

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

January 10, 1978

The Assembly met at 2:00 o'clock p.m.

On the Orders of the Day.

REPORTS OF COMMITTEES

Mr. D.G. Banda (Redberry) moved, seconded by Mr. P.P. Mostoway (Saskatoon Centre) that the Fourth Interim Report of the Select Special Committee on Rules and Procedures be now concurred in.

He said: Mr. Speaker, as Chairman of the Committee on Rules and Procedures presents the report of the committee dated January 10, 1978. Your committee has considered its terms of reference with respect to renovations in the Legislative Chamber. On May 7, 1976, your committee recommended that the Legislative Chamber be refurbished and the committee report was concurred in by the Legislative Assembly at that time.

Since May, 1976, your committee has considered many of the details of the needed refurbishment in the Chamber. A local architect, together with sound, acoustical, electronic and mechanical consultants have conducted studies and prepared reports and drawings for the committee.

Your committee recommends that the refurbishment of the Chamber be commenced immediately following the prorogation of the Legislative Assembly in the spring of 1978 to include the following:

1. Repair and redesign the present air conditioner.
2. Repair and plaster, repaint the Chamber walls and ceiling.
3. Purchase a new sound system of broadcast quality.
4. Install new dark green carpet in the Chamber.
5. Install new flooring in the Chamber with the necessary ductwork for air supply, vacuum, sound and electrical systems adequate for future needs of the Chamber.
6. Refinish the members' desks in order to preserve the wood and to accommodate a new panel for the sound system on each desk without altering the design of the desks.
7. Renew the acoustical sound baffling on the Chamber walls if necessary pending further reports from the sound consultants in order to ensure that the sound will be of broadcast quality with the final decision to be made by the committee.

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Speaker, I just only want to say one word. I appreciate the work of the committee and I'm sure that they are very, very sincere except I'm very, very reluctant to see the government proceed with the renovation of this particular Chamber. The building is in its entirety and this particular Chamber are really something special. I was wondering if the committee could go a

step further and get some architectural drawings or some sketches so that we would have a little bit more knowledge of what is intended, as well as a written report.

Mr. Romanow: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

QUESTIONS

Re-assessment Legislation

Mr. R.E. Nelson (Assiniboia-Gravelbourg): — Mr. Speaker, I have a question of the Minister of Municipal Affairs. According to reports out of Moose Jaw a very serious situation has developed regarding the provincial government's re-assessment that City Council claims that the aim of the re-assessment is a very anti-business slant, and close to half the small business places in Moose Jaw will be threatened with closure. In view of the promises made by this government to assist small businesses, will the minister and his assistants agree to meet with the council and immediately to prevent many weeks of sittings of the Court of Revision in Moose Jaw?

Hon. G. MacMurchy (Minister of Municipal Affairs): — Well, Mr. Speaker, certainly we can meet with the council of the city of Moose Jaw upon their request to discuss any item that they might wish to raise. My understanding with respect to the re-assessment that has taken place in Moose Jaw, is that the council there in fact made the request to the department for the re-assessment and re-assessment has been carried out by the staff of the Assessment Branch. I think the council there is well aware of all of the procedures to be followed by them now, which would include of course appeals to the Saskatchewan Assessment Commission.

Mr. Nelson: — A supplementary, Mr. Speaker. Will the minister revise or look into the revision of the new re-assessment formula that is being used on the small business operations. I understand that some businesses have gone from \$20,000 to \$60,000 in taxes and this seems very discriminatory and I wonder if it wouldn't be wise to look into this formula before it is used in too many other places in re-assessing in Saskatchewan.

Mr. MacMurchy: — Mr. Speaker, I . . . of course we always look at legislation on a continuing basis. I'm told that the city of Moose Jaw had not been re-assessed for 20 years so it should not be surprising if some assessment goes up. I suspect equally, there will be assessments that come down as a result of 20 years without reassessment, so it shouldn't be surprising that we have ups and downs in the assessment in Moose Jaw as a result of the work that has gone on there.

Petroleum Rationing

Mr. L.W. Birkbeck (Moosomin): — Mr. Speaker, a question directed to the Minister of Agriculture. At the Saskatchewan Farmers' Association meeting the Deputy Minister of Mineral Resources, Bob Moncur, is quoted as saying that Saskatchewan farmers should prepare for petroleum rationing on a national level within the next 20 years. At the same time he referred to major new government initiatives to conserve energy. Will the new initiatives be designed, at least in part, to prepare Saskatchewan farmers for petroleum rationing?

Hon. E. Kaeding (Minister of Agriculture): — Mr. Speaker I can't answer for the

Deputy Minister of Mineral Resources but I would think that what he was doing was cautioning farmers that there is a concern about the long term availability of fuel and advising them to recognize the fact that there is a problem and that over a period of time — I think he was not talking in the short term — but that farmers will have to recognize that they will have to look at other options to petroleum based fuels. I think it would be unrealistic for us not to make that kind of admonition to farmers.

Mr. Birkbeck: — Mr. Speaker, in response to the minister, in fact he is suggesting that farmers, the producers of our economy basically, in this province are being asked to bite the bullet. You have stated that you cannot answer on behalf of the Minister of Mineral Resources so I will just direct a supplementary question to the Minister of Mineral Resources and ask, why does a senior government official of your department make statements like this which were really designed just to alarm farmers?

Hon. J.R. Messer (Minister of Mineral Resources): — Well, Mr. Speaker, the key point of the member's question is that the Deputy Minister of Mineral Resources said that there is a possibility that there may be federal rationing. He is not suggesting that it will be a provincial undertaking to in any way ration gasoline or fuel, petroleum products to farmers but because of the present attitude and the knowledge and information that is available to him that it is a possibility that there may be some kind of national or federal rationing of petroleum products and it would be wise for the farming community at this particular point in time to recognize that and undertake to obtain means of getting maximum utilization out of energy available to them now and in the future.

Chief Electoral Officer — Election Returns

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Speaker, I would like to direct a question to the Premier, the minister in charge of the Chief Electoral Office. We are about to adjourn or prorogue or whatever the House will do in the near future and this question of the Chief Electoral Officer and the election returns seems to be unfinished. We have information that indicates that the Chief Electoral Officer is having a great deal of difficulty in receiving some of the information on receipts on the election return. I would like to ask the Premier if this is a fact that the Chief Electoral Officer has not received results from the individuals being requested for specific information? The second part of the question I would like to ask if this is a fact, what recourse does the Chief Electoral Officer have in order to obtain that authentic information?

Hon. A.E. Blakeney (Premier): — Mr. Speaker, I cannot speak of personal knowledge whether or not the Chief Electoral Officer is having difficulty getting receipts.

I have been advised by officials of the New Democratic Party that she asked them for receipts and they delivered them. Whether or not other parties or other persons who have been asked for receipts have delivered them, I do not know. I am advised that there is no power in the act for the Chief Electoral Officer to require citizens to provide receipts or other verifications of purchases that may be shown on returns under the Election Act. I would therefore presume that the Chief Electoral Officer, if she has met with an impasse in not being provided with material which she requests from a citizen or business about the province, would include that information in a report which I understand she will make to the Attorney General, and he, the Attorney General, would then have to use such powers as are open to him, if he thought it appropriate to obtain the information.

Mr. MacDonald: — A supplementary, would the Premier give an

undertaking to myself and to the House that he would inquire of the Chief Electoral Officer, whether or not the suppliers that she requested receipts from have made those receipts available to her, and in particular I would like to ask if she would inquire about ARCO, a supplier in the city of Saskatoon. I understand several weeks ago, receipts were requested of that particular company, and I understand that they have not been forthcoming recently. Whether or not they still are or not, I wonder if the Premier would give an undertaking to the House that he would request of the Chief Electoral Officer whether all suppliers have furnished the receipts that have been requested and particularly the one I refer to, and let us know in the House.

Mr. Blakeney: — I hesitate to give the hon. member that assurance because it then sounds like I am sort of supervising the work of the Chief Electoral Officer in the manner in which she conducts her inquiries. On the other hand I don't wish to suggest to the hon. member that we aren't providing him with the information he requests. I will accordingly direct a written inquiry to the Chief Electoral Officer asking her whether she has obtained the information referred to from the company which he referred to, and I'll see it in the transcript. ARCO is the name that he mentioned I believe and I will report the answer I receive to the House. I do so with the qualification that I do not now wish to undertake the supervision of the particular inquiries made by the Chief Electoral Officer. The instructions under which she is operating is to proceed with her best judgment, to take legal counsel if she thinks it desirable, to take such steps as she thinks appropriate and to prepare a report for the Attorney General. She is operating on that basis. I will ask for information but I will not do it in ways which suggest what she should be doing.

Mr. MacDonald: — I appreciate what the Premier is doing even though I have a great deal of difficulty understanding how the minister in charge of a specific government agency is reluctant to inquire into the operation of that agency, however, I would like to ask one final thing of the Premier, seeing he is the Minister in charge. I am aware, and that's why I ask the question of the limitations within the act of the specific power of the Chief Electoral Officer in obtaining information that is requested by her, or by him or whoever that position might be. Could the Premier give an undertaking to the House that the government would pursue and obtain the legitimate information requested that the Chief Electoral Officer considers required in order for her to finalize her assessment of the Pelly by-election? If it's not forthcoming from the suppliers as requested.

Mr. Blakeney: — I understand what the hon. member is saying and I have some sympathy with his position. However, I think it will follow that the only person who I think has the authority to cause inquiries to be made and to require if indeed, he can require, persons to produce information would be the Attorney General acting in his capacity as chief law officer of the Crown. I do not wish to give to the hon. member an undertaking that the Attorney General will take any particular step as chief law officer of the Crown. I think that is a judgment which he will have to make. I do not wish to suggest that this information will not be pursued. I do want to say that under all the circumstances I can't give the member the undertaking he requests.

Disease in the Cattle Industry

Mr. W.C. Thatcher (Thunder Creek): — Mr. Speaker, a question to the Minister of Agriculture. Mr. Minister, I refer to a press report yesterday in the Leader Post quoting a pathologist with the provincial veterinarian laboratory, a Dr. Russell Kelly making reference to a disease in the cattle industry known as thrombal embolic meningal

encephalitis. Dr. Kelly is suggesting or claiming that this disease has taken 10 per cent to 15 per cent of the calves of the 1977 spring calf crop. Is the minister aware of this situation and would he comment on it and indicate to the House how his department is reacting to this?

