brown, a warm stay here this morning and a pleasant journey home.

QUESTIONS

ROYALTY TAX

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I would like to direct this question to the Premier. Yesterday, the Premier gave the Assembly the assurance that we're not collecting taxes in defiance of the law since the mineral income tax was cancelled and the royalty surcharge to the royalty structure changed, that for the past year everything is valid, everything is constitutional. I would like to ask the Premier that if everything is peaches and cream in the tax collection in the oil industry as today and no threat, why are we proceeding with this charade and this bill?

HON. A.E. BLAKENEY (Premier): — I think a reasonably obvious point is that the new arrangements, as I said yesterday, were effective November 5, 1976, leaving about 34 months under the old legislation which was declared invalid. That represents collections of about \$450 million. I know the hon. member feels that those ought to go back to the oil companies - I know the hon. members representing the Conservative Party feel that about half of it should go back to the oil companies. We feel that none of it should go back to the oil companies and accordingly we will introduce the legislation.

MR. MacDONALD: — Well I am delighted to hear the Premier say that then because if that's what it is, is to pick up that part to protect those revenues from '73 to '76, then would the Premier not agree with me, there is no need to rush this bill? Why then will he

not table it, move second reading and then adjourn the House until after Christmas because as he has said, it's nothing to do with current taxes just to do with those back taxes? And we could turn around then and have public reaction, public hearings, hear from the constitutional people. Why then, Mr. Premier, can you tell me why you are ramming the bill through the House?

MR. BLAKENEY: — Mr. Speaker, I think it is a little premature for the hon. member to suggest that anything is being rammed through the House, since it is rather obvious that we have not had second reading yet, and accordingly, neither he or I knows how long this House is going to consider that bill. May I make one other comment however, and that is, that while hon. members opposite may feel that we ought to deal in a leisurely way this matter, the facts are that at least one oil company is in a position to get a judgment against the Crown and the right of Saskatchewan. We do not wish to leave unsatisfied judgments about, and accordingly we feel that other steps ought to be taken before this judgment can be rendered into a position where it can be collected upon, and we think it's only appropriate that that be done so that we do not have a situation of an unsatisfied judgment.

MR. MacDONALD: — Mr. Speaker, a supplementary. Would the Premier then tell me now, seeing that he is absolutely convinced of the validity of the collection of taxes today and all he is trying to do is protect that judgment then, would he give the House the assurance that when the bill is proclaimed and passed, he will use the Constitutional Questions Act to give the people of Saskatchewan every assurance because there's no danger now — we're not going to lose any money. He says that everything is valid, everything is great, everything is hunky-dory — peaches and cream. Will the Premier then, not give us the assurance then, that he will check the validity and the constitutionality of the new bill, and ensure the people of Saskatchewan that five years down the road or three years, we do not have a problem that is compounded even worse than it is today?

MR. BLAKENEY: — Mr. Speaker, let me first correct what the hon. member is saying. First, he asserted yesterday that the taxes we are now collecting are illegal and that was the issue. I said there is no basis for that belief other than a possible legal opinion arguing by analogy. No bill under which taxes are now being collected is struck down. Accordingly, the collections under the Mineral Resources Act are legal until found otherwise. And that is an elementary point of law that I'm sure the member for Lakeview will explain to the member for Indian Head-Wolseley. If the law is valid the taxes under it are valid until it is struck down. That is the situation. No one is asserting that under all circumstances it will be upheld. Who can assert that under all circumstances the Supreme Court of Canada will uphold any law? It is only prudent, even though the statute has not been struck down to look to your defences to see whether another act might give you additional protection. That is what we are doing, that is what we intend to do. I know members opposite feel that that ought not to be done and the oil companies ought to get the money, but we're not buying that.

SOME HON. MEMBERS: Hear, hear!

Fire Insurance — Valley View

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I would like to direct a question to the Minister of Social Services. It has been stated that there was no insurance to cover the loss of the Valley View Centre fire at Moose Jaw, and as the minister is aware that local school boards for an example who operate with at least a portion of

government grant, must carry fire insurance on their buildings. Mr. Minister, was there a trust fund, or is there a trust fund available for government buildings whereby if they are lost, say in the case of fire, you do in fact have money to rebuild those buildings?

HON. H.H. ROLFES (Minister of Social Services): — Mr. Speaker, I believe he has the wrong minister here. I am not in charge of Government Services. I am the Minister of Social Services. That is a government building and that question should be directed to the Minister of Government Services. I can't answer the question for you, but I will take notice for the minister.

MR. BAILEY: — Supplementary question, Mr. Speaker. To the Minister of Social Services - it has also been stated that the plans as to whether you will rebuild this structure is not definite at the present time. Mr. Minister, if you do not rebuild, will this mean that some of the people who presently occupy and are attending that institution will have to be, of necessity then, placed in other institutions in Saskatchewan? Now what are your immediate plans and future plans should you not rebuild the institution?

MR. ROLFES: — Mr. Speaker, again I hate to say this, but that is strictly a hypothetical question, for the simple reason that we are . . . to say that we are not going to rebuild, well how am I going to answer your question, say, "If you are not going to rebuild, what are you going to do?" You are assuming that we are not going to rebuild, and I have stated to the press that it is under review and that just as soon as we can make assessment of the situation and the future need of Valley View and the replacement of the facilities that I will make the statement at that time. We have not made any complete assessment. My officials are looking at the alternatives available and I think at this particular time we should look at the other alternatives for further normalization and decentralization. That is what is being done and a lot of people have advocated that in the past. We felt that we had gone possibly as far as we could go but we are simply reassessing our whole viewpoint of institutionalization of people in Valley View Centre.

SOME HON. MEMBERS: Hear, hear!

ANSWER TO QUESTION ASKED ON NOVEMBER 21

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, on November 21 the hon. member for Indian Head-Wolseley asked this question: "If anyone from the province of Manitoba has been hired since the election, by Order in Council or otherwise?" Mr. Speaker, I want to advise the member that four persons have been hired from the province of Manitoba. I want to say that if you take note of the question, anyone from Manitoba, that doesn't necessarily mean an employee working in the government. One person was hired in the Department of Finance on November 17th. That was through the regular process. We advertised the job, he applied, and was employed. Previously that Manitoba resident worked for Richardson Securities. (Interjection with laughter) Another person was hired through the regular process, through advertising, applied and qualified, in the Department of Labour for the Fire Prevention Program. He is a fire prevention officer and he worked for the Canadian Armed Forces in Winnipeg. The third, Mr. Speaker, was hired by the Department of Tourism and Renewable Resources as a research supervisor of wildlife. That person worked in Manitoba in International Peace Gardens. The fourth person was hired by Order in Council. That person had been approached by us back in June. We wanted to recruit that person in a senior position. He was hired by Order in Council. That person was Saskatchewan born and worked in Saskatchewan for 30 years and worked for the government of Manitoba for the last two years. Mr. Speaker, he is to start work in Saskatchewan on January 1st.

MR. MacDONALD: — Supplementary. Would the minister tell me how many others are under consideration? Are there any other applications from Manitoba, from the Manitoba Civil Service?

MR. SMISHEK: — Mr. Speaker, I can't answer that because I am able to provide him with the detailed information up until now and if wants to place that question on the order paper sometime, we would be happy to provide the answer.

EDUCATION BILL - CONTROVERSIAL AREAS

MR. W.H. STODALKA (Maple Creek): — In view of the fact that you have tabled the bill on Education this week in the Legislature and there are some areas that are still controversial, would the minister outline what opportunity he is going to give the public to participate more before the final third reading of this bill?

HON. D.L. FARIS (Minister of Education): — Mr. Speaker, in view of the fact - in terms of consultation and the Law and Review Committee Report, and the White Paper Report, we have had over 400 briefs over the last two and one-half years - this Bill will be widely circulated, certainly to all of those who put in submissions on the white paper. There are hundreds of copies available to trustees and teachers in the province. We will be continuing, of course, to receive feedback in my office. I think it is true to say that no other bill in the history of Canada in regard to education has had as wide a discussion as this bill.

SOME HON. MEMBERS: Hear, hear!

MR. STODALKA: — Mr. Speaker, in view of the fact that legislative committees such as the Education Committee of this Legislature hasn't met for 50 some years, are you going to give members of this Assembly an opportunity so that they, themselves become better acquainted with the legislation and so this also gives the public a chance to put in their input and it gives us as members of this Assembly an opportunity to question these people. Would the minister consider having second reading of this bill proceed before Christmas and then later on having the education committee of this Assembly called into session so that we can receive representations from the public, so that we can question them and so that members of this Assembly can become much better acquainted with the bill before we finally pass it?

SOME HON. MEMBERS: Hear, hear!

MR. FARIS: — Mr. Speaker, we will not be proceeding with the second reading before the end of this Session. I have given assurances to various organizations and so on that we did not intend to do that. There is wide scope for public discussion. I am sure that organizations who want to make their opinion known to members of the opposition will do so. I think the fact that you point out that this committee has not met for 54 years is good evidence of the reason we don't intend to have it meet at this time.

MR. STODALKA: — Final Supplementary. I wouldn't accept the idea that the fact that the committee hasn't met means that it is worthwhile. Certainly, we look at the House of Commons — committees are continuously meeting there and it is an excellent mechanism for members to become better acquainted. My question is then: do you mean then that you will not support the idea of having the education committee of this Assembly meet?

MR. FARIS: — My answer is that I don't think that it need meet for the first time in 54 years.

DETAILED ANALYSIS ON THE OIL REVENUES OF SASKATCHEWAN

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Speaker, I address a question to the Premier. I take it this morning in his answer to question period pertaining to the fact that the suggestion by our caucus that legislation similar to Alberta be reviewed, that a detailed analysis has been done by the government of Saskatchewan on the oil revenues of the province of Saskatchewan to determine what the implications would have been in Saskatchewan had legislation similar to the province of Alberta been implemented in Saskatchewan. Would the Premier be prepared to table that detailed analysis in this Legislature for our examination in order to determine the appropriate course of action on the new bill that is being submitted this morning?

MR. BLAKENEY: — Mr. Speaker, I don't know whether the analysis would be termed 'detailed' but certainly a significant analysis of some kind has been done. I don't know whether it is in a form for tabling but I will certainly take notice of the hon. member's question and see what is available. We believe that it fully supports the comments that I have made that the suggestion of the Progressive Conservative caucus involves a gift of \$250 million to the oil companies and we believe we can fully substantiate that.

SOME HON. MEMBERS: Hear, hear!

