

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Eighteenth Legislature**

**January 4, 1978**

The Assembly met at 2:00 p.m.

On the Orders of the Day

**QUESTIONS**

**Fiscal Year Estimates — Department of Health**

**Mr. E.C. Malone (Regina Lakeview):** — A question to the Minister of Health — in his absence, a question to the Minister of Finance. Mr. Minister, I was doing some research on the Department of Health estimates recently and I note that according to the estimates of March 31, 1977, the sum of approximately \$337,000,000 was allotted for this fiscal year for the Department of Health. I wonder if the minister could tell me at this time whether the department is on budget or whether we can expect perhaps a substantial supplementary estimate coming in in March of this year.

**Hon. W.E. Smishek (Minister of Finance):** — Mr. Speaker, I am not sure . . . is the hon. member asking about the current fiscal year for the year 1977-78? Well, I don't know where you were looking but if my memory serves me right the figure is not \$337,000,000. It is something like \$403,000,000 in the Department of Health for the current fiscal year and like most departments, the Department of Health, as we are making the reading at the present time is very much on budget.

**Mr. Malone:** — A supplementary question then, Mr. Speaker. In view of that answer of \$403,000,000, a charge of about \$403 per person in Saskatchewan or about \$1,600 for a family of four, I wonder if the minister can justify or tell me how the government justifies sending out this pamphlet with medicare cards saying in Saskatchewan that the cost of medicare is in effect, free, and that there is no charge to the taxpayers of Saskatchewan, when in effect, there is a charge of approximately \$403 per person in Saskatchewan, and whether or not the minister would agree with me that this particular pamphlet is just blatant political propaganda.

**Some Hon. Members:** — Hear, hear!

**Mr. Smishek:** — Mr. Speaker, I think it is important that the government inform the public about programs that are in effect, particularly programs that some of the opposition members have been attacking, saying that things like the Drug Plan is a frill, things that the Conservatives have been saying, that we've got filthy hospitals. Mr. Speaker, we are very proud of the health programs in the province of Saskatchewan and we think the people are very proud of the programs. At times it is important to remind the people of the benefits that they are getting from their tax supported programs from the money that is derived from resources from other taxation to ensure that Saskatchewan has the highest standard of health care on the North American continent.

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order!

### **Legislation re: Poplar River Power Development**

**Mr. R.A. Larter (Estevan):** — Mr. Speaker, a question to the minister in charge of SPC. It has come to our attention, Mr. Minister, that the state of Montana is in the process of passing a bill that if proceeded with through the proper channels, will attempt to force the Saskatchewan government into installing scrubbers for pollution control at the Poplar River power development. Would the minister assure the people of this province that all attempts in total communication with the Montana government will take place, and that any such bill will not force an expense if unnecessary of some \$60,000,000 on the people of this province?

**Hon. J.R. Messer:** — Well, Mr. Speaker, let me say that we have undertaken to communicate with the state of Montana and the United States government whenever possible in relation to the installation that is under way at Coronach. I know nothing of the legislation that the member alludes to. I don't believe that any legislation passed in the state of Montana can in any way force the province of Saskatchewan to install scrubbers. I think that we can recognize from their actions that they are certainly concerned in relation to the pollution that may emanate from the installation at Coronach, but I want to say again to this House as I have said in the past, Mr. Speaker, that our level of pollution control in Coronach is now superior to the state of Montana and I would suggest that if the member would address his questions, not to this government but to the state of Montana to bring their pollution control measures up to something that is closer to the province of Saskatchewan, then they may be doing more in contributing to the solution of their problem.

**Mr. Larter:** — Supplementary, Mr. Speaker. I agree with the minister and I believe our standards are higher and I believe that we only have to conform with IJC and Saskatchewan pollution standards. This I agree on, and I accept that, but these are good neighbours and do you not feel that a complete job, a good all-out PR job is necessary and very imperative at this time?

**Mr. Messer:** — Well, Mr. Speaker, we have done everything possible and we will continue to do everything possible in co-operating and/or trying to inform the state of Montana and the United States government in regard to the installation at Coronach and our rights as Saskatchewan and as Canadians.

**Mr. Larter:** — Final supplementary, Mr. Speaker.

**Mr. Speaker:** — I will take a new question.

### **Billing for Cottage Owners Power Rates**

**Mr. R.E. Nelson (Assiniboia-Gravelbourg):** — A question to the minister in charge of Sask Power Corporation. In a letter of December 1, 1977 the Sask Power Corporation informed cottage owners of a change in the policy from an annual billing to a quarterly billing. The reason given for the change was that the annual billing had not been entirely satisfactory to many of the customers. The letter went on to say that the recent survey of customer opinion indicated a wide acceptance of the change. I am a cottage owner myself and I have talked to several resort members and have yet to find anyone that is unhappy with the old policy, or anyone that was surveyed regarding the new policy.

Could the minister tell us how many owners were contacted regarding the

dissatisfaction of the annual billing and if we could just get a little quiet from the member for the far North there we could go on with the question. Could the member tell us how many owners were contacted regarding the dissatisfaction of the annual billing and how many customers were contacted in the recent survey indicating the wide acceptance of the quarterly billing?

**Mr. Messer:** — Mr. Speaker, I believe the member was more involved in giving a speech than he was in asking the question. I heard the members in the Liberal caucus to your left encouraging him and I would remind them to take a look at the rules in relation to the Question Period here if they wish to continue. However, Mr. Speaker, let me begin by reminding the member for Assiniboia-Gravelbourg that the question was asked some month or five weeks ago by the member for Rosetown-Elrose (Mr. Bailey) and if he would take the time to go through the debates and proceedings he would, I think, find substantially what he is now asking six weeks late.

Mr. Speaker, let me further say that he hasn't found, at least as far as his investigations go, any consumer of power (cottage consumer of power) that was unhappy with the former billing and I suggest to him that that is not unusual because the cottage owner was only paying a bill once yearly. As I explained when the member for Rosetown-Elrose asked the question, over the last few years, members or cottage owners have been undertaking to not only insulate their cottages but install electric heat in those cottages so that they can use them during the winter months, which was something that was uncommon . . . well, Mr. Speaker, it is difficult to answer the question unless I am going to be able to give him the facts. They don't like the facts so they don't want the question answered.

Mr. Speaker, let me complete my answer by saying that in recent years cottage owners have been using their cottages in the winter, thereby consuming much greater amounts of electricity and rather than give them (I guess in fact a free ride) with the bill only once yearly, we believe it is legitimate to bill them quarterly and the district operators in the province of Saskatchewan undertook a survey to inquire as to what the response of the cottage owners would be if such a quarterly billing was introduced and they have conveyed to the corporation that it is acceptable.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — Short supplementary. Is it not a fact that this quarterly billing is nothing more than a prepayment of power bills that will cause customers extra work and will the minister not reconsider changing the policy to give the customers the option of paying either way?

**Mr. Messer:** — Mr. Speaker, the cottage owners in the province of Saskatchewan probably get a better deal for electrical power than cottage owners anywhere else in Canada. I have received, Mr. Speaker, not one, not one complaint from a cottage owner and to the best of my knowledge there has been no complaint directed to Saskatchewan Power Corporation in relation to the change. I ask the member for Assiniboia (Mr. Nelson) to pay attention to what he is elected to do rather than bringing up simply matters that are not relevant to this legislature and to the corporation.

**Some Hon. Members:** — Hear, hear!

### **Increase in Capital Expenditures**

**Mr. R.H. Bailey (Rosetown-Elrose):** — Mr. Speaker, a question to the Premier of the province. Mr. Premier, you indicated at your press conference a few days ago that in this year 1978 that your government will be looking at some capital expenditures and I believe you mentioned some increase needed in highway construction. My question to the Premier is this, have you considered in this plan of the government to increase capital expenditures in the province, does your plan go beyond the increasing of certain government services that now exist? In other words, are you looking at some capital expenditures in the private field as well as government services?

**Hon. A.E. Blakeney (Premier):** — Mr. Speaker, we are looking at anything we can do as a government, properly do, in order to encourage economic activity and particularly capital construction activity to come on stream in 1978, because we anticipate the economic conditions that Canada is now suffering may affect our province and accordingly we would like to do what we can to stimulate employment.

**Mr. Bailey:** — Supplementary question, Mr. Speaker. Would the Premier not agree that if they have not reached any decisions as yet as to what these particular projects might be, would the Premier not consider and have his government agree that at this particular time the capital that would stimulate and generate the most benefit that this government should be giving some consideration to looking at some government capital into the private sector. Another part to that as well would be some consideration to local government boards such as school boards to lessen the burden of the taxpayers of Saskatchewan so that they can expect the same services without an escalating mill rate.

**Mr. Blakeney:** — Mr. Speaker, the member raises two very different subjects, the question of controlling mill rates and I think additional payments to school boards wouldn't — on capital account — wouldn't necessarily stimulate very much construction since there is not a great deal of school construction which has back up in any real sense of the word. Our school plant is in pretty good shape throughout the province.

I do, however, agree with his first point that we can find considerable stimulus to the economy by encouraging the private sector or entering into joint ventures with them. We are pursuing this possibility particularly in the field of heavy oil and we would hope, I say no more than that, that the year 1978 would see an announcement and perhaps more than an announcement with respect to a major heavy oil project. We are optimistic and we hope that in other areas, akin to heavy oil, we will be able to see a stimulated economy which would very much involve the private sector.

**Mr. Bailey:** — A further supplementary, Mr. Speaker. Would the minister not agree that whatever the figure may be that each day the people of Saskatchewan are losing under the present situation with Bill 47 not being in place, it has been estimated, and I am not going to repeat the amount because no doubt the government has more information as to what that daily amount is than amount is than myself, but would the Premier not agree that by the present time and by not having some legislation in place that the amount of money which the government is losing will in fact affect the amount of capital expenditures which go out not only to the oil industry but whatever capital expenditures are available to go to the private sector as well?

**Mr. Blakeney:** — Mr. Speaker, I agree with the hon. member. There is no doubt that the absence of legislation is affecting the cash flow. People are not paying who would be liable to pay under Bill 47. Because of the nature of Bill 47 it may be (and we of course expect that this money will be recovered) there may not be any substantial loss

in the long run. However, there may be some interest loss because of the fact that money was paid later than otherwise would have been the case. But there may not be any significant loss. However, there, in fact, is a diminution in the cash flow and I would have to agree with the hon. member that this may affect our planning with respect to capital projects and accordingly may affect our ability to stimulate the economy by giving, let us say, loans out of the Energy and Resource Fund to a heavy oil project or the like.

**Mr. MacDonald:** — Mr. Speaker, supplementary. Is the Premier trying to suggest to this House that he is going to take money out of the Energy and Resource Fund for highway construction and school construction and he knows as well as I do, that kind of a statement is nonsense and he is only using the Conservatives and NDP once again to try to speed up the passage of Bill 47.