Hon. E. Kaeding (Minister of Agriculture): — Mr. Speaker, the disease which the hon. member quotes, and I don't want to go through that name again, is in fact, affecting cattle in particularly the southern part of the province. However, the press comment that came out was not right, it is not taking 10 to 15 per cent of the 1977 calves. The fact is there is a death rate of around 10 per cent of those calves which contract the disease and that's certainly not 10 to 15 per cent of the calf crop. There's no vaccine that we're aware of to handle this disease. It has not reached epidemic proportions; I should indicate that. But it is a little more prevalent than it has been. The disease, as far as we know it, does not affect human beings, it can be treated with an antibiotic but it has to be treated very quickly because the disease acts very quickly. It can be handled by a veterinarian if you call him in time. Our department has made the information available to all the media, asking them to have farmers watch their herds and at the first sign of any problems that they should immediately be in contact with a veterinarian to examine their herd to see whether they might have that kind of a situation developing.

Mr. Thatcher: — Supplementary question, Mr. Speaker. Mr. Minister, I am not sure whether I understood you correctly. Are you suggesting that Doctor Kelly has made an erroneous announcement on this 10 per cent to 15 per cent which is certainly of epidemic proportions, if true, or are the press reports inaccurate? I am not clear what you have indicated on that.

Mr. Kaeding: — I am not sure either because I haven't seen the press report, but the information I have from my department is that the press report, as it came out, was wrong and that the actual number, the actual situation is that 10 per cent of those calves which contract the disease are liable not to survive it.

Mr. A.N. McMillan (Kindersley): — Final supplementary to the Minister of Agriculture. If in fact his department has contacted the University of Saskatchewan Veterinary College in Saskatoon with respect to any potential research that might be for a preventative vaccination for use against this disease and if in fact your department has offered to provide those statistics that the provincial pathologist has gathered with respect to thrombo-encephalitis in the hopes that some early end can be brought to any potential outbreak of this disease?

Mr. Kaeding: — Mr. Speaker, I should indicate again that this is not a new disease. It has been around for some time and it is only that it is a little more prevalent this year. The provincial veterinarian is working with the Federal Health of Animals Branch and I presume with the University to see what can be done. But at the present time they are using what is available to them.

Violations of the Election Expenses Act

Mr. S.J. Cameron (Regina South): — Mr. Speaker, I direct my question to the Premier as the minister responsible for the office of the Chief Electoral Officer.

The member for Nipawin, the Leader of the Conservative Party has said, according to reports given to people in the press gallery, to have in his possession three packages of

papers evidencing a series of violations of The Elections Act or The Election Expenses Act by the NDP with respect to the Pelly by-election. Are you aware of that? Is your Chief Electoral Officer . . .

Mr. R.L. Collver (Leader of the Conservative Opposition): — Point of privilege, Mr. Speaker.

Mr. Speaker: — What's your point of privilege?

Mr. Collver: — I have made no statement to any member of any press gallery in Saskatchewan and I ask the member to withdraw that statement.

Mr. Speaker: — The member who is asking the question must not attribute statements to other members that he can't support adequately at the point he makes them.

Mr. Cameron: — Mr. Speaker, let me withdraw any reference to the Leader of the Conservative Party, having in his possession material of that variety. May I ask the Premier generally, is he aware of any reports that the Conservative Party has in its possession materials and evidence indicating violations by the NDP in respect of the Pelly by-election? Is the Chief Electoral inquiring into that area? And what is the Attorney General doing in that respect?

Mr. Blakeney: — Mr. Speaker, I am not aware of any information which the Progressive Conservative Party has about any alleged violations of the Elections Act in the Pelly by-election by the New Democratic Party. I do not know whether the Chief Electoral Officer is pursuing any such inquiries, so far as she is not at my instance. I am not aware that the Attorney General has information that the Progressive Conservative Party or the Leader thereof or any other official thereof, has the information referred to by the hon. member, and accordingly, I do not know whether the Attorney General is acting on any such information, if it exists.

Mr. Cameron: — May I ask a supplementary of the Attorney General. Is the Attorney General aware of any materials or any evidence of any nature in the possession of the Conservative Party relative to alleged breaches of the act by the NDP in the Pelly by-election?

Mr. Romanow: — Sorry, I was reading this paper. Would you repeat?

Mr. Cameron: — My question to the Attorney General is whether he is aware of any suggestions that the Conservative Party may have in its possession, evidence of some variety that the NDP violated the Elections Act and the Elections Expenses Act in respect of its Pelly return or in respect of its Pelly by-election efforts.

Mr. Romanow: — There has been no documentation submitted to me in this regard.

Mr. Cameron: — Has it been suggested to you on any occasion by anyone in the Conservative Party that such evidence does exist and do they have it in their possession?

Mr. Romanow: — I don't believe there has been any suggestion that documented

evidence exists, not to me in any event.

Pollution Control taken at Big River

Mr. G.N. Wipf (Prince Albert-Duck Lake): — Mr. Speaker, a question to the minister in charge of Saskatchewan Forest Products. Yesterday I asked a question of the Minister of Environment about the Saskatchewan Forest Products mill at Big River which over the past couple of years has been polluting the adjacent properties up there, and the Saskatchewan Forest Products at this time has taken some steps to eliminate the damage by putting two shifts of sweepers on the adjacent properties to sweep out hot sparks and deliver tarpaulins, the government's tarpaulins to cover up cars. Has the Saskatchewan Forest Products taken or are they taking any steps at this time to correct this problem permanently? These people have been in contact with the council of the Saskatchewan Forest Products with the Fire Commissioner and the Ombudsman and no concrete action has been taken yet.

Can the minister tell this Assembly today what is going to be taking place to prevent this damage in the Saskatchewan Forest Products up there?

Mr. Messer: — The short answer to the member's question is yes, and I believe that the community has been aware for some time that the corporation is undertaking to move, the planer operation which I think is a significant contributor to the problem, out of that community to a site which will not bring about the concern and the problem that it has been to the residents of the community of Big River in the past several years.

Mr. Wipf: — A supplementary, Mr. Speaker. Mr. Minister can you tell this Assembly when this move is going to take place and where this is going to be moved to?

Mr. Messer: — Well, Mr. Speaker, it's not a easy move to undertake. It takes some time. The decision was made last fall to undertake to implement and in fact, complete the move as quickly as possible due to the adverse weather conditions that we have been confronted with, over the past month or six weeks. The completion of that endeavour or commitment is taking somewhat longer. I think that the best I can say at this point in time is that we are undertaking to complete the move as quickly as possible and I hope that it would be completed in the near future.

Mr. Wipf: — Where will it be, Mr. Minister?

Mr. Messer: — At its present sawing operation.

Improprieties by NDP Party in the Pelly By-election

Mr. E.F.A. Merchant (Regina Wascana): — I note that the Attorney General in his answer to the member for Regina South indicated that it had not been suggested to him that there was any documented evidence of improprieties by the NDP Party in the Pelly by-election. I can only assume that there was a careful choice of words in that regard and I ask the hon. Attorney General whether it has been suggested to you by some member of the Conservative Party that there is other evidence of any sort or variety which would indicate improprieties by the NDP Party and the filing of its returns in Pelly, or in its spending in Pelly?

Mr. Romanow: — No.

Providing Feed for Starving Deer in Southeastern Saskatchewan

Mr. E.A. Berntson (Souris-Cannington): — Question to the Minister of Tourism and Renewable Resources. In south eastern Saskatchewan, deer are unable to forge for themselves due to the unusually heavy snow cover and icing conditions. We are now feeding off hay reserves and feeding with farmers' cattle. Would your government consider implementing its policy of two years ago to buy feed from farmers, feeding deer and to provide feed in those areas where deer are starving?

Hon. A.S. Matsalla (Minister of Tourism and Renewable Resources): — Mr. Speaker, I'm aware of the problem that the hon. member raises and what the department has done up to this point in time; we've alerted our staff in the area to determine how serious the problem is to take an evaluation of the situation.

Mr. Berntson: — A supplementary, Mr. Speaker, will your government provide the details of its program, if and when it comes up with a program and give the assurance that this action will be taken as soon as possible.

Mr. Matsalla: — Mr. Speaker, after we determine the seriousness of the situation, we will look at the possibility of providing feed.

MOTION

Suspension of Member for Souris-Cannington

Mr. Romanow: — Mr. Speaker, before the Orders of the Day, I will have a resolution to introduce after a few brief remarks respecting the statements made yesterday as a result of the resolution passed by the House yesterday, respecting what I shall refer to as the Berntson letter.

Mr. Speaker, I would like to just preface the motion very briefly by saying that I've had an opportunity to consider the remarks of the member for Souris-Cannington yesterday on this matter and have come to the conclusion, as I have heard also the opinions of the other members expressed in this Legislature, that in fact the member yesterday did not retract or apologize for his actions and his words as requested by the House in that resolution.

I don't want to be legalistic or technical about it but just to put into perspective, Mr. Speaker will know that the House yesterday passed a resolution which embraced the substance of the Special Committee on Privileges, report. The resolution was in fact taken out word for word from that Special Committee on Elections and Privileges when it was passed yesterday. As I said, I don't want to be technical but the member's remarks, and I will say a word about them in a moment, were made during the course of the debate as to whether or not that resolution should pass. The resolution was ultimately voted upon, Mr. Speaker, I think it is also a fair statement to say that all of the Conservatives in a voice vote expressed their disapproval to this particular resolution, the resolution being namely that the hon. member withdraw unconditionally his letter and to acknowledge that there was no proper grounds, therefore and to make a full and ample apology to the Speaker and this Assembly for impugning the integrity of the Speaker and his office and for bringing into disrespect the institution of parliament. That was the motion, that was a request on the member and after we passed the motion the member did nothing and I waited purposely, albeit not too long but long enough to give the member for Souris an opportunity this afternoon to beat me to the floor of the

House on his feet to comply with that resolution yet today. He has again today chosen not to do so.

So, Mr. Speaker, in effect the legal position that we're in is that there is a resolution of the House which has been passed requesting the hon. member to do this and while he made some remarks during the course of the debate of that resolution subsequent to its passage he has made no comments. Indeed one could say that in a sense, what he did say during the course of the debate of that resolution, what he did do one could say was undone by what he did subsequently on the voice vote, which was to express his opposition to that very resolution which in effect asked that the apology be carried out. Members of the Conservative Party, of course, don't accept that reasoning but that's the simple fact of the matter. I think it's a logical conclusion to draw because it's consistent indeed with the actions to date of the Conservatives namely to take opposition in the House on an issue whether it's the Berntson letter or anything else and then take another issue outside the House on that particular matter. And that's exactly what's happened here. The hon. member for Souris-Cannington took a position with respect to the letter and then in the voice vote took an entirely opposite position by simply voting against the resolution. And if I'm in error in my reasoning there I would invite the hon. leader of Nipawin, the Leader of the Conservative Party or the member for Qu'Appelle to explain to me where my logic is wrong.