MR. COLLVER: — Supplementary question, Mr. Speaker. At the same time that the Premier, I gather, has taken notice and therefore has undertaken to provide whatever analysis — is this correct, that you have undertaken to provide to this Assembly whatever analysis has been done by your government with relation to the Alberta legislation? At the same time would the Premier be prepared to have his government prepare a detailed analysis as though the legislation in Alberta had in fact been implemented in Alberta and further that the legislation in Alberta, as applied to lower productivity wells where the Alberta government eliminated the lower productivity wells but the Saskatchewan government would include lower production wells, would the Premier be prepared to provide that analysis to this Assembly?

MR. BLAKENEY: — Mr. Speaker, that's a very detailed question. I will certainly take notice of it. I will want to look at that to see what he is asking me for. I want to say again that I am giving the undertakings that I say I am giving and not what the hon. member says I am giving. What I am saying, that we will give you an analysis and a study, we'll take that under consideration that's what I am saying. I am not saying what the hon. member paraphrased me to have said.

HARBINGER OF POSSIBLE ELECTION

MR. G. PENNER (Saskatoon Eastview): — I have a question for the Premier. I think it is fair to say that there is an old truism, "That when the hair on the rabbit begins to darken it's a certain harbinger of spring." I wonder if it would be fair, Mr. Speaker, for us to assume that since the hair on your face is beginning to darken, that that is a certain harbinger of an election.

SOME HON. MEMBERS: Hear, hear!

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

RENT INCREASE - UNIVERSITY OF REGINA

MR. H.W. LANE (Saskatoon-Sutherland): — A question to the hon. member responsible for The Residential Tenancies Act. It is of my information that the students at McEown Park University of Saskatchewan College West, University of Regina are due for a rent increase. Is that the reason that Order in Council 1623/77 was passed recently?

HON. E.C. WHELAN (Minister of Consumer Affairs): — I understand that the whole matter is being reviewed by the Rentalsman and I have no jurisdiction to tell the Rentalsman what to do. It is still being considered by him. I understand that as recently as yesterday he was talking to the students. I can't tell you what situation exists at the moment.

MR. LANE (Saskatoon-Sutherland): — Mr. Speaker, this is part I gather of the ongoing process of ministers saying I am not responsible for anything. My question is: McEown Park and . . .

MR. SPEAKER: — Order. I want the member, rather than to make comments - rebuttals of some kind, get to the question immediately. I am not just sure about the importance of the question. I think the member had better try and impress me with the importance of the question.

MR. LANE (Saskatoon-Sutherland): — Mr. Speaker, the students who live at McEown Park and College West, I believe, would think it was very important if they are about to get rental increases. My question is - and the hon. member has signed this order in council - what was the purpose for this order in council being passed exempting them from the purpose of The Residential Tenancies Act? Mr. Speaker, what was the purpose of the order in council? Can you not answer that?

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

ROYALTY TAX

MR. S.J. CAMERON (Regina South): — Mr. Speaker, a question of the Premier. In view of his response yesterday and again this morning to the questions from the member for Indian Head-Wolseley about the legislation now in place under which he is collecting royalty surcharges and not mineral income tax and describes the situation as 'peaches and cream'.

Let me ask the Premier, why in response to a question of mine on the 25th of November with respect to referring the new legislation to the Court of Appeal under the Constitutional Questions Act prior to proclamation — you indicated in response that if you did that you would have a period of a year or a year and a half in which you couldn't collect the tax and suggested to me that that was a foolish suggestion I was making. Why did you give that response to me at that time in view of your response yesterday and again this morning that you had legislation in place under which you can collect the tax lawfully?

MR. BLAKENEY: — The hon. member makes a good point. I obviously should have said to him, not that we couldn't collect the tax but that the tax would be in jeopardy. And to that extent my comment was inaccurate; I acknowledge that under the current Mineral Resources Act, we can legally collect the tax and indeed are proposing and continuing legally to collect the tax. As I indicated in an earlier response, some of the logic of the CIGOL decision might apply to some of the collections now under the Mineral Resources Act, in the royalty which is called the combined royalty; accordingly it is possible in the current state of jurisprudence, that that might be at risk and we would be well advised in my judgment to put new legislation in and proclaim it as soon as we can in order to protect ourselves against a raid on the public treasury by the oil companies.

SOME HON. MEMBERS: Hear, hear!

MR. COLLVER:— Mr. Speaker, in this regard then, is there any action by the government of Saskatchewan to adjust the rules and regulations under the new act in conjunction with the introduction of the bill providing for the taxation of income oil wells? Now this is the old act I gather — to convert the old act. So in the new act are you adjusting the rules and regulations? Are you adjusting the rules and regulations under the new act at the same time that you're introducing this old act in order to make better negotiations with the oil industry?

MR. BLAKENEY: — Sounds like sort of a shell game on that one. But to answer the question, there are no proposals to adjust the regulations under the Mineral Resources Act, being the act under which royalties are now being collected, in the light of further provisions of the law which are sought to be introduced by the bill to be know as the Taxation of Income from Oil Wells.

BOUNDARY DAM

MR. E.F.A. MERCHANT (Regina Wascana): — A question to the hon. Minister in charge of Mineral Resources. Is it not a fact that Unit 6 of Boundary Dam is turning out to be a far more troublesome unit in starting up than was anticipated? You are now having difficulty with materials from the refractory getting into the boilers, it appears that you will run a far greater risk of a shut-down of Unit 6 at some time in the coming years, and that that puts the entire system in jeopardy because Unit 6 will be supplying about 20 per cent of the power for the Saskatchewan grid?

HON. J. MESSER (Minister of Mineral Resources): — Mr. Speaker, I think it is premature to suggest that we may have continuing problems. The fact of the matter is that we are having some difficulty in the start up of Unit 6. The reason for that was some foreign debris or material left in the unit itself during the construction period of time. During the start up this material has proven to give some difficulty to the operation of the machine. We have shut down the machine in order to undertake to investigate and correct that matter. There does not, at this point in time, appear to be any defunctive deficiency of the design or the actual construction of the machine itself.

MR. MERCHANT: — Supplementary, Mr. Speaker. Is it not a fact that in the start up some refractory deposits are getting into the boilers indicating that that may prove to be a continuing problem that deposits from the refractory will be getting into the tubes in the boilers and that we may have a shutdown of this . . .

MR. ALLEN: — Tony, you're an expert on . . .

MR. MERCHANT: — All you have to do, and I suggest to the hon. member, is ask somebody who knows . . . that there will be great risk of Unit 6 going out at any time over the course of the winter with the added problem that because it provides 20 per cent . . . well, I am asking the minister whether this is not a fact . . . that because it provides 20 per cent of the grid, the relays all over the province may go out and we could have the same kind of problem in the height of the winter that New York City had when everything shut off as a result of a large percentage of the grid going out at one time?

MR. MESSER: — Mr. Speaker, I guess one can always present a hypothetical circumstances that is going to cause problems as far as the delivery or manufacturing of electricity is concerned in the province. But at this particular point in time, in answer to the member for Wascana's question, the corporation does not expect the current problems that they are confronted with and the start up of Unit 6 to bring about that kind of a serious situation.

RESIDENTIAL TENANCIES ACT

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, a question to the minister responsible for The Residential Tenancies Act. You perhaps can now comment on the question asked: Why are you exempting out of the Residential Tenancies Rent Control legislation, the McEown Park and College West residences of the two universities?

MR. WHELAN: — When the legislation was brought in last year there was a section in the act that clearly allowed the Rentalsman to do that. If you want to know why it was done I think you would have to ask the Rentalsman because the Rentalsman has the complete jurisdiction in that area.

POINTS OF ORDER ON QUESTION PERIOD

MR. CAMERON: — Mr. Speaker, before the orders of the day, I wonder if I might make a point of order with you and I refer, Mr. Speaker, to Beauchesne, Parliamentary Rules and Forms, Item 155 on page 130 and it is indicative there that it is unparliamentary to misrepresent the language of other members of the House. This morning, the Premier, in response to some questions, I suggest to you, misled the House in one respect and is in breach of the rules in the second respect and that his reference to members on this side of the House in the Liberal caucus having been in favor of returning to the oil companies the \$500 million now in jeopardy as a result of the Supreme Court judgment.

My point of order, Mr. Speaker, is that the Premier cannot refer to a single statement by a single member on this side House for that proposition, with one exception, and that is my own statement with respect to the position we are in relative to CIGOL but CIGOL only. I say, Mr. Speaker, that what he has said is false and he is misleading the House and if he says it again he will perpetuate that falsehood.

MR. SPEAKER: — I would think that the citation the member made out of Beauchesne is absolutely accurate but I question whether the debate which the member puts forward which is added on to the debate that took place on the question during the question period, is not relevant to the point of order. I think it is a debating point and members are making them continually back and forth across the floor. I think I can't accept it as a point of order.

QUESTION ON BILL TO PROVIDE FOR THE TAXATION OF INCOME FROM OIL WELLS.

MR. COLLVER: — Mr. Speaker, due to the significance of the introduction of this bill that has been introduced today, I wonder if it would be possible, by leave of the Assembly, to ask the Premier one question pertaining to the calculations that have been made under this bill vis-a-vis Bill 42? Would that be a possibility because we have to answer the questions of the press after the session and it is a very complex and complicated bill to make calculations I'm sure, is that a possibility?

MR. SPEAKER: — Order! First and foremost I am unaware that a very unusual and important bill has been introduced because I haven't read it. Now the purpose of first reading of a bill is to allow members the opportunity to examine a bill. Major decisions with regard to first, the principle will be dealt with on second reading, and the details of the bill which the member seems to be seeking, will be dealt with in committee. So, as a consequence I can't allow that to proceed.

It is common when a minister wishes to introduce a bill to say a few words about the bill of a factual nature and sometimes ministers choose to do this and at other times they don't and that is not a responsibility of the Chair to either encourage them or discourage them.

SECOND READINGS

HON. J.R. MESSER (Minister of Mineral Resources) moved second reading of Bill 24 - **An Act to amend The Power Corporation Act.**

He said: Mr. Speaker, I rise to speak in support of Bill 24 - An amendment to Section 42 of The Power Corporation Act. The intent of this amendment is to increase the boiling authority of the Saskatchewan Power Corporation to \$1.5 billion. Mr. Speaker, I would like to take a few moments to outline to the House the necessity for such action. The main objective of the Saskatchewan Power Corporation is to produce and distribute electric power and natural gas in a reliable, safe and efficient manner to the people of Saskatchewan. To this point in time, SPC has fulfilled this objective. I think it has fulfilled it superbly.