**Mr. Blakeney:** — Mr. Speaker, I thought I made clear in answering the last question that the blockage of Bill 47 will reduce the amount of money in the Energy and Resource Development Fund in the next short period and maybe for a longer period, will reduce our ability, for example, to provide funds to a heavy project. There can be no denying that. I acknowledge that there may not be any significant amount of school construction or indeed any school construction paid out of the Energy and Resource Development Fund, but we look to the resource sector and capital construction in the resource sector to be a main thrust in developing jobs in the next 18 months or so.

**Mr. MacDonald:** — When are they coming on stream, tomorrow?

**Mr. Blakeney:** — the hon. member asks when they are coming on stream. I acknowledge fully that if this bill is passed and if we are busy collecting our money in the next short period of time we will not have suffered any permanent loss. If, however, there continue to be long delays then the possibility of loss remains.

### **Deterioration of Research Facilities**

**Mr. J. Wiebe (Morse):** — A brief question to the Minister of Agriculture. The Dean of Agriculture at the University of Saskatchewan, on Tuesday, voiced some concern regarding (and real concern) the drastic deterioration of research facilities and dollars in the province of Saskatchewan. As well, the Saskatchewan Federation of Agriculture has also voiced their concern in regard to this deterioration. Using stronger terms other members have stated that scientific research and this cheapskate attitude bodes ill for the future. As well, Saskatchewan has now dropped from ranking as the number one province in Canada in terms of agricultural research down to fifth position. Is it the position of your department and your government to allow this deterioration to continue, or is it your intention to use the suggestions which I have made over the past number of years and also the concerns that have been expressed by the Dean at the university and SFA that it is about time that this province got agricultural research back into the forefront in Canada instead of in the back?

**Hon. E. Kaeding (Minister of Agriculture):** — Mr. Speaker, I don't have the exact figures of the kinds of dollars that have been put into research in this province in the last year. I don't have those in front of me. I know very well that the number of dollars that have gone into research at the university in 1976-77 were far and beyond what went into research in the years 1970-71. We certainly have not neglected the area of research. We are aware of the problem at the university and the desire on the part of farm organizations to have further research done in the province of Saskatchewan and

we are very aware of that. We are taking cognizance of that in our discussions with the university and farm organizations and we are trying to develop a better research program.

**Mr. Wiebe:** — A supplementary question, Mr. Speaker. Saskatchewan ranked as number two in the Dominion of Canada back in 1970-71 and has now dropped from number two position to number five position, certainly in dollar terms because of inflation. Possibly the same amount of dollars are being put in but those same dollars are not purchasing the same amount of research today. Our entire livelihood depends on agriculture in this province and if we are to grow and expand more dollars are needed. Is it your government's intention to drastically reserve or reverse that deterioration in the coming budget that will be brought down in the spring?

**Mr. Kaeding:** — Mr. Speaker, first of all I would like to point out to the member that some of the, in fact a substantial amount of the dollars which are lacking in research in the province of Saskatchewan are federal dollars. The federal government has in the last couple of years failed to keep up their end of the research capacity. We are in some way attempting to make up for that. We are, I can assure you, looking very seriously at the matter of research and the decision made by the government will be known in due course.

**Mr. Wiebe:** — Supplementary. Mr. Speaker, does the minister then have records that show that the federal Department of Agriculture is putting more dollars into the other four provinces of Canada that rank above us than what he is putting into the province of Saskatchewan, if in fact the fault lies with the federal government and not the five provinces?

**Mr. Kaeding:** — Mr. Speaker, I don't think I could give you those kinds of quotations.

**Mr. L.W. Birkbeck (Moosomin):** — Mr. Speaker, a supplementary question to the Minister of Agriculture. He has suggested that it is not the provincial government's fault. It is the federal government's fault and that's a — well I won't get into it — that's a common story. I want to ask him more specifically, are you aware that the Saskatchewan Research Council has not sufficient funds to do research on wind generating plants for on farm use in light of the rising costs of electrical requirements on the farms?

**Mr. Kaeding:** — Mr. Speaker, that question should be more properly directed to the Minister of Industry and Commerce, the research section is under his — that particular area is under his jurisdiction.

#### **Revenue Sharing Scheme — Municipal Governments**

**Mr. G.N. Wipf (Prince Albert-Duck Lake):** — Mr. Speaker, a question to the Minister of Municipal Affairs or the Minister of Northern Saskatchewan, they may both have to answer this. Over the past some of the ministers of Municipal Affairs have met with many of the municipal governments in the province to discuss and explain the revenue sharing scheme that the province is introducing. Can the minister tell this Assembly if the municipalities in the north half of the province will have the same opportunity or the same rules and regulations for revenue sharing as those municipalities in the rest of the province?

**Hon. G. MacMurchy (Minister of Municipal Affairs):** — Well, Mr. Speaker, I would

assume that the municipal governments in northern Saskatchewan and I can think of Uranium City, I can think of Creighton, that come to my mind. I don't know whether there are any others — La Ronge — La Ronge is a third one which would qualify under the revenue sharing program just as an urban municipal would in the southern part of the province, for instance, Prince Albert or Duck Lake.

**Mr. Wipf:** — Supplementary question. Mr. Minister, you named the settlement areas of the North. What about the rest of the areas? Maybe they come under the northern municipal council or there must be municipalities or divisions. Do they have the same opportunity as the people in the South or is there going to be a different set of rules for the North and a separate set for the South?

**Hon. G.R. Bowerman (Minister of Northern Saskatchewan):** — Mr. Speaker, the original question involved whether or not the same basic rules would apply and we are attempting in the Department of Northern Saskatchewan to develop a revenue sharing program but not necessarily the same basic rules will apply. Maybe all the rules that apply in the South may well apply in the North but there may be added, the northern factor or factors related to the northern problems associated with transportation and so on, so that it could not be considered an identical program although we are certainly considering revenue-sharing as a concept and a principle.

#### **Outside Legal Advice re: — Bill 47**

**Mr. Malone:** — A question to the Premier, Mr. Speaker. According to a news report today, Mr. Speaker, the Premier indicated that he had received some outside legal advice in connection with the validity and constitutionality of Bill 47. In view of the Attorney General's record I think this is a good move. I'm wondering if the premier is prepared to indicate to us who he sought the advice from, whether he is prepared to table any opinions that were given and just whether this advice came from lawyers in Saskatchewan or outside of this province.

**Mr. Blakeney:** — Mr. Speaker, I don't know whether we will seek advice from two or three members of the same firm so as to get two or three conflicting opinions, and certainly one was likely to be right. That is the technique used by the hon. members opposite when they were in opposition and sure enough one of them proved to be right. The other three or four were wrong.

With respect to the specific question. Yes, we have received legal opinions from some others; other people outside the government of Saskatchewan. I think that the question might better be asked in the Committee of the Whole — a question on the order paper as the hon. member wishes. I did not receive the opinions. I don't know on what basis they were received, whether or not comments were sent out in the letters of opinion which would suggest that they should be kept confidential. At any rate the Attorney General . . . to my personal knowledge, I know that the Attorney General sought these and I am sure that he would be prepared to answer those questions in the Committee of the Whole.

**Mr. Malone:** — Mr. Speaker, either to the Premier or the Attorney General. Firstly, are you prepared to table the opinions in Committee of the Whole or at this time? Secondly, in obtaining this advice from the outside legal agencies, were these lawyers or law firms or whatever advised as to what the tax rate or tax rates or projected rates were going to be under Bill 47 and enable them to properly give the opinion that was sought by your government?

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**Mr. Blakeney:** — Mr. Speaker, so far as I know, the answer is no, and I would frankly be surprised if the constitutionality of a tax bill depended upon the tax rates thereunder, and I would be surprised if any court in Canada decided that the constitutionality of a bill depended upon whether or not that court felt that the rate of tax was appropriate. I think that is not the role which the courts perform in our constitutional system and I doubt whether any court in Canada would be found taking that position.



**Mr. Malone:** — A final supplementary, Mr. Speaker. Since, in view of your answer, Mr. Premier, that the tax rates really don't matter as far as the constitutionality is concerned in your view, are you then prepared to give us some indication in Committee of the Whole, what these rates or rate will be when we move into the consideration of Bill 47 either later today or tomorrow?

**Mr. Blakeney:** — Mr. Speaker, the fact are that the — both the form of the regulations and the rates which they will contain are the subject of discussions between the industry and the Department of Mineral Resources, and I do not know whether those rates will be available to be disclosed during the committee consideration of the bill.

### **Consideration of Meeting with Montana State Officials**

**Mr. Larter:** — Mr. Speaker, a question to the Premier. Would the Premier consider a meeting at this time on a Cabinet level, eyeball to eyeball, with the Governor of Montana and state representatives and state senators, regarding finding out once and for all this business of confrontation between our governments on what is right and what is wrong with the Poplar River development?

**Mr. Blakeney:** — Mr. Speaker, the hon. member has a different view of how Canada should conduct its external relations than I do. I simply do not believe that provincial governments and the Premiers and leaders of provincial governments are acting appropriately if they go outside this country, sit down with governmental officials outside this country, and attempt, as the member says, to solve the difficulties. This is the role of the Department of External Affairs. We are perfectly willing to facilitate that. I have been on many, many occasions discussing with the people of other countries what our situation should be vis-à-vis a particular problem, but I think I can think of no occasion when I did not have a representative of the Department of External Affairs with me. I believe that that's the way to do it and I have every confidence that the Department of External Affairs is dealing with the matter through the appropriate channels of the US government and I do not think that it is appropriate for us to sit down, as the hon. member says, with the officials of the state of Montana and iron out a problem which ultimately must be solved (if solved at all) by the government in Washington and the government at Ottawa.

**Some Hon. Members:** — Hear, hear!

### **Heavy Oil Plant at Lloydminster**

**Mr. MacDonald:** — I would like to direct a question to the Minister of Mineral Resources. I wonder if the Minister of Mineral Resources could indicate how close the government of Saskatchewan is to signing an agreement for the development of a heavy oil plant in the Lloydminster area and also indicate what advance time for construction is required after the signing of that agreement? Is it a year or 18 months?

Could he also tell me if there is any other resource industry that is about to come on stream in the next day or month or week of major construction in the province of Saskatchewan?

**Mr. Messer:** — Well, Mr. Speaker, I do not have any major resources to announce within the next day, or to my knowledge the next couple of weeks. However, people are

always optimistic in Saskatchewan to announcements because they come quite regularly, of that nature.

I cannot convey to him how long the building time would be for an upgrading facility. There are several proposals in regard to the kind of upgrading facility which may in fact be constructed and it would depend on which process was agreed to and the amount of time that would be required for the construction. The processes, as they differ, require different construction times. The negotiations, I believe, are proceeding quite well. As the member knows, the negotiations are not only between the government of Saskatchewan and Husky Oil, but also the province of Alberta, as well as the federal government and to a lesser degree some other private oil companies.