The other point I want to make, Mr. Speaker, is this. That in my judgement on careful perusal of the transcript, I think it's correct to say that the hon. member never really has retracted allegations that Mr. Speaker was part of the deal, never used those words in retraction or apology. I think I won't get into dragging Mr. Speaker into this matter any further but there is a great deal of evidence on this point and if one reads it very carefully, the hon. member retracts any remarks which may impugn your office but never retracts allegations or remarks referring to the allegations that you, Mr. Speaker, were part of the deal. One could say, well, there is very little difference but in reality there is a substantial difference in saying I respect your office but I shall remain silent and unwithdrawn (?) any comments that pertain to the conduct of you yourself in that office. And I believe that in fact is the situation that has taken place even as a result of the remarks made yesterday. Mr. Speaker, before I move the motion I would like to draw to the attention of the House one or two other points. The hon. member for Souris-Cannington says that this is the first time in the history of the Assembly that or at least appears to be the pattern of the Assembly not to accept the withdrawals that have been tendered by the members of the Progressive Conservative Party. Mr. Speaker, I want to say that that is totally erroneous. Rather, what I would say is more correctly the situation with respect to the history of the practice of this Assembly, because this is the first time that a member has not withdrawn his remarks in the form and nature as requested by the Assembly or as requested by the instrumentality of the Assembly, namely yourself, Mr. Speaker. I can think of many examples but the most important example is the one that was made by the member for Cutknife during the course of second reading debate or, perhaps, even earlier on Bill 47 surrounding certain remarks made by the Supreme Court of Canada. Member for Regina South rose on a point of privilege, Your Honour took this matter under consideration for several days and then set out a form of apology — or the hon. member for Cutknife. If the hon. member for Cutknife had adopted the practice which appears to be the practice adopted from Souris-Cannington and put his own apology on, something which satisfied him, but which did not comply with what you or the House has requested of him then, Mr. Speaker, in reality that is a nonretraction. And that is, indeed, the situation that we're here in. The hon. member chooses to apologize for those things which he selects the subject of apology and then because they do not comply with the requests of the Assembly, may I remind you

although that Conservatives were silent on the voice vote, certainly without any opposition, then can't turn around and say, well, it's an apology tendered, but one that has never been accepted. Because, Mr. Speaker, I say to you, that in my judgement, this is one of the, if it isn't the first time in history, it is so close to being the first time in history, certainly the first time in ten years that I've been a member of this Assembly that a member who's been asked or directed by Mr. Speaker, or directed by the Legislative Assembly as in this case to withdraw in a form as requested by him that he has not so done. And, Mr. Speaker, when the member says that it's somehow related to the Progressive Conservative Party, it is so only if it is the policy of the Progressive Conservative Party not to comply with the dictates and the wishes of this Assembly or of Mr. Speaker.

Mr. Speaker, another point that needs to be made. I think, during this whole affair relates to the question about the conduct of the member with respect to the committee itself, the committee it's like committee on privileges and elections. The member talks about precedent. I believe that it is without precedent, Mr. Speaker, that a member has ever refused a committee's request to testify in the course of the committee work of this Legislative Assembly. Again, on subject to a thorough historical check of the records of this Assembly but certainly in the ten years I've been around when a member is requested by his peers through a committee to attend and requested to testify, the precedent is that he attends and tells his story. As the committee said itself, Mr. Speaker, there is no record of a member persisting in a refusal to give evidence. That's a direct quote. I think the people of Saskatchewan and the members of this House are entitled to ask why did the member for Souris-Cannington persist in refusing to give evidence. The question that I ask is that if the member for Souris-Cannington had nothing to hide why didn't he appear? I suppose the same question from the hon. Leader of the Conservative Party who like the member for Souris-Cannington following his lead has also refused during the course of this committee to testify notwithstanding the request of the Assembly and the committee of the Assembly.

Another point, Mr. Speaker, which must be made is the point relating to the member's statement that he has a right to debate freely. I want to say that no one can deny any member's right to speak freely. That is the essence of a democratic system. But as I said during the course of the debate when we established the committee, Mr. Speaker, to debate freely does not mean to say absolutely anything without limitation. Quite clearly, we have a freedom of speech outside of this Assembly but that freedom of speech is coupled with a concurrent responsibility, the laws of libel and slander, other laws which are related there. So no freedom is absolute. The freedom of speech within this Assembly is similarly also tied up with obligations and with responsibilities. I think to adopt any less of an attitude in justifying somehow the right of someone to speak freely would, in effect, destroy the very institution of parliament, opening up the door for members making any kinds of accusations, any kinds of statements without fear of any kind of retribution bringing yourself, Mr. Speaker, or other institutions not saying yourself, but others, institutional aspects of this body into disrepute and thereby bringing down the entire Assembly for which we represent here.

So I want to say, Mr. Speaker, that in moving the motion that I will move in a moment, I do not say that the House pretends to deny the member for Souris-Cannington his right to debate freely but I would remind the hon. member for Souris-Cannington that to be free in debate does not attach with it the right to be irresponsible in debate. And I remind the member for Souris-Cannington that if there was a deal, Mr. Speaker had to be a part of that deal. That's what the committee found, that was the recommendation of the committee. To continue to say or to imply that there was a deal or that there is a

deal in the context of this letter, in my judgment, apart from the fact that it does not comply the request of the committee, continues the slur on the Assembly and the members of this Assembly and the committee of this Assembly.

Mr. Speaker, I guess what I'm saying in conclusion is that the member's apology has not been accepted in my judgment and, I believe has not been accepted by the vast majority of the members in this House because it never has been complete from day one. Particularly, it is not complete with the resolution which has been passed. In fact, he has not responded to that resolution although that's a legalism which I'm not going to make much of, but throughout the whole piece, the members, request that we put to him to apologize, he sees fit not comply with, notwithstanding the sworn evidence, notwithstanding the days of committee hearing. I suppose that all of us in this situation have a choice of accepting something which is half a loaf as requested by the committee or simply saying that, in a sense, by offering the piece meal offer of apology, one in an indirect sense is almost making a further mockery of this whole process. And I tend to slide down to the latter point of view, that if we were to as members accept something which was partial at its best, consistent in its approach throughout this matter that it would only be parties to these, what I consider, very serious situations. The member persists in implying the allegations he makes, he sticks by, the member continues to say on media television that he is not sorry for anything that he has said, he would do it again, or words to that effect. I don't think the member can come to the House under those circumstances and pretend to suggest that there has been a retraction or an apology as requested.

Mr. Speaker, I hope I never had to do this again. I do this because I'm house leader, I do this because Beauchesne and Erskine May say that in a situation of this nature it is incumbent upon the house leader to move a motion. I do this not in the sense of being a partisan member of a political party albeit the house leader but in what I view as my responsibility as house leader, but I believe that for the variety of reasons that I have set out here, having very carefully studied the words, the actions of the hon. member. Yesterday if there is no other option open to us but to say that in fact the member has been silent which in fact in law legally he has been, that in fact he has not complied with the requests of the House as so passed and that under the circumstances, accordingly, there is no other option but for the members of the Legislative Assembly to take the necessary disciplinary action as has been recommended by the Select Standing Committee on Privileges and Elections. That's their recommendation. The first part of the recommendation we adopted yesterday. The member has been silent or at best has given us a backhanded apology that therefore calls for us to pass the second motion and I move seconded by my colleague, the Minister of Finance, the hon. member for Regina North East, accordingly the following:

That the member for Souris-Cannington having declined to comply with the resolution agreed to by this Assembly on January 9, 1978 requesting the hon. member to 'withdraw unconditionally his letter of November 16, 1977 and to acknowledge that there were no proper grounds therefore and to make a full and ample apology to the Speaker and to this Assembly for impugning the integrity of the Speaker and his office and for bringing into disrespect the institution of parliament' and having thereby committed a high violation of the rights and privileges of Mr. Speaker and the House, be suspended from the service of the House for five days pursuant to the recommendation of the Select Standing Committee on Privileges and Elections.

Motion agreed to on the following recorded division:

YEAS — 36

| | | |
|-----------|-------------|----------------|
| Pepper | Mostoway | Johnson |
| Thibault | Banda | Thompson |
| Bowerman | Whelan | Lusney |
| Smishek | Kaeding | Wiebe |
| Romanow | Dyck | Merchant |
| Messer | McNeill | MacDonald |
| Byers | MacAuley | Cameron |
| Kramer | Feschuk | Anderson |
| Kowalchuk | Faris | Stodalka |
| Matsalla | Rolfes | McMillan |
| Robbins | Shillington | Nelson (As-Gr) |
| MacMurchy | Skoberg | Clifford |

NAYS — 8

| | | |
|--------------|----------|----------|
| Collver | Birkbeck | Wipf |
| Bailey | Berntson | Thatcher |
| Lane (Qu'Ap) | Katzman | |

MOTIONS FOR RETURN

Return No. 46

Mr. J.G. Lane (Qu'Appelle) moved that an Order of the Assembly do issue for a Return No. 46 showing: The rate per mile charged by the Central Vehicle Agency (or the Government of Saskatchewan) for each of the government aircrafts in the years 1974 to November 1, 1977: (i) the total mileage flown by government aircraft in each of the years; (ii) the total mileage charged to government departments or agencies for each of the aircrafts in each of the years; and (iii) the amounts charged to each department or agency in each of the years.

Hon. N. Shillington (Minister of Government Services): — I would say to the member who moved this, I'm hopeful we can answer it, but not in the form in which it's in and I'm going to propose some amendments to this and I'd ask that the debate be adjourned and I'll consider it and get back to you in the new session, Mr. Speaker. I move this motion be adjourned at the moment.

Debate adjourned.

Return No. 97

Mr. E.F.A. Merchant (Regina Wascana) moved that an Order of the Assembly do issue for Return showing: (1) The loans and grants made or guaranteed by the Government for CPN. (2) The dates of the above. (3) Whether any of the above are overdue.