However, SPC must once again consider the long-term future electrical needs of the province. The corporation must forecast the amounts of electricity and natural gas that will be required in future years and to arrange to meet those requirements. SPC's current forecast indicates that a major new electrical generation development will be needed in the winter of 1982-83. In the past five years, Saskatchewan Power Corporation has embarked on a major conservation program. But, Mr. Speaker, in spite of this program, energy consumption continues to climb in this province. Predicted increases for Sask. Power Corporation's electrical system are expected to be 5.8 per cent for each of the next five years. For the first 10 months of 1977, electrical consumption increased by 9.21 per cent over the same period for the preceding year, 1976.

Mr. Speaker, this rapid growth in electrical consumption is due to the continued expectation of a healthy and buoyant Saskatchewan provincial economy. In 1976, 11,064 new homes were completed in Saskatchewan and it appears that the number will be even higher for this year, 1977; the minister for Municipal Affairs, the minister in charge of Sask Housing Corporation tells me 13,000 for this year. All home owners

want electricity and the majority are equipped with major electrical appliances. As well, many rural residents confronted with the high cost of heating with oil are now turning to electricity, are now turning to electrical heat for their home, for their farming operations, for their livestock operations. Saskatchewan farmers are continually increasing their dependence on electricity as other fuels rise in price.

The industrial sector in the next five years will be expanding its consumption of electricity. The expansion of the potash industry, the mining industry in general will certainly add to the increased demand for electrical power. Now, Mr. Speaker, there will be some people who will say that the demand or the growth in relation to electrical power is one that should be curbed or curtailed and that there should be more energetic measures undertaken to conserve energy and introduce programs which will bring about a conservation of energy. I think that it is important when we talk about expanding an electrical system in the province of Saskatchewan, that we also note the endeavors of that corporation and the government that it answers to in the jurisdiction of conservation.

The Saskatchewan Power Corporation has for a good number of years now been active in undertaking to introduce conservation to the consumer in the province of Saskatchewan. They've done it by a host of ads in papers; they've used the radio and television media; they have undertaken to hold special courses and classes for their personnel so that they in turn in dealing with the customer will also be able to pass on means and ways of those customers attaining better use of the energy they consume, both electrically wise and natural gas wise. I'm a bit disappointed, as is the corporation, that it hasn't had a greater effect on the people of Saskatchewan. My suspicion that it has not had the effect that we wanted relates to the cheap cost of electricity in the province of Saskatchewan and the cheap cost of natural gas in the province of Saskatchewan in comparison to most other jurisdictions in North America. It is unfortunate if we cannot attain a satisfactory level of conservation until we have much higher prices. Nevertheless the corporation continues to undertake to explain the need for conservation by Saskatchewan consumers in the future. They also are, in a good many instances, undertaking research and development which will provide electricity in a way that is not fully dependent upon the non-renewable resources. We are also working very closely with the government in regard to solar heat and in particular the construction of a solar house in the province of Saskatchewan which will be opened, I believe, in the next ten days or two weeks. We would hope that citizens of Saskatchewan will undertake to tour that house and acquaint themselves with the energy conservation conveniences that are built into that home and also acquaint themselves with the practicality of solar energy. We also, Mr. Speaker, and I think it should be noted here, announced in the Throne Speech, the opening of an office . . .

MR. KATZMAN (Rosthern): — Mr. Speaker, there is not a quorum.

MR. SPEAKER: — Yes, there is.

MR. MESSER: — Well, Mr. Speaker, if I may continue. What the member for Rosthern I think intended to say is that there is not a Liberal in the House, except one behind the bar . . . only one Tory at that time . . . perhaps we should note that so that the record will indicate that when he brought the matter up he was the only Tory sitting in the Legislative Assembly at that particular point in time.

But, Mr. Speaker, if I may return to my remarks. The Throne Speech announced the opening of an office of energy conservation for the province of Saskatchewan. It will be

given the task of not only conveying conservation measures to the people of Saskatchewan, but also introducing programs that will assist the citizens of Saskatchewan in achieving better use of the electricity and the natural gas that they consume.

Now, Mr. Speaker, as a result, at this point in time, the Saskatchewan Power Corporation is considering three options for new electrical generation, a second thermal unit at Poplar River, a hydro plant at Nipawin and a hydro facility at Wintego on the Churchill River. No matter which project is chosen, the capital cost of the next generation project will be in excess of \$300 million. Now this means, Mr. Speaker, that SPC will have to borrow large amounts of capital during periods 1978-1982. The present borrowing authority will not be adequate for those future needs and demands. Only \$30 million of the present authority will be unused at December 31 of this year, at December 31 of 1977.

Thus, in order for the corporation to finance its 1978 capital program, an increase in the borrowing authority must be legislated now. It is desirable that the corporation's unused borrowing authority at the end of each fiscal year be of an amount that will enable the Minister of Finance to go to the financial market early in the subsequent year to borrow a portion of the corporation's requirements for that year. This flexibility is necessary to plan the government borrowing program in the best interests of the people of Saskatchewan. Mr. Speaker, in conclusion I wish to emphasize that the necessary capital requirements for the next generation plant will be more than \$300 million. An increase of \$500 million in the borrowing authority is required if Saskatchewan citizens are to be guaranteed a secure electrical supply in the next five years.

Now, Mr. Speaker, yesterday in this Legislative Assembly we saw a similar piece of legislation introduced in regard to Sask Tel and its expansion program, particularly in the area of the rural assimilation program. We also, I think much to the disappointment of the members of this Legislative Assembly, saw some members who sit your left oppose that legislation, Mr. Speaker . . . the Conservative members who sit to your left, Mr. Speaker. I find it strange that they would undertake to oppose a requirement to borrow further capital in order to extend and expand and improve on the services of Sask Tel in the province of Saskatchewan, particularly for rural members, Mr. Speaker. And I think that the people of Saskatchewan want to know and will want to have the Conservative members explain to them what credibility there was in the opposition to such a program which ultimately, if it was to become factual, bring about a deficiency in services as far as the telecommunication system in this province is concerned. It might well be that they will also choose to oppose the request for the expanded borrowing capacities of the Saskatchewan Power Corporation. I think that it would also be of interest to not only this Legislature but the people of Saskatchewan, for them to explain their reasoning behind such opposition.

Mr. Speaker, I think it has been with good planning and good administration that the Saskatchewan Power Corporation has been able to establish the types of generating capacities that it has in this province. We have a significant dependency on thermo-generation for the province of Saskatchewan that in the long term provides efficient and very cheap power. We have, when capital was available at attractive interest rates, built the more expensive type of generation units, the hydro units and those will be here for Saskatchewan future generations and providing power to meet their demands. Mr. Speaker, only those achievements could have been attained through good planning and good administration of the Saskatchewan Power Corporation. There was evidence

of that in the past and there is evidence of that taking place in the future and that's one of the reasons we are undertaking to ask for increased borrowing capacities. It's also interesting, Mr. Speaker, that the members, the Conservatives, who sit to your left, oppose the increased borrowing for such Crown corporations as Sask Tel and may oppose increased borrowing for this corporation, Saskatchewan Power Corporation, also ask for cheaper energy rates, cheaper rates for natural gas, cheaper rates for electricity. Now it seems to be a bit problematic to have a party which, I think, has to recognize that there is an increasing demand for electricity in Saskatchewan and that costs of fuelling and capital costs are rising in relation to the delivery of that energy. It seems strange that they, if they are sincere, can in one hand suggest that the rates are too high and that there should be cutbacks and also on the other hand disagree with a provision to allow for extended construction and capitalization of that corporation so it can meet the demands.

Mr. Speaker, I think it would be credible for us to convey to this Legislative Assembly and for the records of this Assembly compare some rates for electrical energy in the province of Saskatchewan and natural gas for the province of Saskatchewan to other jurisdictions in Canada. I would like to quote to you, Mr. Speaker, some figures for the residential rates starting with first, natural gas for some major cities across Canada: Montreal, we find that natural gas costs \$2.68 per mcf; in Toronto, natural gas costs \$2.51 per mcf; in Edmonton the cost is \$1.23 mcf; in Calgary the cost is \$1.16 per mcf; in Brandon the cost is \$1.83 per mcf; in Winnipeg the cost is \$1.82 per mcf; in Regina the cost is \$1.71 per mcf. Mr. Speaker, only in the province of Alberta have they lower rates for natural gas and only in the cities of Calgary and Edmonton, Mr. Speaker, I think that that says a lot for what the Saskatchewan Power Corporation has been able to do for the gas consumers of the province of Saskatchewan. We have among the lowest rates for natural gas of any other province in Canada with the exception of gas rich and oil rich Alberta.

Mr. Speaker, if we turn to electrical rates the same pattern emerges. Regina has the lowest rates of any major Canadian city except the city of Montreal. Residential rates show that the average monthly charge in Vancouver to be \$20.65; in Calgary, the same power costs \$19.06; in Regina, the charge is \$17.16; in Winnipeg the charge is \$25.90 and in Montreal the charge is \$12.85. Of all major cities in Canada, Mr. Speaker, Regina and the other major cities of this province enjoy the cheapest rates of any, the cheapest rates of them all.

Now, Mr. Speaker, it is also, I think, important to note that Saskatchewan has a vast area to serve and this increases distribution costs for both natural gas and electricity but in spite of these problems we are still able to provide these utilities for one of the lowest rates in Canada. I am also pleased, Mr. Speaker, to inform the members opposite that in 1967, 3.16 per cent of personal income was spent on gas and electricity. Ten years later there is a sharp contrast but even though there has been rising costs for our electricity and gas the percentage is now 1.88 per cent so that in fact the total amount of money that consumers have and that portion which is expended on natural gas and electricity in Saskatchewan is substantially lower than what it was 10 years ago. Mr. Speaker, I ask that it is credible for the corporation to continue to expand its generating capacities and I, therefore, ask all members to consider supporting Bill 24, an amendment to section 42 of The Power Corporation Act.

SOME HON. MEMBERS: Hear, hear!

MR. R.E. NELSON (Assiniboia-Gravelbourg): — Mr. Speaker, the Minister in charge of SPC tries to compare himself with the Minister in charge of Sask Tel and, I say, Mr. Speaker, there is no comparison not in the way each runs his department. I believe the Minister in charge of Sask Tel has done a very good job of planning as far as the telephone situation is concerned.

SOME HON. MEMBERS: Hear, hear!

MR. NELSON: — I believe the Minister in charge of Sask Power Corporation has done a terrible job. The minister here says it is a very simple amendment, all they are asking for is a very simple half billion dollars. That's a figure they have been dealing with quite a bit of late. I hope the minister before commencing on further projects in this province uses much more common sense than he has used down in the Poplar River project at Coronach. On that project the government has gone ahead on a crash program without considering costs and without considering people. I am sure the projected cost at Poplar River has increased many times over, mostly because of unforeseen circumstances that should have been anticipated had proper studies been done on that project. One wonders if the minister has decided to put the scrubbers on the smoke stacks at Coronach to ensure that citizens of our country and our neighbors to the south will have clean air. He has decided, possibly, to build a fund so that he will have enough money available to pay off the lawsuits when the crops and the cattle are damaged when he dumps the sulphur dioxide into the air that he seems to plan for these people. I hope the minister saves enough money to put that red light on top of the Sask Power building down on the project that he has so long neglected.