## INTRODUCTION OF GUESTS

**Mr. R.N. Nelson (Yorkton):** — Mr. Speaker, before the orders of the day, I would like to beg the indulgence of the House to interrupt matters to introduce a group of air cadets from Yorkton. It is a group of 30 fine young men and women who are here visiting the legislature and visiting Regina. I believe they have had tours of places like the RCMP Barracks and the Museum of Natural History and they are going to spend some time here with us watching proceeds. So I hope the members opposite behave accordingly.

I would like to meet with them later to discuss matters that are going on here and I know that everyone here will join me in wishing them a very interesting stay here and a safe journey home.

**Hon. Members:** — Hear, hear!

## ADJOURNED DEBATES

### Second Readings

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. MacMurchy that Bill No 50 **An Act to provide for the Postponement of the Tabling of Certain Documents** be now read a second time.

**Hon. G. Snyder (Minister of Labour):** — Well, Mr. Speaker, just to refresh the memories of all members of the House, it will be remembered that Bill 50 is a motion calling for the postponing of the tabling of certain documents because of the advent of the fall session of the legislature. I really hadn't intended to speak on this motion but I found myself on my feet when the clock ran out at 5:00 o'clock prior to Christmas, but I did believe that a few remarks needed to be passed because of what I have seen to be an extremely unfair and I think an unreasonable approach by members opposite.

It should be noted again, Mr. Speaker, that the members of the House (the members opposite) supported this motion when necessity required on previous years and they now find some obscure reason for voting against the motion and they sense some kind of sinister objectives, some kind of sinister motive in the postponement of the tabling of documents.

Mr. Speaker, it has been said that consistency is the hobgoblin of small minds and, of course, inconsistency and opposition tactics of this nature aren't a new phenomena in this House at all. Inconsistency seems to be the byword that is familiar to members

opposite. For example, only a few weeks ago, Mr. Speaker, members of this House indicated that they supported the formation of the new Department of Revenue and then when the legislation appeared they found some reason to vote against the measure which they regarded as a good and legitimate move by the government only a few weeks earlier. Members opposite understood the reason for the necessity for the postponement of tabling of documents when they voted for it during the last session and the previous one, but now in December of 1977 and January of 1978 the reason seems to escape them.

It should be remembered, Mr. Speaker, that the fall session of the legislature has been devised particularly and for the express purpose of accommodating opposition members in the legislature. It provides the opportunity, Mr. Speaker, to dispose of the Throne Speech, to introduce a large number of pieces of legislation, to allow the opposition an opportunity to devour these bills and dissect them and properly prepare for debate. In effect, Mr. Speaker, it is an opposition session. I recall only too well that period of time from 1964 to 1971, as a member of the opposition, when we sat mornings and afternoons and evenings and we were buried with legislation without sufficient time, I think, to do our jobs properly. Now the opposition at that time had a skeleton staff, virtually. Mr. Speaker, we had much less in the way of financial resources than members opposite have today and we had very limited research capabilities.

Now when we assumed office in 1971 this matter was pretty fresh in our minds and the fall session, we thought, provided a more civilized and a more orderly way of conducting the business of this House. Obviously that idea, or that proposition, is not acknowledged, nor is it appreciated by the members opposite.

For my part, the next time some discussion is raised internally within the government in caucus or in Cabinet, I will be expressing the view that the fall session be dispensed with and that we return to the mid-February opening when we sit long and torturous hours without giving members the opportunity to perhaps do the job that they would like to do.

The legislative session, as I said, is largely an opposition session. Used properly it is to the advantage of the opposition, except for recent events perhaps where we have seen the Tory creatures opposite clumsily fouling their nest at every turn.

If members opposite don't recognize the advantage of the November session, Mr. Speaker, then I believe we should revert to the old custom, table documents as prescribed by rule, allow the opposition to be buried in a mountain of legislation and a mountain of annual reports and sit for two or three months without any kind of break.

I will be supporting this bill, Bill 50 which is, I think, a rather routine and a rather trivial bill because I believe it is a necessity that should be acknowledged by members opposite and I hope that they will change their way and reverse what I believe to be a most unfair and a most unco-operative attitude with respect to what I think is an extremely routine matter.

Motion agreed to and bill read a second time.

## **COMMITTEE OF THE WHOLE**

### **Bill No. 40 — An Act to establish the Department of Revenue, Supply and Services**

## Item 1

**Mr. G.H. Penner (Saskatoon Eastview):** — Mr. Chairman, we have a series of questions which we would like to direct to the minister with respect to this bill. Before I get at the questions there are a few general comments that I would like to make reiterating in part some of the comments that were made during second reading.

I think we indicated at that time, Mr. Chairman, that it was our hope when this department was first announced that we would be able to support it. We were surprised and we were somewhat disappointed when we discovered that the bill, An Act to establish the Department of Revenue, Supply and Services, didn't go one step further and provide some kind of control aspect insofar as government spending is concerned. We are aware, Mr. Chairman, that you really can't separate government spending from the collection of revenue. We were further dismayed when we heard the minister himself, in speaking in second reading indicate that it was his opinion and the opinion of the government that the system of collecting revenues that has been used by the government up until now has been very satisfactory. The indication was that it has worked effectively, worked reasonably smoothly and it is our position that if it is as smooth as all of that and worked as well as all of that, we see no need at all to create a new department, create a new bureaucracy to handle another section of government. The minister, Mr. Chairman, will be as well aware as we are that the major sources of revenue that accrue to the government of Saskatchewan, that is the cash inflow as a result of income taxes, the cash inflow as a result of federal-provincial payments, according to what the minister said, if I recall him correctly, are not going to be handled by this department at all. They are going to continue to operate under the auspices of the Department of Finance. We have income resulting from income taxes, the income tax rate in Saskatchewan being the highest of any province in the Dominion, having risen faster over the last five years than any other province in the Dominion certainly more out of control in Saskatchewan than it is in any other province in the Dominion, and it is not going to be part of this new department that is being created and it is a so-called revenue collecting department. We've had income taxes during the period from 1973 to 1978 in Saskatchewan rise from \$114,400,000 to an estimate in 1977-78 of \$392,700,000. Cash inflow as a result of federal-provincial payments in 1973 was \$292 million and in 1977-78 it is estimated at \$311 million. These two major portions of revenue that accrue to the province of Saskatchewan, to the government of this province, are not going to be part of the Revenue department at all.

Mr. Speaker, before I take my seat and give the minister an opportunity to make some comments if he wishes, in light of the fact that the major sources of revenue for the province are not going to be a part of your department's responsibility, first of all would you give us an indication of what exactly your department is going to be responsible for; what sources of revenue are you going to be collecting; and what amounts of money in each of those sources of revenue have you collected or can you estimate to be collected during the past fiscal year?

**Hon. W.A. Robbins (Minister of Revenue):** — Mr. Chairman, before replying to the hon. member for Eastview, I would like to introduce staff people with me. I have to my immediate left, Harold Jones, who has been the assistant deputy minister in the Ministry of Finance and is mooted to be the deputy minister in the Department of Revenue. Immediately behind him I have Gary Brandt who has been in charge of the administration branch and to the back I have Mike Barry who is the head of the E&H tax division of the Department of Finance.

I would be pleased to comment on some of the comments made by the hon. member for Eastview. He takes exception to the fact that the Department of Revenue is not going to be collecting all of the revenues of government. I think that is perfectly understandable when you realize that there is a federal-provincial agreement which has been functioning under the tax and fiscal policy branch of the Department of Finance for many years and it seems reasonable to us to leave that function in that particular position at the present time. That is not to say that an alteration may not be made some time in the future.

The member made much of the fact that the income tax has risen from \$114,400,000 to \$392,700,000 and he tried to make much of the fact that the income tax rate was 58 1/2 per cent. He neglected to inform the House that 13 1/2 per cent of those percentage points were transfers from the federal government because of changes in the health sharing programs which occurred last April 1st. He also neglected to say that the gross provincial product of the province in the last seven years has tripled and obviously you are going to get much higher revenues when the general revenue flows to the people of the province have tripled even on the same tax rates.

He took some exception to the fact that the Department of Revenue he thought would have some control on costs. Well that's the function of the Comptrollers Office in the Department of Finance with respect to expenditures and a function which is being performed very well.

The reasoning behind the Revenue department is related to the taxes directly collected by the province of Saskatchewan. We think we should do, even though a good job has been done, perhaps even a better job and there is no reason why we shouldn't attempt to do a better job in this respect. In addition we intend to do a good deal of monitoring in relation to other departments. I can cite a simple example. When I was the Minister of Health I found out that vital statistics fees hadn't been changed since 1963 to the year 1977. It is obvious that in that period of time the cost of issuing a birth certificate, for example, has risen much above the 50 cents that was charged.

It is our intention to monitor the departments of government to ensure that at least the fees charged are appropriate to the costs incurred in relation to providing that service.

The member also made some comments with respect to the setting up of a new bureaucracy. It will not add one single civil servant. It simply transfers 146 people from the Department of Finance and 292 from the Department of Government Services, and after we have had time, we may find we can even reduce those numbers in terms of the services that are being rendered, but there is certainly no intention to do anything with the current staff other than to transfer them, and then in the light of future events to find out if we can do a better job, perhaps even with some fewer people. Even that would not mean that we would be dismissing people; it would be a case of retirements and the usual attrition that may occur.

What I have been attempting to say, Mr. Chairman, is that the department does intend to do a monitoring job on all departments of government in relation to fee structures and everything else. In addition it seems logical to us that quasi commercial activities such as Central Vehicle Agency — maybe we can get more compact cars in there, and things of this nature which are quasi commercial, semi-commercial functions, that they logically fall into this department because what is required here are the same skills that are necessary in revenue collection — accounting, auditing and administration skills. I want to point out again that the largest number of persons being transferred

come out of the Government Services account in relation to CVA, Purchasing Agency and Associated Services, Systems Centre, etc., — 292 from that group and 146 from the Department of Finance.

Our motivation is of course to make sure that revenue and tax collection activities throughout the government will be subject to critical overview just the same as the comptrollers' overview is carried out with respect to expenditures in the Department of Finance at the present time. We think this review is required because we want to make sure that the revenue sources — that we have consistency with respect to those revenue sources, that we have equity in relation to those and effectiveness as well. And as I said before, that the level of taxation or the fee to be charged is appropriate in the light of changing circumstances with relation to costs.

We are not the only government that will have a Revenue department. Other provinces in Canada have them as well, and we have had consultation with them in relation to the setting up of the Department of Revenue.

Perhaps that is enough to say, Mr. Chairman, with respect to introductory remarks in relation to the Department of Revenue.