He said: Mr. Speaker, these questions both this question and the next question seek information about direct and indirect government subsidization of the cable co-operative network. Mr. Speaker, this is information that I have requested from the government in an unofficial way, have not received it, requested this information in the House, and I have not received it. I say in starting that I have no position as such regarding CPN or cable television. I am a subscriber to both operations in Regina. I don't however, personally believe that without government help both operations can survive in markets as small as they are in Saskatchewan. Nonetheless, I'm opposed to government help, opposed to government help in this instance when I suspect that what it will do is prop up a second service which I don't think would be economically viable and I'm opposed to government help because what you're really doing is you're taking money from the rural areas to subsidize a cadillac program in Regina and Saskatoon and Moose Jaw.

Mr. Romanow: — Why did you sign up?

Mr. Merchant: — Signed up because if you want to give me this cadillac program far be it for me to turn it down. Mr. Speaker, I couldn't care less, frankly, whether the companies and the co-ops make any money running conventional cable or not, but I do care if Saskatchewan ends up with one or both operation being subsidized at the expense of the Saskatchewan taxpayer and I say, Mr. Speaker, that heavy subsidization of CPN appears almost inevitable.

The government has made a number of guarantees of loans and provided funds for the cable co-ops. Two of the cable co-ops did not get licences and the government suffered a loss on their guarantees. The subsidization to the co-ops was available but not to the private companies. The cost to the taxpayer to assist the conventional cable co-ops is not over, and we cannot recover those costs. Now we inquire with these questions about the new cost to fund CPN. CPN has expended an estimated \$1 million to date. Now there's a further \$2.6 million guarantee. I think the government should view the viability of CPN with growing concern. Is there a subsidization in the rates charged by SaskTel because if there is that kind of subsidy is an add on subsidy to that already given through the financial assistance to organize the various loans that have been guaranteed. CPN charges \$10.50 a month. In approximate terms the costs are as follows. They pay the Saskatchewan Arts Board about \$1.50, \$1.55 to be exact. They have operating overhead which is estimated at about \$3.00 for secretaries, etc. That leaves, Mr. Speaker, \$6.00 to cover the cost of purchasing programming to cover the cost of SaskTel cable rental and the additional cost that conventional cable does not face, of paying for the convertor and the trapper filter, whichever word you tend to use. The converter and the filter costs exist for CPN but do not exist for conventional cable. The five channels provided by CPN which include broadcast news, and the community channel which are duplicates of conventional cable operations will all be provided on the mid band. The convertor box currently sells at a retail price of about \$90.00 to \$100.00. The one that I have in my home cost \$99.50. It allows for 39 different

channels. Buying in bulk lots, the minister will find that he can buy these convertors for about \$50.00 to \$60.00 each. One is required per subscriber. In addition, a filter or trap will be necessary in Saskatchewan because we're the only jurisdiction in the world where an attempt is being made to operate two separate television program services on a single TV cable by two separate operators will now find, as they have, that there's no device on the market which will switch the CPN service to CPN customers and telecable service to only telecable customers.

Without the trap or filter, without that device it will be impossible to stop the theft of services by a customer who could tune in both services by paying for one. The device to stop that theft must either be an amplifier and an amplifier is unlikely because of the wearout factors or a filter. Most thinking favors the filter or trap concept but nothing effective has yet been developed. Such devices can be developed and manufactured but no one knows what the cost will be. The point is, that SaskTel, Mr. Speaker, will be required to accommodate CPN and spend a great deal of money solving this technical problem. I estimate from my advisors that the cost of the filter or trap will be about \$50.00. That's a low estimate if anything. We're left with a cost per subscriber for the convertor and the trap of at least \$100.00 per set in use, and those items wear out in about three or four years. If you include the cost of financing this \$100.00 investment per home will have to be an additional charge of about \$2.50 per subscriber to finance and to pay for the original cost of the convertor and the trap. That leaves the \$6.00 that's left that I spoke of a moment ago. \$4.50 for CPN to pay for the cost of SaskTel rental and SaskTel maintenance and the cost of installation because the installation cost is a lost leader and the cost to the program purchases. SaskTel will be charging, I assume, \$3.90 to these operators as they do to conventional cable operators. That's part of the substance of one of the questions. Surely, I suggest, Mr. Speaker, SaskTel does not propose to charge a different rate to CPN than the rate that they'll charge to conventional cable operators. Just as surely, one hopes, SaskTel doesn't propose to absorb the \$2.50 cost of the trap and the converter out of the \$3.90 rate. One assumes that the rate charged to CPN will be \$3.90 plus the additional cost of the trap and the converter. One assumes that but of course that can't be the case because if CPN pays \$3.90, the ordinary cost, plus the reasonable converter and trap cost, then CPN would only have 40 cents per subscriber left with which to buy the movies and the programs. CPN unlike conventional cable cannot steal its message from the American television networks. CPN currently has fewer than 7,000 customers in all of the province. The programming costs provide a message on all of their channels which at a conservative estimate would be about \$80,000 to \$90,000 per month for programming costs. Beyond question, the cost will be above the \$5,000 or \$6,000 that will be left if they pay their reasonable cost to SaskTel. There is in addition, Mr. Speaker, the cost of servicing their large debt, that cost will be about \$250,000 to \$300,000 a year and even George Dyck, the head of CPN, conceives that it will not be on a break-even footing for the next few years. The interest on the debt will increase and that's making no dent in the capital.

It is hard to imagine CPN being economically viable and in my belief, when CPN comes down in this province, only then will the government look back and see what happened in reality. The government backed CPN to put pressure on the federal government and the CRTC in the cable battle. They have some of their friends involved like George Dyck and Gerry Parfeniuk and notwithstanding the fact that they were going to be pitting CPN against cable co-ops in Regina and North Battleford, they established a number of co-ops and went back to their friends in Moose Jaw and Saskatoon who had lost their conventional cable applications. Then when the NDP won the war over conventional cable for some reason the government didn't have the sense to back away from CPN.

They were prepared to use their power as government to help their political friends. Somewhere down the line, Mr. Speaker, the Saskatchewan Treasury will suffer for that just as we are suffering for errors in oil and potash made, not because they made good economic sense but because they made good political sense.

If the government answers these questions and indicates that the cost of CPN will be \$3.90 per subscriber, that means that the subsidy is all of the loans, all of the grants and the monthly cost of — that means that they will be subsidizing the loans and the grants as well as subsidizing the additional \$2.50 per subscriber for the interest and capital outlay of the converter and the trap.

If the government's answer is less than \$3.90 and I hope that the minister may, in his response, be able to indicate that surely it will not be less than the ordinary charge that you won't have that kind of preferential treatment. But if the government's answer is that the charge will be less than \$3.90 then the subsidy is \$2.50 for the filter and trap, plus whatever that differential is beneath \$3.90. The reason the government has not been prepared to give me this information in questions last week is because the answers will be embarrassing. I believe you will find that they are going to charge CPN something in the \$2 range which means rather than charging \$3.90 plus \$2.50 for a total of \$6.40 the rate will be \$4.40 beneath the appropriate amount, a \$4.40 monthly subsidy from SaskTel to every CPN subscriber which presumably will go on forever.

I predict, Mr. Speaker, that that is the amount to be charged because only with a rate from SaskTel of approximately \$2 per subscriber can CPN have any hope of affording proper programming and even then it will only be in three or four years when it has built up its range of subscribers to 40,000 or 50,000; a \$4.40 subsidy for the politics that the NDP thinks is in it. A subsidy which the Premier calls a risk and says it's worthwhile because it will bring service to small towns.

That reason, Mr. Speaker, bears examination even though I'm over my time. Conventional cable television is now enjoyed by most small communities around the province. In the West the CRTC recently licensed 30 small communities throughout Manitoba. It is currently hearing 99 applications for more than 40 small towns throughout Alberta. Small centers in the Maritimes, Ontario and British Columbia are all served as they would be in Quebec, except for the fact that the Quebec government, like this government, puts petty communication politics ahead of the interests of the people in the small communities.

As a general rule, conventional cable television can make a profit in communities of 500 homes or more and does make a profit in those small communities all across the

province. Cable enterprises or cable co-ops will serve small communities in Saskatchewan if this government stops interfering with the process of growth of conventional cable in the province. The \$4.40 per subscriber subsidy will delay any kind of additional television service to most of Saskatchewan because CPN will have so much trouble getting established on its economic base that it will be years before it can expand to Prince Albert, Swift Current or Yorkton, never mind the smaller communities. Because CPN will be competing with regular television broadcasters in the purchase of programs, the competition will cause program costs to rise and make those costs too expensive for smaller stations but the net result is that farmers and small town people will be denied top TV service. There is no possibility, Mr. Speaker, that CPN can pay its way on a \$10.50 subscriber rate. These questions ask how large a subsidy will come from Saskatchewan people for a big city service and these questions ask why. I can only assume, Mr. Speaker, that the government long since indicated what its rate would be before CPN decided on the amount that CPN proposed to charge when they went into the market guaranteeing a \$10.50 rate.

I suspect, Mr. Speaker, that the minister, whether it be the minister in charge of cable or the minister in charge of SaskTel could rise now and give to this House the rate that will be charged. I hope he may decide to do so. If he will not do that, I hope, Mr. Speaker, that he will in answer to Returns 98 and 97, give the information I now request and I move, therefore, seconded by the hon. member for Shaunavon, Return No. 97 showing:

Mr. Romanow (Attorney General): — Mr. Speaker, I will say just a few words on the Return No. 97. Return No. 98 deals more with SaskTel and my colleague, the minister in charge of SaskTel, may make some comment with respect to no. 4 plus other matters which have been raised.

I just simply want to say, Mr. Speaker, that far from stating that the member wants information, I suppose he does, what the member's remarks really show is that he wants information to use against CPN if he can uncover it and what he wants to do is to see this venture in closed circuit television, which I think is certainly going to be an innovative and experimental project, stop before it gets started. He is of the view that conventional cable and conventional television is the mechanism that should be in play in Saskatchewan for the provision of television services. He ignores the argument that under the present conventional television approach in life, we have a high degree of Americanization of programming, a high degree of programming which in the eyes of many is very superficial. He also ignores the fact that CPN not only will stand a chance of getting around this but we will also have an opportunity of having the community have a direct input in to the community channel and into the programming that is involved in this matter.