Mr. Speaker, the people of Saskatchewan must insist on proper and full feasibility studies that must be undertaken before any further projects in this province are taken on and before they spend more large sums of money on power.

The minister mentioned the cost of natural gas in eastern Canada and he failed to mention because Alberta was the cheapest and we were the second, it was because of the transportation costs of that gas to these particular places. He mentioned that the Regina cost of natural gas was \$1.71 but he failed to tell us that Sask Power Corporation was selling this same amount of gas to Medicine Hat, Alberta, at 16 cents. An increase of half a billion or 50 per cent of the present borrowing amount is a staggering sum of money, Mr. Speaker. Our population has not increased and the rest of us will have to pay those costs.

I would like to further study the minister's remarks, Mr. Speaker, and I beg leave to adjourn debate.

SOME HON. MEMBERS: Hear, hear!

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 34 - **An Act to amend The Property Improvement Grant Act, 1972.**

He said: Mr. Speaker, I rise to read second reading of this bill. The Property Improvement Grant Act was introduced in 1972 to replace the Homeowner Grant which was administered by the former administration. The Homeowner Grant had been a flat amount paid to homeowners, \$70 it was in 1971. At that time also trailer owners, clergy

who lived in manses or rectories and residents of non-profit housing developments were not eligible for that grant.

When this government came to power in 1971 property taxes were rising at alarming rates. The burden of school costs and municipal costs was falling to the property owner and these costs were escalating by leaps and bounds. At that time, Mr. Speaker, hon. members will recall that the New Democratic Party had promised in its new deal for people to relieve the burden of school costs from the property owner. We saw the Property Improvement Grant as a vehicle for doing this. The new grant, therefore, in 1972 agreed to pay to property owners the equivalent of 13 mills, times their assessment, on not only principal residences but on farms and on small business as well.

In 1972, maximum grant levels were set at \$78 for a principal residence, \$130 for a small business and \$195 for farms quite an increase over the old flat \$70. In the first year of operation the program returned \$19 million to the homeowners, the farmers and the small businessmen. At the same time, it is important to get the history here, Mr. Speaker, at the same time as the introduction of the Property Improvement Grant program the government introduced a new schools grant formula. The foundation grant formula which equalized educational opportunity throughout the province. Under the former administration's grants formula budget, budget reviews were arbitrary. Grants were based on the pupil-teacher ratio and the squeaky wheel often got the grease. There was a clear tendency that under that system for better quality programs and services, they became available to the cities and for our small towns and our rural systems, fewer resources were available.

Now, the cost of running a school, hon. members will remember was determined by the number of teachers in relation to the number of pupils . . . the old pupil/teacher ratio. If a system wanted to spend beyond that it had to raise its own funds and often it faced difficulties receiving their grants.

The former system also tied the financial ability of a school system to provide education very closely to the level of property assessment within the system. Higher assessed units could better afford educational programs and services so they got them. Lower assessed units could only get enough money to improve services if they increased mill rates by staggering amounts, so the program level stayed low.

The new formula did away with pupil/teacher ratio. It calculated the recognized cost of funding a basic level of education program in the unit; it calculated the revenue that the unit would obtain from a basic mill rate of 40 mills, called the Computational Mill Rate, and in the cities, 45 mills. The recognized revenue was then subtracted from the recognized cost and the government made up the difference regardless, Mr. Speaker, of how much it was. And under this formula the same basic level of expenditure per pupil was recognized in all schools, urban, rural, north, south, east and west. The same computational mill rate was applied to all assessments in the category, to all assessments in the rural category. There was no differential due to high or low property values. That structure meant that enough funds were guaranteed to every jurisdiction to provide a basic level of quality educational services regardless of the relative wealth or property of the units property assessment. School boards were encouraged to set their own local mill rates at whatever they saw fit. What was guaranteed was that a basic level of quality educational service could be provided with a mill rate of only 40 mills in the country and 45 mills in the urban areas. This was a welcome relief from the earlier tension of having to see the mill rates go higher and higher for a school board to keep

even its head above water.

Now the Property Improvement Grant was then provided to the individual to reduce his portion of the 40 mills or the 45 mills. Property Improvement Grants have always been paid out in the form of payments to the taxpayer rather than straight deductions at the time of paying taxes. And for the benefit of the taxpayer that's the way it should be. As I said before, Mr. Speaker, the Property Improvement Grant in the first year was equivalent to 13 mills on assessment. But in 1973 the grant was increased to the equivalent to 18 mills. The 1973 maximums, Mr. Speaker, were \$144 on homes, \$180 on business, and \$270 on farms. With a substantial increase in direct grants for education in 1973 the provincial school tax rate stabilized at 43 mills. With property improvement grants providing an 18 mill rebate to property owners the average school tax was reduced to 25 mills. So by 1973 that promise of our first term had been fulfilled — to shift the burden of education costs away from the property owner, and had achieved what had seemed in the late '60s and beginning '70s like an impossible dream — a school tax to the individual property owner of only 25 mills.

Mr. Speaker, in 1974 the grant was increased to 20 mills, a maximum of \$160 for homes, \$200 for business, and \$300 for farms. By 1975 the grant had increased to 22 mills — a maximum of \$200 on homes, \$220 on business, and \$330 on farms.

Mr. Speaker, in 1976 this government returned \$43 million to the pockets of Saskatchewan taxpayers through the Property Improvement Grant.

Now, Mr. Speaker, the combination of the new School Grants formula and the Property Improvement Grant has made a strong team. Not only has it given us one of the best and most consistent levels of education in the nation, it has given us one of the lowest levels of educational taxes borne by property owners in this country. Where in 1971, Mr. Speaker, the provincial government was carrying only 47 per cent of school costs in Saskatchewan by 1975 that had risen to 75 per cent; 58 per cent was provided through direct grants and 17 per cent was provided through the Property Improvement Grant.

Now, Mr. Speaker, when we moved from the Home Owner Grant to the Property Improvement Grant program in 1972 we made one other major change. Under the old Home Owner Grant applications had to be filed by the end of the tax year, December 31, in order to qualify for the grant. Our government, Mr. Speaker, felt that this had caused a number of people to miss out on the grant and so in our 1972 legislation we extended the deadline for application by six weeks. Property owners were given until February 15 to file their applications for the previous tax year, and still be eligible for the grant. The February 15 date was chosen as the latest possible date in which it was possible to give property owners an opportunity to apply and still have the cheques processed by the end of the fiscal year, March 31.

Now, the major change in the legislation before us, Mr. Speaker, involves that deadline. The February 15 deadline, even though it is six weeks beyond the end of the tax year still causes a great many people problems. Some individuals are away for the winter. They find it difficult to file. Some find that by the time the paper shuffle is completed between their bank and the mortgage company and the contractors, the application date has passed. Some new residents to the province find themselves ineligible for the grant because they are unaware of the deadline. So, Mr. Speaker, I am pleased to introduce an amendment which deletes from legislation any deadline for application. Under this new bill, an application for Property Improvement Grant will be accepted regardless of

when it is filed. Naturally it will remain in the best interests of the property owner to file early but if he does not do so, he will not thereby disqualify himself. You will note, Mr. Speaker, that the December 31st deadline for paying the taxes remains firm. We believe that this is an important principle, one necessary to the efficient functioning of our local government and one that of necessity must remain in legislation. Mr. Speaker, I know of no other province which returns to their resident homeowners, farmers and small business, as much of their tax levy as this province does. In fact, Mr. Speaker, I do not believe any other province provides any tax rebate for the small businessman. This bill will increase the strength of the program and its availability to our residents. It will mean that as long as the taxes are paid prior to December 31st of any year, an eligible taxpayer will be entitled to his or her property tax rebate. I urge all members to support this legislation. Mr. Speaker, I am pleased that this said bill be now read a second time.

MR. G.H. PENNER (Saskatoon Eastview): — Mr. Speaker, the minister would be well simply to move first reading because it would be so much easier to support some refinements in a bill and in a program that was introduced by our government, by a Liberal government back in the early 1970s. But instead of doing that, the minister makes some statements supposedly to make some kind of political gain that cannot be supported. For example, the minister closed his remarks a few moments ago by saying that no other province in Canada returns so much money to the taxpayers as does the province of Saskatchewan. But he ought to have followed it up, Mr. Speaker, and indicated that no other province in Canada rips off the taxpayers like this government does either. No government in Canada has a higher income tax rate than this province. The level of funding that has come into the provincial treasury, through collection of income taxes alone, in the period from 1972 until now is up 245 per cent. The minister doesn't bother Mr. Speaker, to mention that as a percentage of total budgetary spending - you look at the estimates in 1971, the homeowner grant took up 2.7 per cent of the total expenditures of the government and they have continued to use roughly the same kind of formula in the last years - today it's 2.9 per cent of the total budget that he has used for the homeowner grant. (Interjection) that's correct. The minister never bothered to mention Mr. Minister of Social Services what's happened to the cost of inflation in that period of time. Well, I think the government has to take some large measure of responsibility for that - some large measure of responsibility for that. The minister talks about tax rates, Mr. Speaker, having been kept relatively stable. He doesn't mention that many school boards in Saskatchewan in the last three or four years have mill rate tax increases that have ranged from 37 to 40 to 50 per cent in order to just try to keep a reasonably minimal standard of education available for people in this province. The minister didn't bother to mention, Mr. Speaker, that municipal tax bodies where RMs, urban councils, have had to substantially increase their tax rates in order to maintain some level of minimum programming in those communities. The minister didn't bother to mention that one of the underpinning reasons why he and his department today are involved in looking at revenue sharing is because he knows darn well that the local governments have been choked to death over the years because the only kind of revenue base they've got is that property tax base and that it has gone out of sight.

Mr. Speaker, the minister talked about school spending. The minister didn't bother to mention that in the last couple of years when we had looked at our increased grants in school districts in this province, we'd been hard pressed to have the grant cover the increased cost of teachers' salaries over which we don't have any control at all; that those grants don't even come close to recognizing what has happened to inflationary costs of other supplies that we have to use in operating our districts; that our local taxpayers are picking up entirely on their own and it's no wonder that the school tax

rates in this province have gone out of sight. That they've increased to the point where they too are choking the people who are having to pay the bill.