**Mr. Penner:** — Mr. Chairman, the minister's comments beg further comment and I would like to get back to the question that I posed that he didn't answer. I will pose it again now and ask it again before I sit down. Would you give us an indication of what taxes you will be collecting, what the amounts of the taxes are during the last fiscal period that your people can put their hands on for each of the items that your department is going to be responsible for?

The minister, Mr. Chairman, gave some attempt at an excuse why the provincial income tax rate is higher in Saskatchewan than it is anywhere else in the Dominion, and I have to emphasize that what he gave wasn't really a reason but in fact, was an excuse. The factors which apply to Saskatchewan with regard to federal-provincial payments do not apply only to Saskatchewan. Other provinces are affected as well, and yet despite the fact that these factors all apply to provinces right across the Dominion, during the period from 1973 to 1977 the income tax rate in this province has risen more than any other province in the same period and is now the highest of any province in the Dominion of Canada. And I don't care how cut it, I don't care what excuses are used, when the people of Saskatchewan fill out their income tax forms that they received as a Christmas present during the Christmas season; we've all got them at home, and when we go down the list and look at what the provincial income tax rate is, payable on federal tax in Saskatchewan, we're going to find that the percentage amount is the highest of any province in the Dominion of Canada, and that fact is simple, it is easy to understand and it is something that this government, and I hope that that particular minister will do something about insofar as the budget which is going to come before us in a couple of months is concerned.

I want to say to the minister that his answer with regard to the establishment of another bureaucracy is one that I greet with some mixed feelings. On the one hand when you say that no new civil servants are going to be added to handle your department, I appreciate that. The fact that while you are going to have a substantial department as I make the figures, it will be something over 400, that every one of them is a person who is presently in the employ of the government and that it is a matter of transferring people either from the Department of Finance or from the Department of Government Services. I invite the minister to comment further upon his statement about the

possibility of streamlining. Knowing the minister, Mr. Chairman, I suspect that he hasn't made that statement without having already begun to put some thought to ways in which streamlining can take place, and I would invite him to share his ideas and his thoughts with regard to that. We certainly take the view that streamlining of the civil service is particularly significant when you examine it from the point of view of growth of government spending, when you look at it from the point of view of the fact that if anybody is going to start taking a hold of living within the means that we have at our disposal, that governments are going to have to do it.

This government has a budgeted deficit that is substantial for 1977 and we anticipate that it is going to be substantial for 1978, and I think it has a responsibility to set an example to show that as a corporate organization, it can live within the means that are at its disposal. And so I'm interested in whatever remarks the minister may have with regard to that.

Just one other statement, Mr. Chairman, that I can't let go either, the minister alluded to and that had to do with the fact that the government is interested in more compact cars. I have to share that for many reasons as being a laudable goal, and I would like to suggest that there are some colleagues in your Cabinet who could have a bit of difficulty if compact cars becomes the rule.

**Mr. Robbins:** — Mr. Chairman, I'm sorry I missed the question with regard to the taxes collectable. I did intend to answer that. E&H tax estimated at \$187 million; gasoline tax is at \$81 million; tobacco tax is at \$17 million . . .

**Mr. Penner:** — Could you repeat those?

**Mr. Robbins:** — \$187 million, E&H tax; gasoline tax is \$81 to \$82 million — \$81.5 million; tobacco tax is around \$17 million. If you smoke some more cigars we'll get some more revenue there. There are some miscellaneous taxes, there's an insurance tax. They are still cleaning up succession and duty taxes, gift taxes because of a six-year lag in terms of payment of those sort of items.

I'd like to go back for a minute, if I may, on the income tax again. He talked about the 58.5 per cent but he ignores the \$120 across the board cut at the bottom which actually cuts that rate below some of the other provinces. That's a fact. The 58.5 per cent rate, if you take the \$120 off the bottom, which is standard, does reduce that rate lower than some of the other Canadian provinces. So we are not the highest province in Canada in relation to income tax rates.

You talked about streamlining the administration and personnel work for the Department of Finance that will be done in the Department of Revenue. So there is not any duplication there. That's simply being done by people moved from that department into the Department of Revenue and there will be no section in Finance in relation to administration and personnel work.

I should point out also to the House, Mr. Chairman, that most of the growth in government spending occurs in transfer of payments to municipalities and individuals, etc. I'm sure the member for Eastview knows that. He talked about deficits. There was a deficit to the end of the fiscal year '76-77 and the government budgeted for a deficit for the fiscal year ending '77-78 — next March. But I point out again that the deficits

incurred in those years are a great deal less than the surpluses accumulated from '71-76. When you look at finance in relation to a long-term cycle which is the logical way to look at it, it makes eminent sense for the government to run deficits when some economic downturn occurs in the economy. If I may go back for a moment, Mr. Chairman, to the previous administration which always boasted that it had a surplus and it did. Some years it had a fairly substantial surplus. I remember two years when they had \$9 million and \$10 million surpluses. I remember other years in '68, '69 and '70 when they had very minimal surpluses, \$100,000 or so. It's a question of timing on the part of governments. I think if that administration had to look at that situation again it would probably have been much more logical economically, if they had run deficits in '68, '69 and '70, in terms of attempting to stimulate the economy when there was a serious downturn in the economy — not only might it have been better economically, it might have even been better politically for the administration at that particular time.

**Mr. Penner:** — Mr. Chairman, I think it's one thing to talk about deficits during a time when the economy is in a downturn. I have to say to the minister that I don't consider last year, for example, or the year before, to have been years when there was a downturn in the economy. We, as you are well aware, harvested the most substantial crop in the history of the province last year. The year prior to that we had significantly high payments insofar as our wheat was concerned. You know we've been in very buoyant times and yet we have been unable to as a government, live within the means that are at our disposal and it is that that is a concern. The minister alluded, Mr. Chairman, a moment ago to kinds of controls that his department will be able to exercise on other departments of government. He alluded to those. I wonder if he would be prepared to share with the House ways in which his department is going to be able to do that.

**Mr. Robbins:** — Now, Mr. Chairman, I already gave one example to illustrate and in terms of vital statistics and the Department of Health, no adjustment was made in relation to the fees charged for birth certificates, marriage certificates, etc., from 1963 to 1977 and that was illogical, simply because it was costing the department a great deal of money to actually issue those certificates far and away above the revenue that they derived in relation to the fees charged for those particular items. It's our intention in the Department of Revenue to be monitoring other departments of government that collect fees to make sure that at least we get cost recovery in relation to the actual costs incurred in issuing those things. I want to go back, Mr. Chairman, for a moment if I may with respect to the hon. member's comment on a deficit in a year when he said we had an excellent crop. It's true we had a tremendous crop, the best in Saskatchewan's history and the best in quality. This province doesn't suffer from production failure, it suffers from price failure, he knows that as well as I do. When the price of wheat dropped from \$5 a bushel to \$3 that is the basic reason why a tightening economic condition occurred. In addition, had we not given \$30 million in beef assistance to cow-calf operators we would have had a surplus at the end of 1976-1977, a surplus of about \$8 million. We ended up with a deficit of about \$22,600,000 and we paid out over \$30 million in beef assistance. Now if you want us to have a surplus and no deficit at that time are you prepared to say that you're opposed to the beef assistance program?

**Mr. Penner:** — The bill, Mr. Chairman, talks about the use of a system centre and I take it that the minister or that the bill is referring to the transfer of the system centre that is already in existence in light of the answer that he gave a moment ago with regard to how his department is going to be staffed. I wonder if the minister would elaborate on the role of the system centre, the number of people that are involved, the kinds of controls that the system centre will endeavour to utilize in its new role.



**Mr. Robbins:** — System centre provides services to all departments of government, it provides computer service, that sort of thing, there are 120 people involved.

**Mr. Bailey:** — Question for the minister and perhaps some clarifications. Mr. Minister, you mentioned that this new department is basically a department for the collection of provincial revenues, you've mentioned E&H tax, gasoline, tobacco and some minor taxes and minor fees collected. I am thinking of the sale of liquor. Will that come under your department or does that go back to the Department of Finance? And I want to know if there is a distinction, if you're going to include all the revenues provincially and leave the Department of Finance to look after the revenues which come in on the federal provincial sharing? Is there any reason for leaving some under your new department and leaving some under the Department of Finance? I just want to get that clarification before I continue.

**Mr. Robbins:** — Well, traditionally, the federal Department of Finance has had agreements with provincial Departments of Finance and that's why you have income tax related to the federal-provincial agreements.

I think you raised a question with regard to the liquor board. The liquor board comes under the jurisdiction of the Minister of the Environment and the minister in charge of Telephones, in charge of the liquor board and the Liquor Licensing Commission. I suppose it is reasonable to say that we will certainly be monitoring in terms of revenue flows that may come to that particular commission or agency just the same as we would in terms of all departments of government. But as I stated previously, taxes that are like the insurance tax and a few other minor ones, will be collected by the Department of Revenue. Because we have direct jurisdiction over those items we are transferring the people out of the Department of Finance directly related to those particular functions.

**Mr. Bailey:** — Mr. Chairman, the minister is certainly well equipped to comment on the following statement which I have to make because he has been involved in a number of departments in his government. And we do have a large number of programs in the province. If I remember correctly a year ago the Department of Health had a budget of somewhere around \$365 million I think, and something up around \$414 million now, it's somewhere in that area. The point I'm making, Mr. Minister, is this, that in looking at the escalating costs of hospitalization along with the programs which are associated and part of the Department of Health, can I pose this question to you, Mr. Minister — are there any plans in your new department at the present time to be looking at an increase in the E&H tax within the coming budget year? The 5 per cent is presently bringing in about \$187 million, the spending of the society goes down and, of course, it goes down proportionately. You have a large number of programs that must be operated. Have you taken a look and is there any move at the present time to increase the 5 per cent sales tax in Saskatchewan?

**Mr. Chairman:** — Order, please! I just would like to draw the attention of the members to my right. I find it difficult to hear the other gentlemen speaking over here and if they would kindly whisper if it is necessary for them to talk, if they have to have a meeting get back a little further please.

**Mr. Robbins:** — With respect to your question in relation to the E&H tax, I would simply have to say that that would be a budgetary item and will be announced in the

budget in due course.

**Mr. Bailey:** — Mr. Minister, I want to give you this question and I want you, as I know that you can, to give a straightforward answer. We make much ado in this province, the Leader of the Opposition had a point in question period today, but let's forget about the partisan part of it, let's take the Department of Health. We have a budget now which exceeds \$400 million; we have associated with that such plans as the SAIL program, the Denticare program, the Hearing Aid program and the Drug Plan, one could go on, they are all in this one package, Mr. Minister. Now let me pose this question to you, at the present time the economy of Saskatchewan and the resources available and the revenue available to the government, make it possible that we are not charging a direct fee, it is being paid for out of government revenues. Now what happens when the revenue into the government because of conditions which nobody can predict, the economists certainly can't and no one else can, what happens with these programs, Mr. Minister, when you find that the revenue isn't there to continue to operate the programs that are presently intact and operational?