CPN is a concept which is different and it is unique. It's a concept which simply says that many people in Saskatchewan don't subscribe to the view that we should have programming which is entirely devoted to the Starsky and Hutch kind of program or Canadian versions thereof. In fact, I am very disappointed in the position that I think we as citizens of Canada find ourselves in with respect to broadcasting and the quality of broadcasting, electronic broadcasting. Very frequently the programming on television is designed to appeal to a very low denominator. Canadian attempts in building a dramatic movie industry and entertainment industry are fashioned and based on the fashioning of American programs, so instead of having Kojak, you have something called Sidestreet and instead of having All In The Family, you have King of Kensington and all these other kinds of parallels which are nothing more, nothing less than

Canadian versions of American approaches to entertainment. I have no objections per se to American entertainment. I think much of it is skilfully done and certainly does achieve an entertainment value, but I do object to the fact that the CBC, in particular, which is mandated to fulfil a Canadian approach to broadcasting, seems to be paralleling this particular approach.

I don't expect much of CTV. I think CTV being a commercial network and buying many of its programs from the United States is bound to go into this area. The point is that when you speak against CPN, as the hon. member for Wascana, in effect, does by his tenor saying that this is a political job that we have done here for political friends and anything of this nature. What he is, in effect, saying is that he does not want this alternative form of programming. What he is saying is that he wants the conventional television, which is Starsky and Hutch; he wants a conventional cable which is more of Starsky and Hutch and what he wants is more of that of a Canadian imitation of Starsky and Hutch. That may be fine for his taste, but I believe that there are many people in Saskatchewan who do hope that there is a higher role for broadcasting, one which will have an education value; one which will have a reflective cultural value; one which will have a community channel value. Those who say that CPN is strictly movies, simply don't know what they are talking about with respect to CPN.

There are five channels and one is a community channel, one is an educational channel, one relates to movies. That is true, there will be a movie channel and I believe that through community control and in the area provided in the other channels, there can be an widening of fair exhibition for the people of the province of Saskatchewan by providing more than American, by providing European and providing educational and other facilities that are available.

Simply put this is a pioneering event. I simply want to close by saying, before I adjourn this debate, that the simple fact of the matter is, that the hon. member for Wascana has given up that there is anything that can be done with the electronic media in terms of these culture and other values. I personally don't give up. I think that there is a hope for providing it in a newer form, in a community control form and in a form which would give it to very many more areas of rural Saskatchewan than would otherwise have it with respect to the conventional cable or the conventional television.

Mr. Speaker, I do need more time to see whether we can answer this return in the form that it is asked. I will be having quite a few more things to say when we reconvene and, accordingly, I beg leave to adjourn the debate.

Debate adjourned.

Return No. 98

Mr. E.F.A. Merchant (Regina Wascana) moved that an Order of the Assembly do issue for Return No. 70 showing:

The amount that CPN be charged per month, per subscriber, by Saskatchewan Telecommunications for the cable service, converters, and filters to be provided by Saskatchewan Telecommunications.

He said: Mr. Speaker, before I move Return No. 98 let me only make a few comments about what CPN will be. It will provide a community network which will be a duplicate to the community network provided by conventional cable. Community

networks are seen by almost no one, almost totally ignored, have a very low level of interest. You would find if you wanted to put on an exposition of gold fish swimming around in a bowl, you could walk into any conventional cable operator in Canada and they give you an hour to demonstrate your gold fish if that were your wish because nobody is interested in taking the time to go on it because nobody watches it. That is one channel.

The second channel will be broadcast news and broadcast news will be a duplicate, again, of the facility that is provided by conventional cable. All it does is it shows, once again, the ticker tape, it gives the weather and the time. So those are two channels that will be provided by conventional cable, that will be ignored and not very highly used by conventional cable. Nobody will be interested and we will double the lack of interest by having in CPN at the same time. It is a red herring to imply that that brings anything into the community of any particular value. Possibly it could but the only way you get value is if you spend the money on the quality kind of material that then brings up your level of interest and the level of interest is very low.

The other three channels that CPN will have is a movies channel. That movies channel, I am sure, will buy movies in the same packages that conventional television stations buy movies channels. Secondly, there will be a channel that will have the same programming and the Attorney General doesn't seem to think very highly of it, but the same programming that is available in conventional television. And the third channel, which he describes as the educational channel will, in fact, be the educational children's channel. It will have some educational programming and then it will have the same children's programs that are now available, comics and television shows aimed at children.

I don't know what the Attorney General's view of culture is, but I suggest to him that CPN isn't going to be culturizing Canada. The children's channel is for Roy and that will be an uplifting influence, I am sure, in his mind, but for the rest of us I don't think that we would be able to describe CPN as having any great cultural effect on Canada. And if it is going to stand or fall, CPN should stand or fall as an economically viable operation. I could care less whether CPN survives or not, just as I could care less whether conventional cable survives or not. My questions are simply this, why are Canadian and Saskatchewan taxpayers, Saskatchewan taxpayers in this case, asked to subsidize a programming that will principally be directed to Regina and Saskatoon and Moose Jaw and to a very small extent in the city of North Battleford?

Having said that and wishing upon the minister in charge of SaskTel that we will, in due course, get to Bill 47 and we are hoping to get there this afternoon and I say that in hopes that I won't hear very much from him.

I move Return No. 98 and I say to the minister I am positive, that SaskTel has given some figures to CPN, absolutely positive. There is no chance on earth that CPN is in operation without a clear indication of what its charges would be from SaskTel. I ask the minister to deny that, if he can, and if he can't would the minister give us the information as I have asked for it in question period, the amount that CPN is to be charged. If you can't give the specific nickel, you can give the ball park figure. I say that and again ask that the minister not feel provoked to speak at great length.

Hon. N.E. Byers (Minister of SaskTel): — Mr. Speaker, the comments of the hon. member for Wascana (Mr. Merchant) do not relate very closely to the question that he placed before the House on the Order Paper, today. I tried to sort out some of the web,

the confusing web, that he has created. It is obvious that the hon. member for Wascana, like his colleagues, is not overly enthused with the government's courage to assist, by way of guarantee, the community programming network that may well provide the base and usher in a new era in communication in this . . .

Mr. Merchant: — Mr. Speaker, on a point of order.

Mr. Speaker: — What is your point of order?

Mr. Merchant: — My point of order is, this question that relates to the guarantees and while I am usually patient with the member I am hoping that I might, through a whole series of points of order, hold him to six, seven or eight minutes. There is nothing about guarantees. He is speaking about the previous debate and although I am fascinated to hear him I hope that you will hold him to the issue in question.

Mr. Speaker: — I expect the member is going to tie in his comments to the substance of the motion and I would urge him to get to that point.

Mr. Byers: — Yes, Mr. Speaker. I thought I gave both you and the hon. member that assurance at the outset. As I listened to the hon. member's remarks I wondered if he had seen the book "Voice From The Wild" by Mr. Collins, a Saskatchewan born writer who has very recently compiled a very worthwhile history of the communications industry in this country. It is interesting to note that in 1908 even a Conservative government in the province of Alberta had the foresight to buy and boot out of that province the Bell Telephone Company because it knew very little about public relations and because it had no intentions of providing a communications system to the rural parts of the province. I am not going to argue whether they paid too much for that. I expect when they bought that system, I think for about \$3.5 million, there were people who thought in 1908 that was perhaps more than the province could afford. Expenditures of that kind in 1908 were subject to some questioning in the Legislature.

The Liberal government of Mr. Scot, one of the first Premiers of this province was obviously a tougher dealer than the hon. members. He was able to buy out the Bell system for about \$358,000 in 1908 or 1909 or 1910 whenever that was done.

Therefore, the CPN experiment, I think, can be regarded as ushering in a new year in communications as the vehicle by which the closed circuit programming can ultimately be provided to the rural areas of the province.

The member seeks to determine what the charges will be by SaskTel to CPN for the service they are about to provide. I want to make it clear to all members of the House, particularly to the press who report this, that with respect to CPN, SaskTel will not be dealing directly with the customer. SaskTel will be dealing with the CPN organization and will be quoting a monthly rate for the CPN service.

The second point I want to make is that at this point in time the additional technical equipment, the traps and the converters . . .

Mr. Merchant: — We have you guys . . .

Mr. Byers: — Well now just a minute. The hon. member may be an expert in traps. I don't know that. If he has some expert information about traps, I am sure SaskTel will be glad to have that. The technical equipment that will be required is still being

investigated and the administrative arrangements including the price that will be charged for the service is still being worked out and therefore at this time it is not possible to quote a firm price as to the cost of the traps and the converters and the other hardware.

The Liberal Opposition in this province and in this House is somehow trying to make people or make someone believe that this horrendous additional cost will somehow cause the taxpayers of the province to have fallen arches and humped backs. There are many parts of this province where service is provided where SaskTel does not recover its capital costs. I am sure when we put the two backbone networks into northern Saskatchewan that we certainly do not expect within the lifetime of many of us here to recover the capital costs of providing the microwave equipment to Camsell Portage and to the northern parts of the province nor will we in some cases recover the costs of the rural assimilation program. It is however intended that a price structure will be agreed to between CPN and SaskTel to enable SaskTel to recover its cost for the provision of the hardware for CPN service.

The member has hinted that it is an error to have a difference in the monthly rate charged to the CPN and the charge to the conventional cables. I think when you are comparing SaskTel prices for the two systems there are two or three things that ought to be kept in mind. Obviously these haven't crossed the mind yet of the member for Wascana. First of all SaskTel will be delivering 12 local channels for the federal licensees but less than half that number for CPNs. He suggests if we charge the CPNs less that we are somehow playing favorite to our political friends.

Secondly, the rate for the conventional cable operators is really set and established by the CRTC. He may well know that in the case of one licensee SaskTel offered to provide them service at a substantially lower rate than was finally approved by the CRTC.

Third, he ought to know that the federal licensees rate includes the cost of hauling the microwave signals from a distant head end. The CPN does not require any microwave system of that magnitude.

Fourth, that the security devices — these are the traps and converters and all that hardware — for CPN do have a cost which should be recovered. Therefore, Mr. Speaker, because there are a number of matters to be sorted out here, no one is in a position to determine a rate for CPN at this time. It doesn't follow that the CPN rate will be comparable to the federal licensee rate for some of the reasons which I have outlined above. For that reason, Mr. Speaker, I would like to ask permission to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

MOTIONS FOR RETURN

Return No. 18

Mr. R.E. Nelson (Assiniboia-Gravelbourg) moved that an Order of the Assembly do issue for Return No. 18 showing:

(a) The name, address and type of business of the companies in which SEDCO holds shares; (b) The names of the companies in which SEDCO held shares that: (i) are no longer in business or (ii) are in receivership or (iii) have a receiver manager appointed; (c) (i) the amount of each loss that has occurred to date and (ii) the name of the company in each case. (d) (i) the number and the total amounts of the loans from SEDCO which are overdue six months or more (ii) the name and address of the companies with the overdue loans.