Mr. Speaker, the minister talks about the fact that this government has done away with pupil-teacher ratios and replaced it with teacher-pupil ratios. Instead of PTR's we get TPR's or RTP's or something. But surely the minister doesn't expect us to believe that when we submit our budgets from school districts in this province, way back in October, when they get those four or five months of scrutiny, that there are people running down there and doing some dividing in terms of the numbers of kids we've got in our schools and what's a reasonable number of teachers. We know for a fact that we can go to regional superintendents and they'll say 'ya' your number of teachers is within one of what I quoted or it's within a half of what I've quoted or it's two over what I calculated. We think maybe you're a little bit rich in that area. It's a myth that the minister should stand there and say that there is no pupil-teacher ratio. Of course there is. Anybody who does any kind of budgetary analysis at the school district level or at the provincial level is looking at the numbers of pupils and the numbers of teachers and what we can afford in light of what has happened in light of what's happened to our costs that have gone out of sight for which we haven't had the kind of support that we ought to have had.

Mr. Speaker, as I said in the first place, if the minister would merely stand up and say: Mr. Speaker, I move first reading of a bill, we can understand that, in terms of the bill that is before us, it refines a good program, a good program that was introduced by a Liberal government, it has been continued by the NDP. In that sense we are not going to have any difficulty supporting the bill but I couldn't allow this to go by, Mr. Speaker, without having some opportunity to comment on some of the remarks that the minister put before the House.

I will have other remarks that I'll want to make, Mr. Speaker, and I accordingly beg leave to adjourn the debate.

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 44 - **An Act to amend The Municipal Employees' Superannuation Act, 1973.**

He said: Mr. Speaker, I rise to move second reading to a bill to amend The Municipal Employees' Superannuation Act. A pension plan, Mr. Speaker, for rural secretary treasurers was established back in the 1930s. In 1951 a plan was established for school unit and school district employees as well as some urban employees. The two plans were brought together in 1956 and in 1959 The Municipal Employees' Superannuation Act was passed. In 1973 that act was repealed and a new Municipal Employees' Superannuation Act was passed providing pensions based on the six highest years of service rather than the amount paid into the plan as had been the case under the old 1959 law. Under the provisions of the 1973 act any municipality, school board or other local government association, even such as the Community College, could ask to have its employees included under The Municipal Employees' Superannuation Act. By 1977 the act had extended to cover employees of the municipal corporation of Uranium City and district, all rural municipalities, villages, towns, school boards, school unit boards, rural telephone companies, regional public libraries, one union hospital up at Wilkie, the Saskatchewan Association of Rural Municipalities, the Saskatchewan Municipal Hail Insurance, Saskatchewan Urban Municipalities Association, telephone companies, community colleges, all cities

except Regina, Yorkton, Moose Jaw, Weyburn and Saskatoon.

You will remember, Mr. Speaker, amendments to this legislation in the spring of 1976 which greatly increased the benefits available to participants of the plan. The 1976 bill, you will recall, guaranteed that the monthly pension payable to rural municipal secretaries would be no less than \$8 for every year of service up to 35 years. That meant that a rural municipal secretary treasurer who retired after a full career of 35 years was guaranteed no less than a \$280 a month pension. Previously to those amendments the most that any superannuated secretary treasurer could be certain of was \$110 and that applied only in cases where the superannuate had reached the maximum years of service. The \$280 per month was an increase of 155 per cent for those with 35 years of service and an even greater percentage increase for those with less than maximum years of service. For example, a secretary who retired in 1967 with 33 years of service would, up to then, have been receiving \$104 per month but under the new amendments the superannuation received \$264 per month, a increase of \$160 per month. A person who retired in 1971 with 34 years of service would previously have been receiving \$145. That was increased, Mr. Speaker, to \$272 per month, a increase of \$127.

Certainly those 1976 increases made a great difference to those who have been struggling to keep up with inflation on low incomes. The new minimum was of special value to those municipal secretaries who retired on small pensions because their salaries were low during their contributory years. As with the Teacher Pension Plan the \$270 minimum applies to provide increases for those already receiving pensions, as well as those who retire in the future.

Our experience, Mr. Speaker, with the same minimum for teachers negotiated as part of the 1974-75 Teacher Collective Bargaining Agreement is that it has meant a great deal to superannuated teachers of Saskatchewan. It provided dollars where they were badly needed and the same was true of the secretary treasurers.

It is interesting, Mr. Speaker, that those 1976 changes arose directly out of representation by the Saskatchewan Association of Rural Municipalities. At their convention in Saskatoon in 1975, a motion was passed proposing the \$8 per month of year of service level of pension. It was proposed that the plan be financed on a fifty/fifty basis by SARM and by the government. It was proposed that each municipality be assessed an annual amount for the contribution to the plan. We were happy then to have accepted the proposal of SARM. It not only brought the pensions of rural secretary treasurers up to that of the teachers but it also put Saskatchewan ahead of any other province in its superannuation benefits for retiring rural municipal secretaries.

The bill now before you, Mr. Speaker, Bill 44, provides a further amendment to the 1973 Municipal Employees' Superannuation Act. The bill incorporates two changes. First, it improves the benefits available to the employees of the former rural telephone companies who have now become employees of Sask Tel under the Rural Assimilation Program. Presently, employees who have less than two years of service with the rural telephone company have no option but to take out their pension contribution when their job has been phased out by the assimilation of the rural telephone company into Sask Tel. This amendment, therefore, is designed to permit the employer to leave his employee and his employer contributions until the normal retirement age has been

reached and therefore ensure that the employer contribution is not lost to the employee.

The second amendment in the bill before you provides that in a case where the employee has died and the pension is being paid for the remaining spouse, the spouse can remarry without giving up the pension. Under the present provisions, if a spouse remarries, he or she automatically forfeits the pension from the Municipal Employees Superannuation Commission. This, Mr. Speaker, is a progressive amendment which allows maximum freedom for the individual while at the same time, ensuring financial security for a remaining spouse. Mr. Speaker, I am pleased to move the said bill be now read a second time.

SOME HON. MEMBERS: Hear, hear!

MR. G.H. PENNER (Saskatoon Eastview): — Mr. Speaker, the proposal in the bill to give some degree of financial security to these individuals and to their spouses is something we can't really argue with. The whole question of superannuation and pension raises the spectre of the larger problem that we have discussed in this House in the past - the question of the unfunded liability that the province has; concerns about increased benefits in pension plans, without increased contributions from employees - I know that the Minister of Revenue - or will be the Minister of Revenue, presently the Minister of Co-operatives has, on a number of occasions expressed concern about the problems that unfunded plans are causing us. I think that that whole topic is worthy of further debate and further discussion and I accordingly beg leave to adjourn the debate.

Debate adjourned.

HON. E.L. COWLEY (Provincial Secretary) moved second reading of Bill No. 2 - **An Act to amend The Cemeteries Act.**

He said: Mr. Speaker, at the conclusion of my remarks I intend to move second reading of this bill. As I sat here this morning I contemplated making some other comments with respect to this bill, Mr. Speaker. I had considered mentioning — this morning we introduced a first reading, a bill to provide for wills and now we are amending The Cemeteries Act to provide for the opposition after the next election. But, I knew Mr. Speaker would say those remarks are specious, so I decided not to say them.

SOME HON. MEMBERS: Hear, hear!

MR. COWLEY: — Mr. Speaker, this bill provides for the Registrar under The Cemeteries Act to be a person designated by the minister . . . (interjection of laughter) . . . Some years ago the Registrar was the Registrar of the Saskatchewan Securities Commission. Subsequently by an amendment to the Act, the Registrar was defined as the Register of Companies. The title of Registrar of Companies has been discontinued under The Business Corporations Act, which will be administered by a person entitled "Director". Furthermore the Insurance Branch of my department has been more involved in the administration of The Cemeteries Act than the Companies Branch. This is because the Insurance Branch has accountants on staff and because accounting skills are required to the examination supervision of the 10 commercial cemetery companies operating in Saskatchewan. The bill enables the minister to designate a person in the Insurance Branch as Registrar and to change that designation in the event the act should be

assigned to another agency or to another person in the same agency.

Mr. Speaker, as you obviously can tell this bill is one just designed to clean up a small problem in the act. I don't think, Mr. Speaker, it will be particularly controversial. I wanted to outline what it was doing so that members wouldn't think there was any particular attempt here to move the cemeteries around or change them in any large measure. The members will know that this act was passed some years ago when there were particular problems with the administrations of various commercial cemeteries. I think for the most part the Department of the Provincial Secretary — I give them full credit — have done a reasonable job in removing some of those problems which individuals and companies found themselves in. Mr. Speaker, I move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. J.G. LANE (Qu'Appelle): — I would just like to say that the Conservative opposition is swayed by the emotional rhetoric of the minister and to his logic. We will be supporting the bill.

MR. G.H. PENNER (Saskatoon Eastview): — I don't know, Mr. Speaker, that I have to agree with the member for Qu'Appelle. It was interesting to us that this bill should come in before there was any knowledge of the Supreme Court decision, Mr. Speaker. That indicated a very difficult problem that the government had, a very irresponsible and a bungling kind of approach to a significant aspect of our Saskatchewan economy and that they should be worrying about their own demise prior to that even coming in. We indicated that that was good thinking on their part.

MR. SPEAKER: — Does the minister have any closing remarks?

Motion agreed to and bill read a second time.

HON. MR. COWLEY moved second reading of Bill No. 3 - **An Act to amend The Guarantee Companies Securities Act.**

He said: Mr. Speaker, at the end of my remarks I intend to move second reading of a bill to amend The Guarantee Companies' Securities Act. This piece of legislation is also really tidying up something that should have been done a long time ago. Under the act at present, a guarantee company licensed under The Saskatchewan Insurance Act is not acceptable for court and certain other purposes unless the company has also been approved by order in council, i.e. by the Cabinet passing an order in council. The purpose of the amendment is to remove the provision calling for approval of the Lieutenant-Governor in Council. The approval was a requirement which was enacted, Mr. Speaker, in 1909 when there was no other protective legislation in effect and, indeed, at that time what happened was that the Cabinet was invariably protecting the public by licensing by order in council, guarantee companies. It wasn't until 1913, Mr. Speaker, four years later, that the first licensing law governing insurance companies was enacted but unfortunately the 1909 requirement was never repealed. Consequently, what happened was that while the enforcing agency was the Provincial Secretary and the provisions with respect to the public were found under The Saskatchewan Insurance Act. Even after all these requirements had been met, Mr. Speaker, it was still necessary for that company in order to carry out certain kinds of business, to go and receive an order in council for Cabinet which, obviously, didn't do anything other than allow them to comply with the law. The bill repeals the approval requirements for

Cabinet and ensures that every company that is qualified and obtains a licence under the Saskatchewan Insurance Act to write bonds and to grant other guarantees may do so for all purposes, including for the purposes of the court and other legal proceedings without having to be approved by order in council.