**Mr. Robbins:** — I think, Mr. Chairman, what the member must realize is that although other provinces do not have Hearing Aid programs or dental programs or SAIL programs, somebody in those provinces pays those bills or they do without, one or the other. All we're saying is that it's a part of our philosophy, that it's reasonable in terms of health care costs like it is in relation to educational care costs, to have that cost carried by everyone on behalf of everyone. I can recall when I was the Minister of health a case of an individual in Saskatchewan who took desperately ill and had to be sent to the United States and incurred bills exceeding \$50,000 in one month. I am completely convinced that would completely destroy that family financially. That is why I think we believe that a logical way to do it is to do it on a group basis. I don't argue that there isn't a cost involved, obviously the costs are there and we all pay for it, but to me that's a much more logical and much more reasonable way to do it than to assume that we should make charges which would be burdensome on some people directly, or to let people carry those costs themselves which can be totally devastating in terms of an individual family.

**Mr. Bailey:** — I am not arguing with the government's position that we are all paying for them, nothing is free, and I think that is one of the myths that has floated around Saskatchewan long enough that no longer does anybody believe the myth of anything being free. Everybody is paying for it in a collective way and I think the minister agrees with that. The point that I am making is this, we have and I just mentioned one department. I could go in to other departments, a number of programs which are offered to people on a non-direct payment basis, if you wish. My question is that and I will pinpoint it down further — what happens when the revenue to the government is not sufficient to continue the operation of these programs? Then, of course, you could ask the question what happens when the individual himself can't pay for it but what happens when the government can't? I mean we have had a history on this \$2 deterrent fee and the tax on the sick and all the other things that were done strictly for political gain but the question I am asking is — it is very easy to govern during the time when the government has high revenues. I know that we don't charge the people for these things — but the fact is, the question I want to ask is, would you drop the program or would you have some part of partial payments?

**Mr. Robbins:** — I think we would do, Mr. Chairman, what we have been doing. We build surpluses in those prosperous times and we run deficits in difficult times and we continue the programs. There are really three things you can do with regard to

increasing revenues, you can either raise taxes or you can broaden the base on which the tax is applied or you can make a more conscious effort to collect the revenues of the existing rate and on the existing tax base. That's what the Department of Revenue is all about.

**Mr. Bailey:** — Another question, Mr. Chairman. Governments across Canada and certainly the government opposite is no exception to that. Newfoundland or British Columbia if you go down and take a look at things, if you go down to the level below you will see that the continual rise on the part of the executive government. The Cabinets are increasing and increasing rapidly. We have now, what, 19 Cabinet ministers and it is only of a recent innovation in the provincial governments that we have executive secretaries, or whatever you call them, to the Cabinet ministers. That's a fairly new thing — it is fairly old in Ottawa — fairly new here, where you can reward a backbencher MLA for doing some chores for a minister and that, in effect, is looked upon by the general public as a bit of a remuneration reward. You now have three I believe, somebody said one. How many do you have, Mr. Minister?

**Mr. Robbins:** — Three, yes. Highways, the Premier and Northern Saskatchewan.

**Mr. Bailey:** — Could I ask you how this is determined upon the need of the minister or upon the size of the department? I think that's a legitimate question for an opposition member to ask. What establishes a need within the (at our expense — just like the Drug Plan is at our expense) and certainly that is at our expense, what establishes a need within a certain portfolio for this extra remuneration?

**Mr. Robbins:** — I suppose that decision is made by the government at a particular time. I think I could have put up a pretty good argument that I needed one in Health because that was an atrocious job, I can tell you, in terms of time factor. I spent tremendous numbers of hours overtime in relation to that particular job. I don't know what that has to do with the Department of Revenue specifically though.

**Mr. Bailey:** — It is revenue. You are in the process of collecting provincial money and because you had your hands on it once I suggest to you that there is some connotation there. If I read you correctly, being a very hardworking Cabinet minister what you said to me that these lesser people who can't get their work done, probably are the ones that need the help, I don't know. But the fact is (I see the Minister of Highways agreeing with that) so I will take that as the answer.

You do not have an executive assistant now . . . how many other departments do you expect to have these people so that eventually everybody sitting opposite can have either a Cabinet position or be related to a Cabinet minister. I think that would just about work out and every backbencher then would become an executive secretary.

**Mr. Robbins:** — I don't expect any of them in addition to the three that are there, any others.

**Mr. G.H. Penner:** — Mr. Chairman, during questions that I asked the minister earlier, the minister was talking about the new department administering the collection of funds. He talked about equity and so on. I am wondering if the minister's new department, this Department of Revenue, is going to have anything to do whatsoever with the superannuation funds of this province from the point of view of administering those funds? There is obviously a fair amount of money which comes in through employee deductions on a regular basis. Is his department going to have any

responsibility for that?

**Mr. Robbins:** — That comes under the financial section, investment section of the Department of Finance. We have some very competent people there handling those funds. I do have some input as the minister in charge of the Public Service Superannuation Board and some input in relation to Crown corporation pensions.

**Mr. Penner:** — But the department as it now exists is going to basically stay where it is? There is no intention for it to move into this new department?

**Mr. Robbins:** — No, the investment function stays where it is. I have some input in relation to that because of my responsibility as the minister in charge of the Public Service pensions.

**Mr. Penner:** — OK. All right.

**Mr. Merchant:** — Mr. Chairman, I only want to say a couple of remarks and I waited until the end of Item 1 on the specifics. I would like again to address a couple of remarks to the whole principle of the setting up of a separate Department of Revenue.

I was not the hold-out in our caucus. I was the most surprised person in our caucus by this legislation because some members may remember I have spoken a couple of times in the House about the need for dividing the Department of Finance along what I considered to be a logical line. I just assumed that the government would make the logical division instead of this illogical division.

As members know other governments have divided the Treasury Board concept, the cuttermen concept, and taken that function out of the Department of Finance, but they leave the planning concept and the collection concept (those other two functions that exist in an ordinary Department of Finance) they leave them as one. In other provincial governments when they set up a separate ministry they set up a separate minister who worries about paring, about cutting back. We have 19 Cabinet posts in Saskatchewan. I think there are a great many people who wonder why we have so many, in a relatively small government, but surely if we are going to have 19 ministers we could have one minister whose job it is to hold the line, one minister who acts sort of like the lawyer for the defence of the taxpayer.

In the national framework, the Ministry of Finance is so large that they have divided it into three functions. They have the president of the Treasury Board, they have the Revenue minister, they also have the Minister of Finance. There, they've said that we will have revenue raising and planning separate again. This government for some inane reason best known to them, chose when they made a division to make the division of revenue, which is really almost an automatic function, to set up a separate Cabinet post with a separate hierarchy of Cabinet, separate executive assistant, a separate special assistant, a separate deputy, three or four new ADMs (assistant deputy ministers). I am not saying these people aren't qualified. I am sure they are. I am sure (and indeed I have always thought the Public Service in this province was a really good one), better perhaps under the NDP than it usually has been under the Liberals because of some of the approach that the Liberals had from time to time. But the fact is that no matter how you cut it we are setting up an additional hierarchy, an additional expense, and doing all of that I say for no reason at all.

The job of the cuttermen, Mr. Chairman, is an important one for people to understand in

terms of the operation in the Cabinet room. You always have Cabinet ministers who are there with a new program. They are determined to spend more. That's really the way a Cabinet minister accomplishes. He accomplishes by initiating new programs, by thinking up new ideas. He falls always into the trap of thinking that government services are free services. He is perhaps, driven by the taxpayer to constantly be expanding his department and always spending more. You will never hear that the Minister of Social Services stands up in the House and pats himself on the back because he managed to cut back six or eight people in staff in some department, or he avoided coming up with some new program. You never hear a Cabinet minister say, gee I did a good job this week because I cut back or I held the line. No, there is nothing wrong with that, that is just the nature of their job. Their job is to study new programs; try to administer, but really, the public service does that on their own, almost; try to keep some hand in on the administration and look at the new and innovative programs. The Cabinet minister goes home to his wife or back to his constituents and he gets his personal drive from accomplishing more by bringing new programs on stream.

A president of a Treasury Board, that kind of concept, he makes his progress by cutting, by holding the line.

I heard John Chretien, some years ago, put it very well when he said, "I accomplish, in Cabinet, by stopping everybody else from doing the things that they want to do, by being the bad guy in the Cabinet room."

Very important, Mr. Chairman, that there be in the Cabinet room that voice that the cutting concept not be lost at the administrative level and not brought to bear on Cabinet colleagues. When you have the functions of planning and cutting, sort of combined as you do in the current Minister of Finance, the very natural tendency is to really worry about making the books balance (the Minister of Revenue says, over a period of years) but making the books balance if he can raise more money, if he can plan to raise more money, he really doesn't care whether he cuts out some money. And if there is any function of the Ministry of Finance that is worthy of the expense of a hierarchy, it was the cuttermen concept. Only this government would see a problem and say, well we will cut the worm in half and have both sides wiggle off and cost more, only this government would look at the Ministry of Finance and decide to cut out revenue first, which hasn't been the pattern in other governments, which have always cut out the treasury concept first and when the Ministry of Finance became so large, then moved towards bringing out the revenue, the revenue side, if they thought that that was necessary.

I believe, Mr. Chairman, that part of the problem that we have in terms of a wasteful government in this province — and I believe it is a wasteful government particularly when compared to the government of Premier Thatcher. You had in Premier Thatcher and Dave Steuart two people who were very conscious of cost. It worked its disadvantages. I think, for instance, in areas of the public service it worked its disadvantage.

**Mr. Allen:** — . . . budget . . .

**Mr. Merchant:** — Frugal men, I say to the member for Regina Rosemont. Now, what is the difference in this government?

This government has, in its top four or five people, holding they have expansive minds for all I know, but saving and cutting back and being careful that is just not part of what turns them on in the morning. And if there were ever a government that needed somebody who is there to act as a policeman in the Cabinet, it is this government. Yet in a reforming of the Ministry of Finance, again, Allan Blakeney, as only he would do, pays not one iota of concern about holding the line, holding back on expense and instead looks at the formation of a new ministry. I say a needless ministry.

I say, Mr. Chairman, that this is sort of stupid disappointing legislation. I am not going to enter into the kind of discussion of my colleagues who talked about the specifics of the way the Ministry of Revenue will operate, but I think it unfortunate that a government of 950,000 people would have 19 ministries and three assistants in any event. Never mind now, in a year when there should be restraint, this year and last and I suspect the next, in the Saskatchewan economy, never mind now of all times, with the rising unemployment, with a difficulty of holding the line. Never mind now to establish a new ministry.