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Speaker . . .

Hon. R. Romanow (Attorney General): — I said stand.

Mr. Merchant: — Mr. Speaker, yes, your man can get back into the debate and I can speak in the debate and I am now speaking in the debate . . .

Mr. Romanow: — Mr. Speaker, on a point of order . . .

Mr. Merchant: — No, you are wrong.

Mr. Romanow: — Mr. Speaker, the situation has been this. When a person calls stand that is in effect tantamount to a motion. We have had the situation arise before where the member in whose name it stands has not been here and somebody on behalf of that member yells stand and it is accepted by the House to stand. I say to the hon. member for Wascana if he is going to change the ground rules then there will be a time when he or his members of the caucus aren't around where we will seize on that if that is going to be the position that he takes. We haven't taken it yet. I caution him if that is the position he is going to take in this area. I am calling stand on this.

Mr. Merchant: — On a point of order, Mr. Speaker. It is a great joy to know that other members of the House are taking up the habit when making threats before in front of and behind the Bar of pointing and pointing fingers. Mr. Speaker, as I understand the rules, speaking to the point of order, the hon. Minister, Mr. Messer can get back into the debate. I seek to address you for about four to five seconds in the debate and then the matter will transfer into my name. I think I have been recognized to speak.

Mr. Speaker: — With regard to the stand. Stand is tantamount to a motion moving that the matter stand. If a member rises to speak then the option is open to the member who said stand to contest it and I think a vote should be taken at that point, a procedural vote. If the member wishes to call a vote on it, we will call a vote on it and decide.

Return No. 18 stands.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 16 — Federal Liberal government ignores needs of Veterans

The Assembly resumed the adjourned debate on the proposed resolution by Mr. Larter (Estevan):

That this Assembly condemns the federal Liberal government for ignoring the needs of some 190,000 veterans in turning down moneys agreed to on

an all party agreement of two years ago, and that this Assembly further urges that this agreement, although not accepted by Cabinet, be now passed in order to restore dignity to a group that has given so much to our country.

Mr. R.E. Nelson (Assiniboia-Gravelbourg): — Mr. Speaker, I would like to have a few brief remarks on this particular resolution. Since adjourning the debate on this resolution I have had the opportunity of doing some research on the pension system in Canada. I am sure that the hon. member for Estevan (Mr. Larter) was sincere being a veteran himself in bringing this resolution before the Assembly. It is most important when bringing a resolution of this type to have accurate and factual information. I want to set the record straight on some of the facts.

The mover states in his resolution that 190,000 veterans are being turned down on benefits. He took his information from a last fall news article which appears not to be accurate. I would like to quote the proper figures from the 1977 Annual Report of Veteran's Affairs of Canada. The accurate number of veterans is not 190,000 but 112,545. However, we must add the 26, 428 dependents receiving pensions for a total figure of 138,973.

When one is asking for help for these fine people it is most important that we quote correct figures. The member mentioned as well that veterans' organizations across Canada met a few days ago in committee with the government of Canada and agreed that the rate of pension for 100 per cent disability pensioner would be equal to the pay of the lowest category of the federal civil servants which was a caretaker. That meeting was not a few days ago but was a study initiated on July 6, 1972, when a committee was set up to study the basic rate of pensions of veterans. Following the study Bill C202 was passed in the House of Commons on June 22, 1973. The bill provided that the new basic rate of pension based on the average salary as of October 1, 1972, after income tax was deducted at the rate for a single man on the basis of income tax payable in the province with the lowest combined federal and provincial income tax of rates of five categories of unskilled employees in the public service. The new rate of pension became effective in July 1973. In addition the annual adjustment of pensions in accordance with the increase in the consumer's price index as legislated. In 1974, 1975 and 1976 the basic pension rate was slightly more than the average salary of the five categories of unskilled employees in the public service, and in 1977 it was the first year that it fell behind. In January, 1978 in accordance with increases in consumer's price index, the basic pension is some \$273 short on a single veteran. One must however, remember that only 15 per cent of the veterans receiving pensions are single while 85 per cent are married, all with dependents. Bear in mind also that the formula is based on a single person in the civil service. A single veteran on 100 per cent pension presently received \$596.70 per month. A married veteran on 100 per cent pension received \$745.88 and if he had two children the rate would be \$880.15 per month. These pensions are not subject to income tax. Of the 85 per cent many may be well above the basic single rate mentioned in Bill C-202.

We should tread carefully when we condemn a government that has had the foresight to protect the wives and the children of veterans as well. We also know and should take pride in the fact that Canada is number one in the world in our veteran's programs and benefits. We must however, not be complacent. I am a veteran myself of World War II and have worked long for veterans within posts of the Royal Canadian Legion of which I am a 33 year continuous member. I have a brother who is a veteran of World War II who is a 100 per cent pensioner. I know well the work of veterans' organizations, especially the Royal Canadian Legion. They have done much in winning many benefits for

Canadian veterans. The Royal Canadian Legion has always been fair, reasonable, diplomatic and without political motivation in their dealings with all governments when seeking benefits for veterans.

To condemn the federal government, when ignoring the needs of veterans in Canada would also be condemning veterans' organizations, and again especially the Royal Canadian Legion which works so closely with the Department of Veterans' Affairs. Not in any way, Mr. Speaker, do I suggest that we sit idle, but let us not rock the boat so that we jeopardize 85 per cent of those receiving pensions.

With this in mind and knowing the great debt we owe our disabled veterans and their dependents, I move the following amendment to Resolution (No. 16), seconded by the member for Regina South, Mr. S.J. Cameron:

That all the words after the word Assembly in the first line be deleted and the following substituted therefor:

Congratulates the Federal Government for passing Bill C-202 on June 22, 1973, giving Canadian disabled veterans and their dependents the best benefits of any country in the world, and further, that this Assembly urges the Minister of Veterans' Affairs to immediately raise the basic rate of veteran's pensions as provided in Bill C-202 to ensure continuation of fair treatment of that special group of Canadians.

I urge that all members support the amendment.

Mr. Cameron: — I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

Mr. E.F.A. Merchant (Regina Wascana) moved second reading of Bill No. 29 **An Act to amend the Public Service Superannuation Act.**

He said: Mr. Speaker, the four pieces of legislation that I had introduced all direct themselves in assisting older people in two capacities.

The first purpose of these amendments is to end compulsory retirement. Older people who want to work past 60 or 65 should have that right protected by law. They should be protected and helped to work if that is their desire. The second purpose of these amendments is to end age discrimination in employment to ensure that people are not deprived of employment because they have reached middle age. This legislation would make it illegal to refuse someone employment solely because they were in their late 40s or 50s or 60s although clearly the job has to fit the person applying for it. The legislation does not compel employers to hire the middle aged if they are incapable of handling the employment but it does state that if their reason for refusal to employ is solely one of age, then these amendments will make that refusal constitute a discriminatory practice within the meaning of our Bill of Rights and the Fair Employment Practices Act.

Compulsory retirement frequently cuts off able, productive years, and that should end. There is of course, nothing magic about the age of 65 yet it is an arbitrary figure that has

been picked as the age for compulsory retirement in a vast number of fields. Sixty-five gained questionable distinction, not as a result of any study that showed a uniform decline at that age, but because it was picked for official recognition as the appropriate year for retirement by Chancellor Bismark when he introduced the first old age pension law as a part of his sop to the Socialist program in the last century. At that time the 'Iron Chancellor' rightly assumed that most would not reach the retirement age of 65. Just as our thinking about the age of majority has adjusted to take into account the move rapid maturity brought on by an electronic world, so too should our thinking take into account the greater longevity and sustaining physical condition of older Canadians.

The population aged 75 and older has increased nearly six times since 1901 and present estimates are that the number of people over 75 will increase by 2.5 times in the next 13 years. They want to contribute. The Canadian Council on Social Development opposes compulsory retirement and states that the over-65 are not a composite lump with a single set of characteristics and therefore, open to a single policy, yet, Mr. Speaker, 1.7 million individuals with a wide variety of aspirations and means.

Of interest to this government in particular, will be the fact that the Canadian Labor Congress opposes compulsory retirement. The argument, in fairness to senior citizens is clear and compelling.

The second argument is that we are as a society starting to need the work of the 65s and over. As Rabbi Plaut puts it in, "Let the Orderly Try Lobby Tactics," and I quote.

If present trends persist a minority of younger people will support a majority of senior citizens and children. In consequence the cost of the kinds of programs now in existence will skyrocket. This cost will be counted not only in dollars but even more important in harder to measure human terms, wasted resources, frustrations, useless and unwanted leisure years.

That and underfunded pension plans make it important to society that those who seek to work beyond the usual retirement age be allowed to go on contributing to the economy.

We know from employment graphs that though presently we don't have enough jobs for Canadians, in the next decade we will have too few Canadians capable of work. We may well find that those older citizens who want to work are very welcome on the active employment rolls.

This legislation asks that compulsory retirement end in Saskatchewan, it would end compulsory retirement from the Saskatchewan Public Service which is a discriminatory practice and should be ended. It would make it illegal for private or public enterprise to force retirement at any age. Thirteen American states have forbidden forced retirement at a specific age. The US Congress recently passed a law against mandatory retirement at 65 for private sector workers.

The Ontario Human Rights Commission in a recent report has been very critical of the '65 and out' provisions of contracts and has urged a ban on forced retirement. This legislation potentially could create some problems for employee benefit plans. That is not the intention and I will in Committee of the Whole be introducing House amendments designed to ensure that pension and retirement plans are not affected by the portion of the legislation which defines discrimination or age to protect people

between 45 and 65 from not being hired.

It is not my intention to create problems for private pension plans nor to create problems for the government pension plan. The government pension plan would be in jeopardy particularly and two solutions are possible under the regulations that will be enacted. Older people could be compelled to put larger amounts of money into their pension plan if they are to receive coverage or older people could be exempted from coverage. It is my belief that as a general rule the cost of the benefits should be uniform rather than the benefits being uniform. I don't address myself, however, to that question at this time. I suspect that only the Minister of Revenue may understand what I said.