I think, Mr. Speaker, this is the kind of provision that we find sometimes in our legislation at all levels of government, in all provinces, I am sure, where old requirements for companies and small businesses are left in place, probably by oversight, and just create a lot of extra paper work for people. I think this in no way, in my view, decreases in any measure at all the protection which the people of Saskatchewan have to be assured that people are operating in a fair and forthright manner.

Therefore, Mr. Speaker, I move second reading of this bill.

Motion agreed to and bill read a second time.

MR. COWLEY (Provincial Secretary) moved second reading of Bill No. 39 - **An Act to amend The Municipal Hail Insurance Act, 1968.**

He said: The Municipal Hail Insurance Act, as members will know, covers the operations of the municipal hail insurance plan in this province which is run basically through the various municipal offices and provides hail insurance for farmers in this province.

Last year we had a couple of amendments before the House which provided for or allowed at least, the municipal hail people to proceed with building a new head office building. I was pleased at that time that members on both sides of the House saw fit to support that particular amendment. I am sure that members will also find this amendment to be one which is advantageous both to the municipal hail people but particularly to their customers, the farmers of Saskatchewan.

The purpose of this bill, Mr. Speaker, is to advance the effective date of insurance coverage for fall rye, fall wheat, rape, mustard, flax and sunflowers by about two weeks. The commencement date for the insurance will be, if this legislation is passed, May 15th, instead of June 1st.

Mr. Speaker, in some cases, these kinds of crops have been sufficiently advanced to suffer hail damage before the first day of June and because of the legislation the municipal hail people were unable to make a payment to them even though the damage had occurred to the crop. To meet this problem the Saskatchewan Municipal Hail Insurance Association has asked for this amendment as a means of better serving the people that they are insuring, the farmers of Saskatchewan.

I think all members, in looking this over, will agree with the government that this indeed is an advantageous move and should be followed. Therefore, Mr. Speaker, I move second reading of this bill.

Motion agreed to and bill read a second time.

HON. N. SHILLINGTON (Minister of Government Services) moved second reading of Bill No. 41 - **An Act to amend The Queen's Printer's Act.**

He said: Mr. Speaker, hon. members will recall from the Throne Speech a new department being set up called the Department of Revenue, Supply and Services. Indeed, I think the bill has already been introduced. One of the functions that the new department will carry is a number of functions from the Department of Government Services. We describe them as being in two heads, one was assistance centre, which provides basically computer services and management consultant services. The other section from Government Services which is going to the new department is what we used to describe a central services. In this area was included the Central Vehicle Agency, Queen's Printer and the Purchasing Agency.

In order to accomplish this it is necessary to amend two bills. One is The Queen's Printer's Act, it is a separate act of the legislature, Mr. Speaker, which sets up the office of the Queen's Printer. The Queen's Printer, members will know, is not a printer at all. The Queen's Printer merely farms out the printing to other private printing companies. I suppose more of a publisher than a printer. That act also provides that the Queen's Printer report to the Minister of Government Services. This is now being amended so that the Queen's Printer may report to anyone to whom Cabinet assigns the responsibility and, as I've said, members will know that that will be the Minister of Revenue when the new department is set up.

With that, Mr. Speaker, I move second reading of a bill to amend Bill 41.

MR. E. ANDERSON (Shaunavon): — Mr. Speaker, I am very interested in this Bill 41, And Act to amend The Queen's Printer's Act. It has an interesting, I suppose you would say the precedent that we haven't set here, where we are creating ministries out of bits and pieces of other ministries in our Department of Revenues, Supply and Services. I would imagine with clause (c) which we find in other acts coming in where we can transfer ministerial responsibilities without changing legislation, that we can see before us where we are going to create many little departments where we can transfer bits and pieces over and create our Cabinet posts. The shame of it is it is a waste of taxpayer's money. But I can understand the reasoning with the government before us facing certain defeat in 1979. I can imagine that they would like to create lots of Cabinet posts to build up their pension plans for the members and this seems to be a good way of doing it. As I realize, some of the old hacks over there will probably need a pension. I really can't see that I can fight against this bill out of compassionate reasons, but with reasons of common sense it really seems a sad way to build up a pension for these guys. They are still going to have to do some work and with that I will reserve my comments. I think we have another gentleman who wishes to speak and I wouldn't want to deprive him of that opportunity.

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, I thank my colleague for Shaunavon for not adjourning debate and if I may comment on the Department of Government Services, Mr. Speaker, while we happen to be on it seeing it was introduced by that department, I would like to compliment my neighbor from the Caron district on the superb job that he is doing as the Minister of Government Services in comparison to his predecessor. I would like to illustrate this by one little specific point.

Now last year we had a little bit of snowfall on the Legislative Buildings and they tell me that snowfall is regulated or the removal from the Legislative Buildings is regulated by the Department of Government Services. Well, frankly, it never did get removed last year but fortunately we had a thaw sometime in January and that removed that November snowfall. Now, Mr. Speaker, this year we had a snowfall about eight or nine days ago and Mr. Speaker, I noticed that he had it removed yesterday and I want to compliment him for his . . .

MR. SPEAKER: — Order, order! What is the point of order?

HON. N. SHILLINGTON (Minister of Government Services): — Mr. Speaker, I don't see the relevancy of last year's snowfall in an Act to amend The Queen's Printer. I wonder if it really is germane. I appreciate my friend's compliments, but I am not sure they are germane.

MR. SPEAKER: — I was having some trouble with that myself. I wonder if we can confine ourselves to the principle of the bill which is the principle of removing the Queen's Printer's Act from the jurisdiction of the Minister of Government Services and putting it in the Department of Revenue, Supply and Services when it is created.

MR. THATCHER: — Mr. Speaker, at the request of the minister, I shall become more germane.

Mr. Speaker, as I indicated yesterday, as far as the entire concept of the Department of

Revenue, those of us on this side of the opposition, in this corner of the opposition, we oppose the entire concepts of the Department of Revenue and, therefore, we must oppose this bill. Frankly, I can see no relevancy why a department such as the Queen's Printer's would be removed from the present department in which it is now in and the minister certainly didn't indicate any specific reason why this should be occurring other than to say that he is doing it. I will look forward to the minister, that when this bill does go into committee that you can be just a trifle more specific as to why you are doing it.

Mr. Speaker, on the basis of what I have heard to this point in time from the minister, we will be opposing this bill equally as strongly as we will the entire concept of this new department of revenue which we view as a pension plan for an old, tired-out minister who is sliding towards his just dessert.

Motion agreed to and bill read a second time.

HON. N. SHILLINGTON (Minister of Government Services) moved second reading of Bill 42 - **An Act to amend The Purchasing Act, 1974.**

He said: Everything, Mr. Speaker, that was said with respect to the first bill applies to this one, except, members will know that the purchasing agency is an agency which purchases all personal property for the government, everything from pencils to desks, I guess. It is regulated by a separate statute, by and large to ensure that the purchasing is done honestly and without any patronage and without favor. That's the way it has been done at least in this government.

That Act requires the head of the purchasing agency to report to the Minister of Government Services and again that has to be amended. I might perhaps address myself to the somewhat (without being unkind) to the somewhat spurious of the member for Shaunavon. As I believe the member may recall, we aren't creating any more Cabinet posts. We are simply creating more departments. Perhaps I should address myself to the comments of the member for Thunder Creek. I think perhaps they were a little more serious. But he asked why these functions were being transferred to the Department of Revenue. By and large it occurred as I, and those working with me, tried to do an even better job (the hon. member for Thunder Creek will be pleased to hear) an even better job with the Department of Government Services. One of the things that struck me was that it is a very broad department encompassing a wide variety of utterly separate functions. We are the only government in Canada with a single Department of Government Services. Every other government has two departments - one called Public Works, which handles the building; not only those you own but those you lease, looks after the purchasing, construction, leasing and maintenance of the same. All governments in Canada, except us, have a separate department called - usually Supply and Services, sometimes Government Services, and it deals with the personal property. It struck me, as I had a little more contact with my counterparts from other provinces, that their system made a lot more sense. Our department is just too broad and too shallow for one deputy to handle. That was the rationale behind it. So these functions have been taken out of Government Services and put into Revenue, which has a little more homogeneous type of problem and for the benefit of members. That was why we decided to move these to the Department of Revenue.

Mr. Speaker, I am pleased to move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. W.C. THATCHER (Thunder Creek): — I thank the minister for a little bit more of an explanation than what was on the previous bill. But I'm afraid, like so many other ministers on that side of the House that the logic that he uses makes no sense whatsoever. In fact I might even suggest that it defies the laws of common sense. Because, Mr. Speaker, if you can tell me the logic, or anybody over there can explain the logic to me of removing your purchasing power, the department of Purchasing from your department and putting it into Revenue I will be intrigued to hear it in the committee, because that has got to be about the most screwball, harebrain logic that I've heard this morning and I've heard some dandies.

Mr. Speaker, this particular bill, moving it into revenue — you've got to put purchasing into revenue — that simply doesn't add up. Add it up into any degree of business sense that you want. Now we know from past experience that when it comes to business sense there is a total and a complete vacuum over there. I think we've established that over and over again. But this one has to be a real prize. We're setting up this silly, nonsensical Department of Revenue to begin with, that's bad enough, and then we're going to pass purchasing into revenue. Now think about that for a minute Mr. Minister. I happen to know that you're not as dumb as this logic appears. I mean maybe it's because we're neighbors, but I happen to know that you're not that dumb. Now I would ask the minister to think about it and when you go into committee if you want to withdraw this bill I promise you that you will not be goaded or teased by the opposition in this particular corner.

With those comments Mr. Speaker, we will not support this bill.

HON. A.E. BLAKENEY (Premier): — I was intrigued by the comments of the last speaker. I at one time served as Provincial Treasurer as it then was called and at that time I had responsibility for the functions being performed by the department of Revenue and also had responsibility for those functions which are performed by the Purchasing Agency. It didn't seem to me to be a particularly bad combination. I know this same combination was discharged — this combination of duties was discharged by other provincial treasurers. I think of one who represented the constituency of Morse, the Honorable Ross Thatcher. He discharged the responsibilities of the Department of Revenue and the Purchasing Agency without any apparent transgression of his very keen sense of business and I think it will be equally well done by our government.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to and bill read a second time.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Romanow that Bill No. 23 — **An Act to establish a Unified Family Court of Saskatchewan** be now read a second time.