I said, when I started my remarks, Mr. Chairman, that when I heard of the division I assumed I would be supporting the legislation. When I talked to the minister, one day, in the hall I, at that time, assumed I would be supporting the legislation. I was surprised and perhaps more than any member of this House because I, frankly, thought well, the government on one of their rare bright days have decided to pay some attention to an appropriate course of action to follow, in terms of the way to handle the Ministry of Finance.

Mr. Chairman, I must say I was disappointed to see the decision, the set up of what I suspect will be about the third or fourth largest department of government. Now, the minister can say that it is all transfers, but I think that we all know that governments grow and departments grow. I just say, Mr. Chairman, as we move off Item 1 that I and this caucus were very disappointed at the introduction of this legislation.

**Mr. Robbins:** — Mr. Chairman, I should make one or two remarks with respect to the almost totally irrelevant remarks made by the member for Wascana. He says that other governments do not separate those functions. They do. The government of Ontario has a Treasury Economic Intergovernmental Affairs branch and also has a Revenue department totally separated from it, which is simply involved in collection. The government of Quebec has a Revenue department which is totally involved simply in collection of revenues, totally separate from its finance function. He made a great to-do about the fact that the Thatcher government was a government that really knew how to

watch the bucks and look after them, and in seven years they accumulated \$21 million in surpluses. In the seven years preceding that, a CCF government accumulated \$51 million in surpluses and in the seven years since we have accumulated \$106 million in surpluses even after you take off the deficit that occurred at the end of last year.

**Mr. MacDonald:** — That is gone now . . .

**Mr. Robbins:** — Seven years. That is not true either and the member for Indian Head knows that as well. Well, there wouldn't have been any Treasury Fund if you had your way.

I am simply saying that the remarks of the member for Wascana simply don't apply in terms of control and policing cost, the Treasury Board function does accomplish that and is very, very careful in terms of pursuing and looking at all proposals that come before the government. I am a member of that Treasury Board along with the Minister of Finance and some other ministers of the Cabinet.

I don't think the remarks made by the member for Wascana deserve any further comment.

**Mr. Penner:** — Mr. Chairman, a question to the minister. The number of people who are going to be in this new department, 146 from the Department of Finance and 292 from the Department of Government Services that are to be transferred must make this among the largest of the creations of the government. I'm not so sure that it wouldn't still be behind the Department of Health. Is it correct that your new department is going to be the second largest, and if it isn't the second largest, could you tell us where it fits in the new hierarchy?

**Mr. Robbins:** — It will be about sixth. Agriculture, Education, Social Services, Health, Highways, would all be larger in the number of employees.

**Mr. R. Katzman (Rosthern):** — You stated earlier that Government Services people, 292 were transferred to you and from Department of Finance, 146. Do you have any indication on how many of these jobs were again filled within those departments? In other words, of the 292 that came to you, how many of those jobs had to be refilled or people appointed to take over part of their duties back in the Government Services department?

**Mr. Robbins:** — None.

**Mr. Katzman:** — . . . in the Department of Finance you're saying that . . .

**Mr. Robbins:** — Yes.

**Mr. Katzman:** — Did you not say earlier that the gentleman sitting next to you was involved in the Department of Finance and his position there will now be vacant? Is there not being someone appointed to that position?

**Mr. Robbins:** — No. No one has been appointed in that position.

**Mr. Katzman:** — is there a vacancy that has to be filled?

**Mr. Robbins:** — No.

Section 1 as amended agreed to.

Section 2 to 28 agreed.

## **Section 29**

**Mr. Malone:** — I'm not sure this is the appropriate section to ask this question on, Mr. Chairman, but if the minister would indulge me. For a long time in Saskatchewan there has been a great deal of difficulty collecting sales taxes in Lloydminster and the Lloydminster area. I wonder if the minister would be good enough to tell this House at this time what the government is doing in this regard, whether the taxes are being collected and if they are what arrangements are being made with the merchants on the Saskatchewan side of the border in that city?

**Mr. Robbins:** — It's a problem that has been around for 40 years, ever since the E&H tax was set up in 1937; it hasn't been solved; we are looking very hard at the problem and we will carry out consultation with people in the Lloydminster area and hopefully, we will find a solution to this problem in the next year or two.

**Mr. Malone:** — Well, I don't want to belabour the matter but are you collecting the tax in all instances from all merchants in Lloydminster on the Saskatchewan side of the border?

**Mr. Robbins:** — We're not getting all of the tax revenue to which we are entitled; we are getting some of it.

**Mr. Malone:** — Obviously then you have some idea of what tax revenues you are entitled to if you know you are not getting all of them. I ask you then, how much revenue have you anticipated from the Lloydminster area in the past fiscal year or this fiscal year? How much have you collected either in dollar terms or in percentage terms?

**Mr. Robbins:** — We don't break it down by geographical regions but we know from comparisons with comparable areas, for instance, cities of about that size, that we are not getting as much revenue in terms of E&H tax as we would in that other centre.

**Mr. Malone:** — Are there any enforcement provisions taken to collect the taxes. I realize that this has been a longstanding problem, Mr. Minister, and I am just seeking it for informational purposes, but are enforcement steps taken and if so are they applied across the board?

**Mr. Robbins:** — We have taken the normal procedures under the procedures of the Act and have collected some funds on that basis, yes.

**Mr. Malone:** — Again, you are not answering the question. If I could put it again to you — presumably in areas other than Lloydminster or where this problem occurs, when people don't pay sales tax, investigators from the department go out and make enquiries. If they find there is tax owing there are certain steps they can take to collect the tax that's owing, and my question to you, are these procedures being followed in Lloydminster where people aren't paying taxes there?

**Mr. Robbins:** — Well the circumstances are a bit different in that particular instance because if the law was enforced rigidly it would simply drive all the businesses across



the border and we wouldn't collect any tax.

**Mr. Malone:** — Indeed, and I think that's the point that you want to make but let me ask you one other question, Mr. Minister. We've heard much talk, oh, did you want to speak, Mr. Attorney General, I'll sit down if you'd like to get up. I wonder, Mr. Minister, we've had . . . (interjection) . . .

**Mr. Chairman:** — Order, order. I think we can do with a little less assistance on both sides here . . .

**Mr. Malone:** — We've had a considerable amount of discussion in this House and outside of it, Mr. Minister, about the possibility of a heavy oil plant being located in the Lloydminster area on the Saskatchewan side, hopefully. Now in view of the fact that sales taxes are not collected in that area or collected with some reluctance and in view of the fact that the government is trying to induce Husky or whoever is involved to locate that heavy oil plant in the Lloydminster area, would you be in a position to recommend that there be no sales tax paid on any goods that are used to construct that heavy oil plant in the Lloydminster area because of the tradition that has grown up in that area?

**Mr. Robbins:** — We're talking basically with regard to small consumable products and not with regard to capital construction projects.

**Mr. Malone:** — Well, certainly sales tax is paid on items that are used to build the heavy oil plant. I think the minister will concede that. Now, I don't know how much would be involved but I suspect if the heavy oil plant is going to cost the rumoured \$750 million that there'd be a significant amount of money there that would be taxable under the education and health tax act. Now, I ask you again. Would you be prepared to, as a government, waive that particular tax as one of the inducements to bring the heavy oil plant to Saskatchewan? I'm sure that the government of Alberta, if they are attempting to get the heavy oil refinery, will be saying you don't have to pay sales tax in Alberta so why don't you build it in Alberta to save us some money.

**Mr. Robbins:** — No, our intention would be to collect the tax on the capital structure.

**Mr. Malone:** — Did your department consider how much tax would be involved? Is this a problem that's been before you or anybody in your department?

**Mr. Robbins:** — Coming in advance when you don't know what the total cost is and you don't know what the total amount of labour cost is in relation to it so it would be very difficult to determine in advance. (Interjection).

**Mr. Chairman:** — Order, just for our own clarification here, I think that I've been rather flexible this last few minutes, I think these questions should have been in under Section 1 but I have let members proceed with some of the questioning and before we do proceed any further with Section 29, I think we have an amendment and this is proposed, it's a House amendment proposed by the Hon. Mr. Robbins, Section 29 of the printed bill that we strike out Section 29 of the printed bill.

**Mr. Katzman:** — The striking out of this portion, what does that mean, that you will not be able to subcontract work from other people or have people do work for you?

This was put in in error and had been repealed in The Government

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Services Act and the Saskatchewan Computer Utility Corporation, which is a Crown corporation, will supply the service.

**Mr. Katzman:** — Are you not responsible for the corporation now?

**Mr. Robbins:** — Yes.

**Mr. Katzman:** — So you're saying you're covered under their act, therefore, this is just a repeat?

**Mr. Robbins:** — This was in here in error and had already been repealed out of The Government Services Act that was missed in the drafting of this particular bill.

**Mr. Chairman:** — I've explained the amendment to Section 29 of the printed bill. Is that agreed?

Section 29 as amended agreed.

Section 30 as amended agreed.

### **Section 31**

**Mr. Katzman:** — On this particular one, are you suggesting that your department will take over the Central Vehicle Agency in total?

**Mr. Robbins:** — Yes.

**Mr. Katzman:** — Does that mean that you take over the maintenance division as well?

**Mr. Robbins:** — Yes.

**Mr. Katzman:** — The former, or the minister who is presently in charge of this as stated earlier and you yourself have stated that the concept to smaller vehicle use was intended and is the concept also to go to more pool cars, is this another concept you are looking at?

**Mr. Robbins:** — No, we're not going for more pool cars.

**Mr. Katzman:** — Is there a building provision somewhere in your system for charge back to individuals using Central Vehicle Agency vehicles for private use, and how is that calculated?

**Mr. Robbins:** — Yes.

**Mr. Katzman:** — How is it calculated?

**Mr. Robbins:** — Yes, \$35 a month.

**Mr. Katzman:** — In other words, anybody using a government service vehicle pays the government \$35 a month no matter how much they use the vehicle?

**Mr. Robbins:** — No, that's for minimum mileage.

**Mr. Katzman:** — What's minimum?

**Mr. Robbins:** — It's not much over 200 miles a month.

**Mr. Katzman:** — So in other words, if you drive 200 miles a month you pay \$35 towards the use of the vehicle. Now are you charging for the transportation of the using of the vehicle to and from your home or are you considering that an exchange for power and so forth that they plug in in the winter?

**Mr. Robbins:** — No.

**Mr. Katzman:** — No to which part of the question?

**Mr. Robbins:** — Both.

**Mr. Katzman:** — In the Central Vehicle Agency do you have a breakdown or will this be better asked in Public Accounts or budgeted later, do you have an idea on what the cost and the amount of man hours administration-wise is for each portion of the vehicle out there?

**Mr. Robbins:** — No.

**Mr. Katzman:** — Is it your intention to change the present situation re the aircraft where we have had government aircraft ruled unsafe in the past year and grounded because of lack of maintenance supplies around, for example, a front wheel and this type of thing.