Certainly, Mr. Speaker, I don't think that that should be an absolute rule, the question of whether benefits should be uniform or the costs of the benefits being uniform. But by the same token, it is not my intention in moving this legislation to affect the operation of retirement programs or other forms of group and employee insurance and for that reason amendments will be moved. The solution probably lies in allowing differential rates of contribution but this government is moving away from differential rates of contribution towards a uniform rate plan.

Mr. Speaker, this legislation must also be examined for the insurance ramifications. Both of these areas, the pension and insurance questions should be looked at by officials from within government and by officials in the insurance and pension industries. I mentioned the possibility of varying employee and employer contributions by age. Questions arise about early retirement investing provisions; questions also arise regarding sick leave and disability benefits and whether those benefits would be cut off at age 65. A whole number of concerns can arise. They should all be examined before the coming into effect of this legislation and appropriate regulations enacted. Mr. Speaker, if the House gives approval to this legislation in second reading, I and others will address ourselves to those problems.

In third reading, however, I would be introducing an amendment to the act providing as follows:

That no provision of this act relating to age shall prohibit the operation of any term of a bonafide retirement, superannuation or pension plan or the terms and conditions of any bonafide group or employee insurance plan.

Without restricting the foregoing to include life insurance or retirement insurance and sick leave insurance (and Mr. Speaker, the amendment would include)

That the Lieutenant Governor-in-Council would be empowered to pass such regulations as might be necessary to give effect to that section.

The second area, Mr. Speaker, the area other than the 65 compulsory area to which these amendments address themselves is the question of employment practices. Members of the Legislature will see that the definition of age in the bills is included. Some employers now are reluctant to employ younger teenagers and that right is not affected by this act because age is defined. To pass an outright ban on age discrimination might compel employers to hire 13 and 14 year olds when young teenagers of that age are inappropriate for the positions involved. This legislation will ensure that people are not automatically refused employment because they are in their

40s or 50s or 60s. Many companies have automatic rules which stop employment of middle-aged people. It is not because the 47 year old man cannot perform the job but the company for whatever reason has a blanket rule and local people doing the hiring are usually not allowed to break that rule. That absolute prohibition against employing certain groups of people is wrong. It is discriminatory, it is unfair to the middle aged and these amendments will end that discrimination.

I urge members to pass these bills. We should be doing all we can to help the older generation which made Saskatchewan and Canada what it is today. If the government decides not to pass this legislation at this time, I hope that the process of the introduction of these bills will result in your considering this form of legislation. I hope bringing forth the legislation will result in your considering similar legislation in the next few years.

I have, Mr. Speaker, over the years introduced a number of bills and resolutions. I have always tried to present my views in a positive way to the government and I have been pleased frankly with the number of ideas that have come back in the form of legislation during my time in the House.

Members will note particularly, that Manitoba and New Brunswick proscribe age discrimination of any sort and a number of other jurisdictions proscribe discrimination against people from 40 to 65 or from 45 to 65. Saskatchewan in that area is behind the times in adjusting to the need for protection. I look forward to hearing the position of the government. I am pleased to advise members who no doubt will want to bear this in mind that the spirit of the legislation is definitely supported by our own Human Rights Commission. The Commission in the words of the director in a December 21, 1977 letter to me said, “. . . Has proposed amendments to add ages of prohibited ground of discrimination. It is our view that age should be defined as the age of majority and up. It is our contention that we should deal with age discrimination in its totality.”

I note, Mr. Speaker, that the NDP claim some great affinity with older people (I don't know whether that's because they have such an old and ageing caucus) but they certainly take the position that elderly people should support them at the polls. They constantly in their material and pamphlets say that the NDP has been a government that did good things for the elderly. I suggest to the hon. members that this is an area that you should consider. This is an area that you should seriously consider. It is an area where Saskatchewan is behind in getting this kind of protection for the elderly.

With those remarks, Mr. Speaker, I move second reading of Bill 29.

Mr. Romanow: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Mr. Merchant (Regina Wascana) moved second reading of Bill 30 — **An Act to amend The Saskatchewan Bill of Rights Act**

He said: Mr. Speaker, I only want to say that I hope that at some point the government will address itself to replying to these remarks in this position. It seems to me that this is a very important area, as I have said, where Saskatchewan is behind. Saskatchewan has, and I give fair credit to the NDPs, under their leadership has always been conscious of presenting the kind of social legislation that was required throughout this country. There have been times when I have wondered about the cost.

This is social legislation, legislation that affects people in a very personal way, legislation that really involves no cost. I say to hon. members that I hope the government will not decide to simply allow this legislation to pass from the order paper without any indication of the intention of the government. I hope that in due course I may hear from the appropriate minister about the position. I assume that would be the minister reporting for the Human Rights Commission or the Minister of Revenue who, it seems to me, tends to take special interest in pension matters and things of that sort.

With those remarks, Mr. Speaker, in hopes that at some point the government will respond and I suggest it is an important area, an area that is receiving a good deal of attention all over North America, I move second reading of Bill No. 30.

Mr. Romanow: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF THE WHOLE

Bill No. 47 — An Act to provide for the Taxation of Income from Oil Wells

Section 13

Mr. Chairman: — We were dealing with Section 13, subsection (8) where an amendment was moved by the member for Regina Wascana (Mr. Merchant) and since that I believe that he has introduced an amendment in replacement of that.

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Chairman, I feel that the amendment which would remove subsection (8) of section 13 is a valid amendment and I say to the government that it is inappropriate and improper for them, constantly, and I say it is a part of the easy tendency of this government to fall into the trap of assuming that any businessman is somehow wrong and subject to be the whipping boy of the government. It is an easy trap that this government always falls into of putting criminal sanctions into their legislation to punish people who are, in fact, creating jobs in this province and trying to do their best for this province.

I do not think that in a taxing act with certain other criminal sanctions I hope that hon. members will note that I have not moved to delete all of the criminal sanctions. There is one area where criminal sanctions would remain and that is an area where, if the government can establish some deliberate attempt then I think in a taxing act the criminal sanction should be allowed to remain. But this is an area where the criminal sanctions should be removed. The bias of this government against business shines through when they constantly with every piece of legislation they bring in, bring in these kinds of provisions. I know now, I gather, Mr. Chairman, that the government intends to vote down the amendment that asks that subsection (8) be deleted completely. I will, then, as a result of the minister's comments of last night be moving a substitute amendment which would substitute the word 'knowingly'. But I urge the government to reconsider the maintaining of subsection (8) when they have criminal sanctions in other places that are more appropriate.

I move the amendment that I gave to the House a month or so ago, which would delete

section (8).

Mr. Chairman: — I am of the opinion that the one that you introduced yesterday that you withdrew and that is section 13 of the printed bill, amend section 13 of the printed bill; (a) by striking out subsection (8); (b) by renumbering subsection (9) of the section as subsection (8) of the section, and, (c) by renumbering subsection (10) of the section as subsection (9) of the section. And then we were dealing with the alternative then.

Mr. Merchant: — I do not believe that I withdrew it, but if you have a record, I know that I was thinking about it and members may recall that the conversation was going something along the lines of take the half loaf of ‘knowingly,’ and I will be moving that amendment. But it was not my intention to withdraw that amendment. If I withdrew it I now have the power to move it. I do so move, that section 13, subsection (8) be deleted in the wording of the amendment as I presented it to you.

Amendment negated.

Mr. Chairman: — Is section 13 as amended agreed?

Mr. Merchant: — No, Mr. Chairman. I move the amendment that you have before you which will amend subsection (8) of section 13 of the printed bill by inserting after the word ‘who’ in the first line, the word ‘knowingly’.

Members will recall, and I circulated that to two members, and I believe the Attorney General indicated last night the government would probably look with favor upon that amendment.

The operation of section 13 states that any operator of an oil well ‘who fails’, and so on. It would now read: ‘who knowingly fails to withhold, to remit, or to withhold and remit any amount, is guilty of an offence punishable on summary conviction.’

As members may know that operator will ordinarily be accompanied, in every case the operator will be accompanied and certain criminal sanctions would apply against directors under certain circumstances. The amendment that I propose will ensure that a director could not be found subject to criminal sanctions for something done by a subordinate of which he, perhaps, had no knowledge whatsoever. The amendment is an important amendment to ensure that that added protection is given to people in their personal right and I believe that is why the minister indicated last night that they would be prepared, in all likelihood, to accept that amendment.

The House will recall that the amendment that I originally circulated was not for the word ‘knowingly’ but the word ‘willfully’. As the Attorney General will realize ‘willfully’ is one step up from ‘knowingly’ and ‘willfully’ imposes certain evidentiary requirements which I thought would be appropriate when seeking to convict a director, perhaps, for the act of subordination, a director who, perhaps, had nothing to do with the filing of the return and wasn’t in the area of the field. I am certainly prepared to move the changed amendment if that is more apt to receive approval by the government.

Mr. Chairman: — The amendment before you is an amendment to amend to amend section 13 of the printed bill by inserting after ‘who’ in the first line ‘knowingly’.

Amendment agreed.

Section 13 as amended agreed.

Mr. Merchant: — I wonder, Mr. Chairman, if this might be an appropriate time to revert to section, well there is section 8 and section 11 and we might as well deal with them and then we'd be back. We don't have to revert for very much.

Sections 14-17 agreed.

Section 18

Mr. Merchant: — Mr. Chairman, I will in a moment be moving the amendment to section 18 too, which the clerk is now showing to you. The operation of the review at this time is a very restrictive review. I believe it is intentionally a very restrictive review. The words that the appeal to the Board of Revenue Commissioners' shall be considered an administrative review', will very much restrict the rights of someone launching an appeal. Indeed, Mr. Chairman, I will have further amendments to section 18 as well as to section 18 (2) and perhaps I could describe them.

The intention of putting in the words 'shall be considered an administrative review', is I think a deliberate attempt by the government to make it appear that this will be an appeal and review of substance when in fact the whole right to the appeal is little more than a right to an appeal for the political look of granting an appeal. Now, Mr. Chairman, it may well be that the Attorney General will in his actions make me want to take those words back and I would be pleased to do so but I suggest to you that the only way that the Attorney General could make me take those words back or want to would be if he grants some of the amendments. The first amendment would simply change the words of 18 (2) by in essence deleting the reference to an administrative review because, Mr. Chairman, as a lawyer would know that gives some constraints to the view that the courts would take of that section. The second amendment is an amendment to section 18 (3). All it is designed to do is give a further review from the Board of Revenue Commissioners to a Judge of the Court of Queen's Bench. We say that in fairness there should be some possibility to go beyond that administrative board which can have and no doubt will have pets of the government appointed to it. Now, Mr. Chairman, I think that some examination of the other administrative boards that this government has established is in order. You've got the Human Rights Commission, the Human Rights Commission with the chairman now gone, and I say good that that chairman is gone, good that that chairman is gone, a Human Rights Commission that has done more to make it difficult for people like me who believe in human rights than almost any act. The Labour Relations Board, Mr. Chairman.