MR. S.J. CAMERON (Regina South): — I'm sorry that the Attorney General is not here. I wanted to respond to some of his comments that he made yesterday and generally to say that we will be supporting the provisions of this bill. I was sorry yesterday when he spoke in support of it that he had referred to the difficulties as he described them that he had with the Minister of Justice federally in terms of the bill and some of the points that he had made in respect of that.

When I was with the Department of Justice in 1973, at that stage we at the national level were then planning for this kind of family courts across the country and beginning to negotiate with the provinces in respect of them, so that the notion of a unified family court was very much pioneered by the government at the national level.

The Attorney General had referred to the almost contest between the provincial government, his provincial government and the national government as to which level of court ought to have jurisdiction with respect to the matrimonial matters now coming under this legislation. He had indicated that they would have preferred to have the Magistrate's Courts in the province have the jurisdiction instead of the superior courts, the District Court and the Queen's Bench and the Court of Appeal. And the reasons there are very good, several of them. Why you have difficulties in vesting this jurisdiction in the Magistrate's Court, the first is that divorce is a matter that is reserved under the British North America Act to the federal jurisdiction. So the whole area of divorce is constitutionally that of the federal government. Secondly, is is that the courts, the superior courts, the District Court, Queen's Bench and Court of Appeal are again institutions which under our constitution are federal institutions.

The Magistrate's Courts could not as a matter of constitutional law have been given all of the jurisdiction which is necessary to settle all of the questions that come before courts in respect of marital disputes.

The position that we have had thus far and I'm glad to see that this bill will begin the process of remedying in this province some very real difficulties, and that's this, that we have had in this province and indeed all other provinces for some time, a sort of cadillac route to the courts in respect of marital problems, and the 'volkswagon' route . . . one route for the rich and near-rich and one route for the poor or deprived and that was a bad situation. Those who could afford the cadillac route were able to go directly to the Queen's Bench in respect of martial disputes. That court had jurisdiction to grant divorces and annulments so you can seek that remedy in the court. Secondly it had jurisdiction to grant orders with respect to to the disposition of property between the spouses. Those two powers were not vested in any other court. In addition to that the Court of Queen's Bench and the 'Cadillac' route for people who would deal with custody and visiting rights for children, maintenance for children and alimony for spouses and all the questions, the whole bundle of difficulties that arise when marriages break up could be dealt with in the Court of Queen's Bench. It is a very thorough airing and a very thorough testing of all the issues that arise in the Court of Queen's Bench, but it is an expensive route.

Now there was what I referred to as the 'Volkswagon' route for people less wealthy and less able to have access to the Courts of Queen's Bench. You could in many aspects of a marital dispute apply to the Magistrates' Courts level in respect to some of the issues that arose but not all of them, so that poorer people were restricted to going to the Magistrates' Courts where the Magistrates' Court didn't have full jurisdiction to deal with all the problems that arose. For example, it could deal with custody of children; it

could deal with the maintenance for children and maintenance for the wife or husband as the case may be. But the Magistrates' Court could not make a property distribution or settlement between the two spouses so poor people did not have that remedy open to them. Secondly, the Magistrates' Courts when you were applying to them could not bring the marriage to any disposition, it couldn't grant a divorce, it couldn't grant an annulment and indeed, it couldn't even grant a judicial separation which the Court of Queen's Bench could do for the people that were more wealthy and could go to that court. That has been for a long time a clearly unsatisfactory situation, because all of us want equality of opportunity which is a byword in our party - the members opposite I know are interested in equality of opportunity as well - you have to have equality of opportunity in terms of access to the courts, and that, as a matter of fact under our system of law has been denied for some time. I am pleased indeed to see the experiment now getting under way in this province as it has in others, to bring to one court, which is reasonably accessible, all the jurisdiction with respect to family problems.

The act really has to be tested in terms of four criteria:

1. There has to be reasonable access to the courts. In many respects there is not the kind of reasonable access to the courts that there ought to be. This bill in my view goes a long distance towards getting relatively easy access to the courts by people.
2. It should make some effort not only to provide easy access to the court but secondly, some relatively simple procedures, because many of the procedures in the courts are very complex and difficult. Again this bill meets in my view reasonably well that second criterion by which we have to judge it, because it does have a section indicating to the judges that we ought to try to keep the proceedings as informal as possible. I believe the bill meets the second criterion which is to have relatively simple procedures consistent with a quality product in the end.
3. People are able to get into the courts and have these things solved at a minimum expense. Again I think the bill is good and sound in that respect.
4. The bill must provide for the local judges of the Court of who Queen's Bench, are the District Court Judges in this province, who are empowered under this statute to resolve the situation to have comprehensive jurisdiction to permit them to deal with every conceivable dispute that arises; the custody of children, visiting rights, access rights, maintenance for the children, alimony for the spouses, a property distribution and settlement, divorce, annulment or judicial separation, whatever it is. This bill clearly empowers one court to deal with all those problems so that it gives in effect everybody a court that is readily accessible, reasonably simple, at a relatively minimum expense and with a comprehensive jurisdiction. I think the bill meets the criteria very well. As I say I am very pleased to see that we were able at long last, after four years, to have negotiated a situation in Saskatchewan where we will have it.

I want to make one last comment in respect to it and that is, that I had asked the Attorney General some time ago to take the jurisdiction that was give to the Court of Queen's Bench and exclusively to the Court of Queen's Bench in respect to property settlement under The Married Women's Property Act and give the District Court some concurrent jurisdiction there. What was happening is that the applications under The Married Women' Property Act were all going to the Court of Queen's Bench as they had to do under the law. They've become rather cumbersome and the Court of Queen's Bench has been overloaded for some time. I asked that the District Court be given jurisdiction of the same kind that the Queen's Bench Court has. I am glad now to see that the

Attorney General did in fact respond to that suggestion of mine and that this bill does have that kind of concurrent jurisdiction. I am very pleased about that. With those comments, certainly we'll support the bill.

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, since 1973 I have been speaking in this House and elsewhere about the need for this kind of legislation. (Interjection . . .) Yes, 1973, not in the House at that time. I want to address a few remarks to you about it. I suspect that on Monday it will be my third and last speech about the need for a unified family court. I beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Byers that Bill No. 1 - **An Act to amend the Saskatchewan Telecommunications Act** be now read a second time.

MR. D.G. BANDA (Redberry): — Mr. Speaker, yesterday in the debate I was most amazed at the members of the Conservatives standing up in this House and speaking against Bill No. 1, the Act to amend The Saskatchewan Telecommunications Act. Mr. Speaker, the Tories who try to pretend that they are the great defenders of local government and local control have once again shown their true colors in this Legislature. The member for Swift Current (Mr. Ham) and the member for Rosetown-Elrose (Mr. Bailey) say that they will not support a voluntary program for providing much needed underground cable for rural telephone service. Mr. Speaker, providing up-to-date telephone service to some 30,000 subscribers this year and the future requires spending a large sum of money. In order to provide this service and to see that proper maintenance is provided, Sask Tel has established some 27 new sub-district. Twenty-three sub-district buildings were built this year which are located in many small communities in this province like the one in Blaine Lake in my constituency. These centres have a capital investment of approximately \$40,000 each. This provides for regular maintenance service for the area. It provides work for the breadwinners of two families in that community and it provides for growth and support to the town, the school, the churches and recreation centres. Now, Mr. Speaker, those Conservative members over there say that they're against that.

Mr. Speaker, the majority of rural telephone companies were having much difficulty in keeping the maintenance on the rural lines up and they couldn't find experienced line men in many cases, therefore, lines deteriorated and service got poorer. Sask Tel gives them the option to come in and enjoy the services that members for Rosetown and Swift Current have enjoyed all their lives. And these members say that our rural subscribers shouldn't receive that service. They're against the bill that provides funds for Sask Tel to expand and provide facilities for those areas that don't have them.

Mr. Speaker, the members opposite laugh. Maybe they should have read the bill before they decided that they were going to vote against it. Mr. Speaker, once underground cable has been installed it isn't necessary for the lines to remain in place in the fields. This bill makes the necessary changes in the act to allow Sask Tel to take over the easements and the right to keep and maintain the lines until the buried cable is put in and hooked up and after assimilation is agreed upon. The Tories say we're against that happening.

Mr. Speaker, Sask Tel provided grant funding for some 3500 miles of underground cable to rural companies who decided to put their own underground cable in. We as a government, provided under that funding program 50 per cent of the costs - a total of \$1.2 million, Mr. Speaker. Now the member for Rosetown says that those companies should get some kind of a deal to get cheaper rates. In case the members don't know, if it wasn't for Sask Tel and this corporation they would be paying much higher rates than they are now. Mr. Speaker, Sask Tel has expanded rural services to communities all over this province and in the north at a tremendous rate. Mr. Speaker, services have been expanded to the point where over 42.3 million long distance calls have originated from within this province in the last annual report. Phones in service have increased at the rate of over 30,000 a year. We are providing services to the handicapped as well. Construction expenses have increased over \$76.5 million.

Mr. Speaker, with this growth and future demands, there should be no question about raising the borrowing limitation from \$500 million to \$750 million. The member for Swift Current opposite says they are against spending money on service centres, rural assimilation programs which are costing this corporation over \$10 million a year in expenses. Providing switching systems in Prince Albert, for example, cost the corporation over \$2 million and in Regina or Moose Jaw each cost an extra \$2 million. Unserved areas in the program in Saskatchewan completed some 6500 new farm subscribers for the first time at a cost of \$15 million.

Mr. Speaker, new switching offices in the North at Pelican Narrows, Sandy Bay cost money. In addition, the newly extended radio network to Sturgeon Landing and cable to Weyakwin and transmitters to places like La Ronge are all built by Sask Tel. I want the Conservatives opposite to get up in this debate and explain to us and the people of Saskatchewan how they could supply these services as well as meet the future needs and not increase the borrowing limitation. And in the same breath what cheaper rates that they spoke of earlier in the Throne Speech, unless they are suggesting, Mr. Speaker, that those people start to use smoke signals.

Mr. Speaker, I was pleased to be a part of a delegation that met officials from Montana last year that were here to study a rural assimilation program. They were here to try to comprehend how we could give that kind of service to people in rural Saskatchewan. In the State of Montana the rural companies were going broke, were unable to provide maintenance and service. Why? Because the big telephone companies there own and run the major communication lines and therefore where most long distance calls are made and therefore they get all the gravy. In Saskatchewan this doesn't occur. This government and this Crown corporation that those members opposite are so much against treats everyone alike and is prepared to provide the service to all Saskatchewan citizens not just a selected few as the Conservatives are advocating. Mr. Speaker, this bill provides for the continued growth of rural services to Saskatchewan that this government is so well known for and should be applauded for. Mr. Speaker, the Conservatives say by voting against this bill that they don't want, first of all, to allow the transfer of the rural company consents or easements to Sask Tel; they don't want to assure Sask Tel the right to continue and maintain the lines on the land; they don't want to assure the owner of certain rights including the right to have the line moved to accommodate his needs; they also don't want to assure the owner that any easement that may have been registered by a rural company can be discharged by Sask Tel. Mr. Speaker, in other words they are saying that Conservatives are against the rural assimilation program, future expansion of telephone services in this province and there again some voluntary program, Mr. Speaker. I say that the voters will be glad to know of the Conservative stand on this bill and I say, Mr. Speaker, I am pleased to stand

up in support of this bill.