**Hon. E.B. Shillington (Minister of Government Services):** — I'll respond to that one. I think the report you are referring to was a federal government report which related to certain airlines operating in the province of Ontario. It had no relation to the maintenance here. Our maintenance here is among the best.

**Mr. Katzman:** — Seeing as the minister is involved now, is it not true that some of your aircraft up in the North (and I happen to know the pilot of one of them) were grounded because it was considered unsafe and was several days waiting for a nose wheel?

**Mr. Shillington:** — Occasionally all aircraft have to be repaired and they may be indeed grounded because they are unsafe to fly until they are repaired, that's the normal part of operating an airplane, surely.

**Mr. Katzman:** — Now you are agreeing with me that it did happen and I am glad the minister is, what I am saying is that the intention of this department now is to make sure that the normal repairs required regularly will be on inventory and we will not have to put aircraft down because we don't keep normal repairs on hand.

**Mr. Shillington:** — During the fire suppression activities last year there was a shortage of parts for a variety of reasons. I understand now that all of those parts are in place and there should be an adequate supply for another year. There was a shortage of parts for the fire suppression aircraft last year, that's true.

**Mr. Katzman:** — Are you suggesting that there will be an ample supply of parts because I am told presently that some of these parts are still not available for these aircraft?

**Mr. Robbins:** — We don't have wheels for them — they stay in the air longer and fight fires better.

**Mr. G.N. Wipf (Prince Albert-Duck Lake):** — Mr. Minister, you said that these vehicles, that for the \$35 per month you get 200 miles. What is the price after the 200 miles and is there a maximum limit per year that they can drive?

**Mr. Robbins:** — Eighteen cents a mile.

**Mr. Wipf:** — Is there any difference in the price on the government cars if they are provided with trailer hitches to pull trailers around and is there an extra charge?

**Mr. Robbins:** — There is a different rate for different sizes. Smaller cars take a smaller rate per mile than larger ones.

**Mr. Wipf:** — In the larger cars that are equipped with trailer hitches and CBs and stuff like that, is there any extra charge on those?

**Mr. Robbins:** — No, not for a trailer hitch.

**Mr. Wipf:** — There is no maximum amount of miles that you can go. Like if I had a government vehicle I could take it on my holidays in Saskatchewan and pull my private trailer around for \$35 per month and 18 cents a mile, is that right?

**Mr. Robbins:** — Not for \$35 a month. You would have to pay the mileage of 18 cents or whatever that mileage rate is after.

**Mr. Wipf:** — I could use my vehicle for that and tie that vehicle up for two weeks, or whatever it is, if it were assigned to me and not have to put into a pool, is that right?

**Mr. Robbins:** — It is assigned to him for the year and he may use it on holidays, yes.

**Mr. Wipf:** — What is the maximum amount of miles that people that have cars assigned to them personally and I am talking about directors, what is the maximum amount of miles per month that they have to drive?

**Mr. Robbins:** — 12,500 miles a year.

**Mr. Wipf:** — that's just over — they have to drive 1,000 minimum, and that's figured on the year end, that doesn't, they don't have to report in at the end of every month that they have driven 1,000 or 1,100 miles or whatever it is?

**Mr. Robbins:** — They report every month but if they haven't driven the one-twelfth during one particular month they don't lose the car for that reason because they may have heavier periods later on.

**Mr. Wipf:** — The vehicles that are owned by the government (and I go up into the DNS area) all these vehicles up there that are owned by the Central Vehicle Agency, are they

going to be controlled here or is there going to be another central vehicle agency set up in the North, and you are going to have two?

**Mr. Robbins:** — They are controlled from here.

**Mr. Wipf:** — And the aircraft that the DNS just bought here this fall, or took over from the Central Vehicle Agency, which ones did they take over, and how many more do you have under your department in the DNS area, other than the trackers? I know the trackers are ‘Teddies babies’.

**Mr. Robbins:** — They didn’t buy any cars.

**Mr. Wipf:** — No, aircraft.

**Mr. Robbins:** — Are you talking about aircraft?

**Mr. Wipf:** — Yes.

**Mr. Robbins:** — I am told six trackers and seven others. Does that help you?

**Mr. Wipf:** — Can you tell me these others? If you don’t have it now could you write it out and get it to me?

The other part of your car fleets (and you don’t want to answer about the aircraft — we will leave that probably for Estimates, you might have more change-over by that time), but that’s seven others that have been transferred over in the last several months from one department to the other, apparently. There are quite a few of our vehicles with CBs in them. Is that part of the government’s expense? Has the government paid to put any CBs in any cars that belong to the Central Vehicle Agency?

**Mr. Robbins:** — The government hasn’t paid for any CBs.

**Mr. Wipf:** — I am going to differ with you a little bit. I am wondering about the CBs that are . . .

**Mr. Chairman:** — Order. I have been listening with intent here. I see that it does tie into a certain extent the Central Vehicles Agency established, but I think that some of these questions could be better answered when we come to Estimates and that department and I think that it would certainly expedite things if you would wait until that time.

**Mr. Wipf:** — Ten-four, Mr. Chairman.

**Mr. Katzman:** — In these vehicles that we are seeing transferred to you, I assume Central Vehicles will be responsible. Will you be taking over some buildings as well with this particular department?

**Mr. Robbins:** — No.

**Mr. Katzman:** — So buildings that you use for maintenance will belong to another department, but the vehicles, you will be renting them?

**Mr. Robbins:** — They will remain in Government Services.

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**Mr. Katzman:** — Are you renting them?

**Mr. Robbins:** — They don't charge rent to the various departments.

**Mr. Katzman:** — Do you charge rent for the vehicles back to the departments that use them?

**Mr. Robbins:** — Yes.

**Mr. Wipf:** — I just want to go back with one question and it will be the last one. It is on the CB radios that are in government owned cars. Did you say that the government does not pay for any CBs in the government owned cars?

**Mr. Robbins:** — Seven — in the mail and messenger service in Regina.

**Mr. Wipf:** — In Regina. The only vehicles that are equipped are in Regina, that are paid for by the government?

**Mr. Robbins:** — Yes.

**Mr. Wipf:** — Thank you.

**Mr. Katzman:** — What about radio phones?

**Mr. Chairman:** — Order, please. I draw to the attention of the members that I think these questions could be better dealt with in Estimates and I think it is only fair to you and fair to the minister that it be dealt with at that time.

Section 30 agreed.

Section 31 agreed.

Section 32 as amended agreed.

Sections 33 and 34 agreed.

### **Section 35**

**Mr. Katzman:** — When the minister is establishing rates are they to cover his costs and depreciation in all costs incurred and of the administration as well? Is the administration taken into the costs as you charge them out?

**Mr. Robbins:** — Yes, it would be included in these three.

**Mr. Katzman:** — So then basically you are saying that when you charge somebody a fee all your costs are taken into account so that, basically, the services that you supply will be paid for by others totally and it will be no ride on the taxpayer.

**Mr. Robbins:** — That is our goal.

**Mr. Katzman:** — That is your goal, but is that what you intend to do and will you do it?

**Mr. Robbins:** — Yes.

Section 35 agreed.

Section 36 as amended agreed.

### **Section 37**

**Mr. Katzman:** — Under section 37, is where you get your advances for your vehicles and other purchases. My question, first of all, is do you pay interest to the other departments for the money advanced? Secondly, if interest is charged, which in most cases it is, is it passed along into the costing, for example, of the leasing of a car or an airplane or whatever it is?

**Mr. Robbins:** — No.

**Mr. Katzman:** — So basically the \$25 million that is suggested under part (c) you receive to buy vehicles., you pay no interest to the Department of Finance for it and, therefore, you don't have that cost in your budgeting to pass along?

**Mr. Robbins:** — We don't have \$25 million out in vehicles. That is just in the sum, they put in there, that we can't exceed.

**Mr. Katzman:** — The practices that your government has always followed, you always have, it seems, in other areas have been taking the maximum and maybe using them in other areas. That is the assumption that I make, I agree.

**Mr. Wipf:** — Mr. Minister, is there an administration charge charged by any of the departments on handling these moneys when it is taken out of the Consolidated Fund or into another fund?

**Mr. Robbins:** — No.

**Mr. Wipf:** — If it is bought by the Advance Account and then transferred into the Consolidated Fund and this Consolidated Fund buys from the Advance Account, there is no administration charge by any department in the government for doing this?

**Mr. Robbins:** — I don't know what you mean.

**Mr. Wipf:** — You are not aware of any department in the government that charges administrative costs for moving the moneys around like I explained?

**Mr. Robbins:** — There is no handling charge. It would simply be a paper entry in any event between one department of government and another one.

Section 37 agreed.

Section 38 as amended agreed.

Sections 39 to 43 agreed.

Motion agreed to and Bill read a third time.

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**Mr. Penner:** — On that, Mr. Chairman, I noticed that as we went through the bill there were only two people in the House agreeing with it; the Minister of Finance and the Minister of Revenue. And I'm wondering in the light of that, that maybe it would be just as well to drop it all and just let the thing go.

**Mr. Chairman:** — I should have stated that the committee report the bill with amendment.

**Bill No. 38 — An Act to amend The Hospital Revenue Act, 1966**

Section 1 agreed.

Section 2:4 as amended agreed.

Section 3:6 as amended agreed.

Section 4:7 as amended agreed.

Section 5:7(a) as amended agreed.

**Mr. Penner:** — We're prepared to take the thing as read, we object to it on the same grounds as the other bill, we realize that this has to happen because the other thing has happened, rather than going through it and reading it section by section, I'd just as soon take it as read and get it out of the way.

**Mr. Robbins:** — We know the member is an objectionable member but we'll accept it on that basis.

**Mr. Chairman:** — I appreciate the offer of the member but I think I'll call the items anyhow.

Motion agreed to and Bill read a third time.

**Bill No. 41 — An Act to amend The Queen's Printer's Act**

Section 1 agreed.

Section 2 agreed.

Motion agreed to and Bill read a third time.

**Mr. Chairman:** — I apologize to have to refer you back to Bill 41 but there is an amendment in that bill and it's a proposed House amendment by the Hon. Mr. Robbins and amended section 2 of the printed bill by striking out 1977 in the section line and substituting 1978, it's just a change of the date. Is that agreed?

Bill 41 as amended agreed to.

**Bill No. 42 — An Act to amend The Purchasing Act, 1974**

Section 1 as amended agreed.

Motion agreed to and Bill read a third time.



**Bill No. 26 — An Act to amend The Department of Municipal Affairs Act, 1976**

Section 1 agreed to.

**Section 2**

**Mr. Penner:** — Mr. Chairman, I was not here the day that my colleague put this amendment. The minister is calling for the question and I'm assuming that he's calling for the question on the basis that he finds the amendment to be agreeable, and that he and his colleagues intend to support it. The minister during his time in his present portfolio and during his time as Minister of Education was a strong proponent of local control, local autonomy. And it seems to me that the amendment that has been put simply strengthens that particular position. By saying that if a road in a municipality is going to be designated that it is only going to be designated when the RM has indicated that it feels that it's the step to take. Now that's the assumption that I have with regard to the amendment and if I'm wrong I would hope that the minister would indicate that to me.

**Mr. MacMurchy:** — Mr. Chairman, I indicated during our discussion the last day we were dealing with this bill, I'm inclined to rely very heavily on the rural councils in dealing with legislation as it applies to them. We are as the hon. member knows really only in this particular bill transferring powers that we have had under the municipal road assistance authority to rural affairs, powers that have been in effect for over 20 years, under the establishment of the grid program and carried on with the establishment of the main farm access program. It's a system which has been supported very strongly by rural councils and very strongly as a matter of fact by SARM in our discussions on the revenue sharing proposal. They wish to continue with the conditional grants of conditions which they have been very happy with. Certainly if, as outlined in this particular legislation, they had a concern about this issue they would have raised it with us and certainly would have raised it with us during the most recent discussions about changes in funding that we're considering for the new budget and since they have not, I'm inclined to feel that they're very pleased with the existing legislation and the existing regulations and I'm more relying on them as I indicated the other day, Mr. Chairman, than I would be relying on the opposition members as it relates to this issue.

**Mr. Penner:** — Mr. Chairman, the comments of the minister beg a reply. We recognize fully that you have contact with members of RM councils. I think it would do well if the minister recognized that we too have contact with RM councils. I'm wondering if the minister is saying that if there was a road that this department wanted to designate and an RM said no, we do not want that road designated, we don't want the designation changed, is he saying that his department would not then go ahead with the change?

Well then, Mr. Speaker, if that is the case I can see no justifiable reason at all, Mr. Chairman, why the minister would not agree to put this amendment in. If the department will under no circumstances change a road designation without the agreement of the RM council then I think it behooves the minister to agree that it makes sense to place in this particular clause that very statement. The minister indicated that you know this is a power that has been around for a long period of time, there is no

change and that's true. I think we have to recognize that in the 20 year period that the minister talked about, there had been some changes and increases in technique in communication and so on, we ought as a goal when we look at this legislation even though it's a transfer of power from one department to another, to look at improving it, to look at bringing it into the 1970s and it seems to us that it makes sense in light of the minister's reply that we would agree to put in the amendment.

**Mr. MacMurchy:** — I think I indicated earlier during the discussion, Mr. Chairman, that this legislation has been examined by SARM as we do with all legislation brought forth to this Assembly and I'm sure that if they had a concern they would have identified the concern to us and since they have not I think they're happy with it and certainly we're happy with it.

**Mr. R.E. Nelson (Assiniboia-Gravelbourg):** — Mr. Chairman, I wonder if the minister is that sure that they aren't concerned about this and they wouldn't like this amendment. Wouldn't we be wise to leave this particular item right now and that he talk to officials of SARM. I have spoken to him over the holidays, spoken to several different people from SARM and they very much want this amendment in there. If the minister is sincere I would ask him at this time to talk with these people, rather than take our word for it, to talk with the people involved and they would very much like to have this amendment on this particular item.

**Mr. MacMurchy:** — I'm sure that the hon. member has been talking to rural councils some time since we had this debate in the Assembly here on this issue. I'm sure that the SARM is following up what's going on in this Assembly because they are interested in what's happening and that they certainly would have had time to contact my office or contact the deputy minister's office if they had a concern. They have not done so and I think that it's reasonable that we proceed with the legislation.

**Mr. Bailey:** — Mr. Minister, you've indicated that this has been around for a long time and a lot has happened since World War II in the construction of roads in rural Saskatchewan — better equipment, bigger machinery and so on. At the present time the minister is well aware that periodically there arises dispute between municipal officials at the departmental level and the RM in regard to the placement of a road and so on. And I know very well that in many cases the problem is resolved between the Department of Municipal Affairs and the local RM. Are we not reaching a period of time, Mr. Minister, when you're looking at the construction of roads mainly here, when an RM could in effect be denied grants simply because it does not agree with the Department of Municipal Affairs on the construction of a certain road. I know and I can list several RMs who have had difficulty in the past but the problem has been mutually settled and I expect that could well be what would happen in the future but surely we have reached a period of time, Mr. Minister, in the province of Saskatchewan where the agreement, not the power being handed down from above but the agreement to the mutual consent in the building of the road would be a desirable thing, not only for the Department of Municipal Affairs but for the local government board in this case as in the RM as well. I really don't think, by ignoring what the members to my right have said and looking at the proposal, I really don't think that that is going to affect, certainly won't affect any RM and all that it does is give them some way out from big government and the bureaucracy of any one department. Let me ask you this question, Mr. Minister, why are you so afraid of including in that particular section upon the consent of the local RM? What's the difficulty in having it there? I'd like the minister to answer that question.

**Mr. MacMurchy:** — I'll answer the question by putting the question right back.

What is the difficulty with the existing legislation so far as the rural municipalities are concerned? There is no difficulty with the existing legislation. If there were, they would have brought it to our attention. If there were, they would be moving resolutions at their regional meetings, they would be prepared to move a resolution at their SARM convention, if that were the case. Certainly, that's the way they operate and we respond on that basis. So, I'm saying what is the concern with the existing legislation? It has not been identified to us by the rural councillors. Maybe they will identify an issue so far as the legislation is concerned and we can sit down with them as we have in all cases as you talked about and see what sensible solution can be arrived at.

**Mr. Bailey:** — Mr. Chairman, the minister came back and did a very good job of coming back with a question to answer this. In recent years, Mr. Minister, as you well know, a number of what were formerly farm access roads, have been determined or designated as resort roads. And I have some in my constituency which caused a great deal of difficulty. The RM for some reason or other, I'll admit that all departments can make mistakes, but in this particular case the RM involved didn't even realize what the Department of Highways was doing. They were oiling this road, unknown to the RM whatsoever and eventually that problem got straightened out and it was very embarrassing for the RM. I think we've reached a period of time and the maturity of local governments that consent should be a factor; it is in other areas, Mr. Minister, it is in local government areas as far as schools are concerned. Why couldn't we have it here and not come back with the reverse question at what harm is that clause going to do being placed in there.

**Mr. Penner:** — The minister has indicated that he really, if I understand him correctly, sees nothing the matter with the concept of the idea that we've put forward in the amendment. He's indicated that his department would not be prepared to move on a road designation unless the RM agreed. I understood that correctly to be your response, did I not? Did I understand you correctly that your department would not move on a road designation change unless the RM agreed?

**Mr. MacMurchy:** — Yes, I answered that question. I think that if the RM didn't, they build the roads, we supply the grants after a designation has been made so that there would be no point in making a designation if the RM didn't agree with the particular road being a main farm access road. So I think that it naturally follows.

**Mr. Penner:** — Just a moment ago, Mr. Chairman, talked about being sensible, we think that it's eminently sensible in the light of that to place this amendment in this particular section of the bill. Now, my colleague, Mr. Chairman, would be prepared to remove the amendment if the minister would rather bring in his own amendment in order to accomplish the same thing. Would the minister be prepared to do that, leave this for now and go on to the next item, the minister bring in his own amendment to do what we both appear to agree to be an eminently sensible thing.

Mr. Nelson (Assiniboia-Gravelbourg) moved the following amendment:

Subsection (b) of subsection (2) be amended by adding after desirable 'provided the consent of the RM or RMs affected thereby is first had and obtained.'

Amendment negatived on the following recorded division.

**YEAS — 14**

|           |                |              |
|-----------|----------------|--------------|
| Malone    | Stodalka       | Birkbeck     |
| Wiebe     | Nelson (As-Gr) | Katzman      |
| Merchant  | Clifford       | Wipf         |
| MacDonald | Larter         | Lane (Sa-Su) |
| Penner    | Bailey         |              |

**NAYS — 33**

|          |           |               |
|----------|-----------|---------------|
| Blakeney | Kowalchuk | Rolfes        |
| Thibault | Matsalla  | Tchorzewski   |
| Bowerman | Robbins   | Shillington   |
| Smishek  | MacMurchy | Vickar        |
| Romanow  | Mostoway  | Skoberg       |
| Messer   | Banda     | Nelson (Yktn) |
| Snyder   | Whelan    | Allen         |
| Byers    | McNeill   | Johnson       |
| Kramer   | Dyck      | Koskie        |
| Baker    | Feschuk   | Thompson      |
| Lange    | Faris     | Lusney        |

Sections 2 to 5 agreed.

Motion agreed to and Bill read a third time.

**Bill No. 44 — An Act to amend The Municipal Employees Superannuation Act, 1973**

Sections 1 to 3 agreed.

**Section 3**

**Mr. Katzman:** — Mr. Chairman, is there any other bill where this provision is in force for survivors?

**Mr. MacMurchy:** — Yes, it is in the Public Service and in all the Crown corporation superannuation legislation.

**Mr. Katzman:** — So it is in government areas. For example, it is not in the survivor's benefits for Workmen's Compensation, I do not believe. If in Workmen's Compensation the wife remarries she loses the benefits.

**Mr. MacMurchy:** — I think we will have to check since we don't have the minister responsible for WCB here, but, Mr. Robbins, who is a pretty good authority in this area, it runs in his mind that the legislation last year dealt with WCB as well.

**Mr. Katzman:** — My concern is that Workmens' Compensation if she loses her husband, if a family loses the man who earns the money and he is on Workmens' Compensation, if she remarries or she lives common-law with another person, she loses her Workmens' Compensation pension. I can give you one case if you like in Mr. Bowerman's jurisdiction where one of the people was killed in an airplane crash. Her pension with Workmens' Compensation was taken away from her. Now, what you are doing is creating two classes of citizens, those that are government employees and those that are not. That is why I am wondering as I couldn't find any other act it was in and that is my concern here.

**Mr. MacMurchy:** — Mr. Chairman, I don't think we have that information here as it relates to WCB. I think Mr. Robbins has gone looking for Mr. Snyder. He might be able to answer the question, the original question your raised as it relates to other pensions. Mr. Robbins reports that with respect to Workmen's Compensation there is a provision in the act which provides for — if she remarries a pay out over five years.

Section 3 agreed.

Motion agreed to and Bill read a third time.

**Bill No. 25 — An Act to amend The Urban Municipal Elections Act, 1968**

Motion agreed to and Bill read a third time.

**Bill No. 28 — An Act to amend The Community Capital Fund Act, 1974**

Motion agreed to and Bill read a third time.

**Bill No. 34 — An Act to amend The Property Improvement Grant Act, 1972**

Motion agreed to and Bill read a third time.

The committee reported progress.

The Assembly adjourned at 4:56 o'clock p.m.