MR. N. LUSNEY (Pelly): — Mr. Speaker, first I would like to make comment and commend the minister on the assimilation program and the manner in which it has been operating since its inception. I must also say it was rather strange to hear the member for Morse speaking in a positive manner towards this program. Although that doesn't happen very often, Mr. Speaker, it was a pleasant change and on this one occasion, I must say, that I will stand with this member, a Liberal member, in support of this program.

SOME HON. MEMBERS: Hear, hear!

MR. LUSNEY: — And that wasn't part of a deal either. However, I am afraid that I cannot say as much for the member for Rosetown-Elrose and from what I have witnessed in the past week or two, one could hardly expect a reasonable or a sensible comment from the members of the Conservative Opposition.

Mr. Speaker, the member for Rosetown-Elrose seemed to think that subscribers in his area or in whatever area should have some type of concession. In other words, what the member for Rosetown is saying or suggesting is that Sask Tel should give a concession to those subscribers in wealthy areas and at the same time discriminate against the people in areas that are less fortunate financially. Mr. Speaker, thought that may be the policy of the Conservative Party that is not the policy of this government.

MR. LUSNEY: — One of the main problems in rural Saskatchewan was the cost of burying cable. The cost of burying the cable, and the wages of a qualified service man made it almost impossible for many rural telephone companies to survive and provide the services to subscribers that was required.

Mr. Speaker, until Sask Tel came in with their assimilation program there were families in the northern part of my constituency that didn't have telephone service. There were a total of some 8,000 potential subscribers in this province at that time who could have benefited or who are benefiting at this time from the assimilation program.

Mr. Speaker, in my area the local telephone company have buried a number of miles of cable and even with the substantial grants that the government has provided this still left a tremendous cost for the rural company to bear and for the subscribers of that company. Personally, myself, I have been paying in way of land taxes and phone rentals in excess of \$300 a year to have that type of service. Since the assimilation program it now costs me about \$60.

SOME HON. MEMBERS: Hear, hear!

MR. LUSNEY: — I think that is quite a discount and if what I have previously paid will help someone in a community that did not have this service to at this time be able to have that kind of service then I think it was worth what it cost me before.

Of course, Mr. Speaker, we know that the member for Rosetown-Elrose, as we have witnessed time and time again, and all members of the Conservative Opposition Party would favor giving concessions to those who can afford to pay and put a heavier burden on those who cannot.

Mr. Speaker, there are many phases to this program, phases that will upgrade and improve communications throughout Saskatchewan and I would urge all members to support the bill so that Sask Tel can provide this kind of service to all the people in the province and not only to areas that have telephone service and cable service at this time but provide it to all the people in the far northern parts because these are the ones who have been lacking this type of service. There are many other things, Mr. Speaker, that I would like to say on this but at this time, Mr. Speaker, I would beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion of Hon. G. MacMurchy that Bill No. 28 - **An Act to amend The Community Capital Fund Act** be now read a second time.

MR. P.P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, I would like to say a few words in addition to the few words that I said yesterday on this bill. It concerns, of course, The Community Capital Fund Act or better known as the CCF program, which I am sure members opposite will find very acceptable on the basis of the CCF or whatever you want to think in terms of this program or a party that operated in this province before I am sure they will think in terms of endearment in that regard.

I wanted to give the member for, I believe, Elrose or Eston, I am just not too sure which constituency he represents right now, a little bit of a history on the program. The program was started in 1974 and will operate for five years to 1979 and it basically gives grants of \$75 per capita and I might add unconditional grants to all urban governments. That would be cities, villages, towns, hamlets, etc., etc., and based on the population of these various centres as taken from Statistics Canada. The reason for the CCF program is that prior to that capita projects in these various centres were sort of a hit and miss affair.

I well remember when the Liberal regime was in power it really depended on, you know, if you bowed the right way you might get a grant, if you said the right thing you might get a grant, if you were able to make a trip to Regina and if you were able to bend the ear of the Minister of Municipal Affairs or the Premier or whoever. And I well remember that prior to the election of 1975 certain areas were picked out, areas in the province where they literally tried to buy the voters by giving out . . . well, you see fellows, I'm really four years ahead of myself and I want to go down in the record as saying prior to 1971 . . . when you are four years ahead of yourself what can you expect? Prior to 1971 I do recall that the Liberal regime of that day picked out certain communities and simply said that we will give you a grant of so many dollars - \$25,000; \$100,000 and they picked out areas where they thought they might be in trouble. I might even point out that Allan, the place I was residing in at that time, was a typical example. They thought they could buy the people of Allan off by promising them a \$125,000 grant for capital construction but the people of Allan were not deceived.

Now I want to tell all members in this House that so far, up to November, \$42.5 million has been spent or committed to this program. It leaves another \$6 million which is available to help out the urban municipalities of this province.

The reason for asking for an extra \$1.5 million is for the tremendous increase in population that we have experienced in this province, particularly since 1971. You are

all aware of the fact that in 1971 we had a population of barely over 900,000 people just slightly over that and with good government operating in this province we have now upped that figure to approximately 950,000 people. I have no doubt that in a few short years, with good New Democratic government, we will reach the one million figure. So I certainly support this bill and I am sure that all members on this side and all good thinking members opposite will do the same.

SOME HON. MEMBERS: Hear, hear!

MR. J.L. SKOBERG (Moose Jaw North): — Mr. Speaker, taking part very briefly in the discussion on the debate on The Community Capital Fund Act, Bill 28, I think it may be advisable to refer to some of the remarks that were made yesterday or the day before in regard to the revenue sharing. I think there was some discussion dealing with the debate on the Community Capital Fund that there is some concern being expressed that revenue sharing may be effected in some way insofar as this grant is concerned and this Capital Fund Act is concerned.

I think if we look at the revenue sharing discussions to date we find that in that particular question there were two main goals that were to be brought about, of course, that was to increase the local autonomy of the municipalities and to provide an income which was indexed to economic changes. It was then the concern on the part of those opposite, Mr. Speaker, as to this Community Capital Fund being thrown into revenue sharing. I believe it has been fairly well brought out and clarified by the minister that the Community Capital Fund will not, in fact be a part of the revenue sharing proposition that is now before the municipalities and before the department.

Mr. Speaker, we realize that while the municipal governments have relied on a single tax and that is the property assessment, as a basis for local finance, it was found that this single tax base was not in itself enough to finance many of the capital works of individual municipalities. As we look at the Community Capital Fund and the proposal before us to increase it \$1.5 million we find that the municipalities themselves have more than made adequate use of this particular capital fund up to this present time. That is one of the reasons, Mr. Speaker, that this government is pursuing the goal of continuing on with this Community Capital Fund and also, of course, looking at the situation as to a new method of revenue sharing because the demands of the municipality are such that they must have additional grants of some description to meet those capital projects that they are involved in.

At the present time the provincial grants to all forms of local government exceed one-half billion dollars, which was brought out again the other day, about one-third of the provincial budget. Of this one-half billion dollars about \$24 million is paid to urban municipalities towards their current operating costs and a further \$19 million is paid in conditional grants for capital costs and a further unconditional grant is provided through the Community Capital Fund.

It should also be noted, Mr. Speaker, that an unconditional grant of \$10 per resident was instituted in 1974 and that grant now stands at \$22, an unconditional grant to each urban resident in the municipalities. A major capital grant of \$15 per resident each year for five years began in 1974. Of course, we are all well aware of the fact that there are other grants for police, the libraries, the community colleges and other special purpose grants are now being provided.

I think at this time, Mr. Speaker, it may be of interest to look at some of the individual

municipalities. I will, of course, use my own municipality of Moose Jaw, the city of Moose Jaw just to see exactly some of the grants that these municipalities receive. I might also mention that a short while ago the editor of the Moose Jaw Times Herald indicated in an editorial that Moose Jaw really wasn't receiving much of a share of provincial funds or provincial consideration. I think probably that editor, if he or she were to look at some of the facts that are available, then he or she would find out that the sum of \$2,443,575 from the Community Capital Fund alone has been allocated to Moose Jaw from 1974 to the present date.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — If we look at some of the areas I am sure that everyone here in this Legislative Assembly could refer to their own municipality and find out just exactly what has been contributed from the Community Capital Fund project. In Moose Jaw alone we can see such things as street lighting, over \$18,000; resurfacing and paving of streets over \$36,000; local improvement programs which are a necessity in every municipality and Moose Jaw alone in that term - \$113,792; land fills which I am sure all of us are concerned about in this day of pollution is over \$45,000; service centre programs for agriculture - \$213,000 plus; repairs to the various cemeteries and we have heard the bill introduced to day on a certain thing to do with cemeteries, over \$15,000; reconstruction of some outdoor rinks another \$16,800; upgrading street lights, another \$26,000; resurfacing paved streets, \$57,000; service agreements for agricultural division once again, another \$31,000; again, another local improvement in 1975 for \$120,000. We go down into the upgrading, again of street lights another \$18,000; another indoor ice arena, which was recently completed; another \$90,000 from the Community Capital Fund project; sewage lagoons modification and reconstruction another \$67,000 plus; another local improvement in 1976 of \$160,000; extension of the service complex in the city of Moose Jaw, \$174,000 for that alone. Again in 1977 we have street lighting for \$24,000; resurfacing paved roads in 1977, \$46,948; local improvements, Mr. Speaker, in 1977 alone stood at \$205,000. Against the South Hill Water Reservoir \$559,000 provided under the Community Capital Fund project.

Mr. Speaker, we could go on and on with the various grants that have been provided and every municipality, I am sure, in the province of Saskatchewan are more than pleased with the program that has been instituted in and carried out to the fullest capabilities and to the great advantage of every municipality in this province of ours. There is no question at all that The Community Capital Fund Act and the Community Capital Fund that has been in existence is something that has been accepted and has been more than appreciated by those people in the municipalities that are directly involved in financing.

Mr. Speaker, I am sure that there are other points that could be made. I would like to do a little exploring on some of the additional funds that have been provided. With that I would beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 12:30 o'clock p.m.