An Hon. Member: — You are off Bill 47.

Mr. Merchant: — No I'm not off Bill 47 one bit because what we're talking about is an appeal to an administrative tribunal where you people in the Cabinet will really predetermine the whole direction of those administrative appeals by the appointment to the people, so we say if you're fair about it, if you're not just trying to make it appear that there is justice with an appeal then you'll grant our amendments to section 18 by getting some appeal in substance. Now, the Labour Relations Board, Mr. Chairman, now I'm prepared frankly to give the new board a good look. I'm hopeful the new board will operate better than the old board. But the old board was absolutely a horror show and the board composed of the last chairman appointed by this government and the Liberal board though moderately better, wasn't a whole lot better and the board before that the old CCF was just a travesty of justice, an absolute travesty of justice. Now, I'm

mentioning these things, Mr. Chairman, only in relation to the power of a government when they have the right to appoint the members of these boards and then have everything worked by way of an appeal to an administrative tribunal. The Worker's Compensation Board, now to be frank, Mr. Chairman, I've been happy with my dealings in person with the Worker's Compensation Board. I think that they deal with me well. I suspect therefore, that the Worker's Compensation Board is operating reasonably well at this time, but I think all members will know that the Worker's Compensation Board without any right of appeal, Workmen's Compensation as it was then known went for a period of about 20 years when it was just held up to absolute derision all over this province, again because there was no right of appeal and again because there was no opportunity for anybody with an unbiased view to look at the matter. The government may well in the appointment of the Board of Revenue Commissioners appoint the kind of people who will give a proper and appropriate review, a fair and honest review. They may approach it without any particular bias one way or the other. On the other hand, Mr. Chairman, they may turn out to be government hacks and they may turn out to be people of a particular political view, of political bias. They may come into those positions with a pre-determined view of the kinds of decisions that they should hand down. If that's the kind of board that the government wants then all the government does is they appoint those kinds of people and then they deny to people who really become litigants for very large amounts of money any right to take an appeal beyond the Board of Revenue commissioners. If the Attorney General is honest in saying that this is intended to be a fair appeal then I'm sure he will have no trouble in granting this amendment which will permit an appeal to a Judge of the Court of Queen's Bench. If on the other hand he hopes to bring together a Board of Revenue Commissioners which will have a government bias then he can demonstrate that by voting down our amendment to section 18 (3). The next amendment to section 18 along the same lines would be to permit the same kinds of rules to apply in terms of the . . .

Mr. Chairman: — Order, I wonder if the hon. member would allow us to deal with them as he speaks on them here, and it would I think certainly expedite things and make it fresher in all of our minds as to the specific one we are dealing with. Could we deal with the first amendment first, amendment of section 18 (2)?

Mr. Merchant: — Let me only say that if the last amendment to section 18 is of the same substance as in essence if the government is fair, if they intend to have the Board of Revenue Commissioners operate in a fair way then the government would be subject to the same exposure of documents, the same kind of cross-examination of its information as the information that has to be provided by the company. At that point they are really litigants and they both should be litigant as equals rather than a situation where the information will be hidden by the government. I repeat, that you can construe section 18 as one of two things. Is it intended to grant an honest appeal procedure? If it is these amendments will make it an honest appeal procedure. Or is it nothing more than a phony political appeal procedure, an appeal procedure in name but not in substance, an appeal procedure designed to make it look like there is an honest appeal when in reality there is not an honest appeal? Now if the government intends an honest appeal what they can do is allow the amendments that I have moved and allow the first amendment that I now move which is before you.

Mr. Romanow: — Mr. Chairman, I want to briefly urge the members of the committee to vote against this amendment which has been tendered by the Liberal member for Wascana. This present section 18 (2) is identical to a comparable provision which exists in The Department of Revenue. Supply and Services Act, 1978, the statute under which the Board of Revenue Commissioners is constituted. It appears that all

other appeals of the board are governed by the rule that the appeal is an administrative review as opposed to a judicial review if I can put it in that sense. There is in my judgment no apparent reason why appeals under the act should be any different. In fact, it may be quite useful to have the appeal to the board under the act an administrative one rather than a judicial one preceding, since the board I think then will be free to really look at and re-examine the basis upon which the assessor has assessed the taxpayer on the evidence that was used by the assessor to arrive at the decision that he did, rather than being limited strictly to the rules of evidence as to admissibility of evidence in this area. I would say, Mr. Chairman, further before I take my chair that in response to the member, this is not a new concept, the Board of Revenue Commissioners, nor is the appeal to the Board of Revenue Commissioners a new concept. This has been the law in Saskatchewan for quite a few years now both during the old administration, the old Liberal administration and now during this present administration. And indeed it does actually hear tax appeals. I am advised that a majority of its work deals with appeals related to the E & H tax. I want to tell the member for Wascana that apart from him I have not heard anyone voice any complaints about the method or the manner in which the Board of Revenue Commissioners carries out its appeal functions now under E & H. Moreover, safeguards are provided in that appeals lie further from that Board of Revenue Commissioners to the Board of the Court of Queen's Bench and the Court of Appeal by virtue of section 18 (3).

Mr. Chairman, this is a mechanism which is known to taxpayers in Saskatchewan. It is one which I think is tried and tested. I think there is a good argument with respect to its administrative quality as opposed to its judicial quality. I am talking now in legal terms and, accordingly, to accept the amendment would be to be writing in a new principle into not only this bill but into the activities of the Board of Revenue Commissioners, one which I think is unfounded on any evidence to date. Accordingly the amendment should be rejected.

Amendment negatived.

Mr. Chairman: — The second amendment amends section 18 (3) of the printed bill, (a) By striking out the first three lines and substituting the following:

An appeal from the decision of the Board of Revenue Commissioners shall lie to a judge of the Court of Queen's Bench.

Mr. Merchant: — I understand this and the amendment to follow are very different from the previous argument. the previous argument was whether the appeal by the Board of Revenue Commissioners would be a legal appeal in the sense of a trial in the way that trials ordinarily operate or an administrative review. As the hon. Attorney General has said this administrative review allows different examinations, an examination of different facts and also imposes different laws.

This amendment simply says that no matter what that hearing was in the lower tribunal which will be an administrative board that an appeal wise. Of course that appeal would only lie on questions of law and would be an appeal, not I suggest from an administrative tribunal on the question of did they exercise their discretion rightly or wrongly, but on whether they operated properly in a legal sense. There is no attempt to substitute the opinion on the discretion of the Court of Queen's Bench for the opinion or the discretion of the Board of Revenue Commissioners. As members know I think that is a wrong principle to have operate in an administrative way or I wouldn't have moved the last amendment. This is very different in substance. It simply says if the Board of

Revenue Commissioners has done something illegal and improper there will be the right of appeal. What could be simpler than that if indeed the Attorney General intends to have a right of appeal that is fair and a right of appeal that is more than just an appeal in appearance, is more than just protection in appearance?

You couldn't really ask, Mr. Chairman, for a simpler proposition. I will be fascinated if the Attorney General chooses not to grant this amendment, to find out how he can characterize this simple amendment, if you are against it, as anything other than an attempt to maintain the appearance of a fair appeal when in fact there is no fair appeal at all.

Mr. Romanow: — Mr. Chairman, indeed I will be urging the members of the House to reject this amendment put forward by the member for Wascana which he has moved because the member should know that in the sections referred to in the bill, I am sure the member for Nipawin (Mr. Collver) will be particularly interested in this, sections 16, 18, 19 and 20 do give right of appeal to the Court of Queen's Bench and then a subsequent appeal to the Court of Appeal. The member for Wascana says that is a very limited appeal. You are only allowing an appeal to determine on a question of law as opposed to a question of fact and law. I realize what he says but I want the member for Wascana to understand that this is a mechanism which has been in operation with respect to taxation laws for many years in Saskatchewan now.

As I explained in my remarks to his first amendment a few minutes ago the Board of Revenue commissioners hears appeals dealing with a number of matters. E & H is the best example. There is a mechanism of appeal under the current law which is as restrictive as the hon. member for Wascana would categorize this present provision. This is a strict lift — out of the current existing provision. There is no change in the law that has been in operation for the last many years. I simply say to the House, let's not monkey around with something which is known and understood by the legislators and by the Legislature and by the taxpayers. This is something which I believe, any tax paid under this bill can very easily be lived with and supported so I urge that the House reject the proposed amendment.

Mr. R.A. Collver (Leader of the Conservative Opposition): — Mr. Chairman, I would ask the Attorney General the following question. He continues to refer to the E & H tax which is a direct sales tax. This is an income tax bill and not in the same category, I don't think, as the E & H tax that he refers to. Would he not agree that a similar provision of appeal and I am not certain of that I believe that the Attorney General is expressing correctly that this bill allows appeal in a similar fashion to The Income Tax Act as it relates to the income taxes in Canada. Is that correct?

Mr. Romanow: — Well, Mr. Chairman, I would answer the Leader of the Conservative Party this way. I don't think that the nature of the tax is as important as your question would imply. E and H is a direct tax. This tax is a direct tax because it's an income tax. So if the constitutional nature of the two taxes is assessed I would say they are on all four's here. But it doesn't matter. My point is that if we are setting up an appeal mechanism for this bill we need to route the appellate tribunal somewhere. Something which has been working with a minimum of disruption and concern has been the appellate functions of the Board of Revenue Commissioners under other statutes. I say that it is a mechanism which is understood, albeit there are different aspects of the tax, there's no doubt about that, one that is understood and one in which the taxpayers will have confidence in, thus avoiding any of the concerns that the member for Wascana would raise.

Mr. Collver: — Mr. Chairman, I think the Attorney General has misunderstood my question. I believe (and I am not certain of this) so my question to him will be more direct. Is the appeal procedure under this bill the same as the appeal procedure under the income tax legislation as it relates to Saskatchewan and Canada? That's my question. Because this is an income tax and it would seem to me that the taxpayers would understand the appeal procedures as it relates to income taxes as opposed to any appeal procedures as it would relate to any sales tax.

Mr. Romanow: — Mr. Chairman, I think the answer can be stated that the legislation is not lifted from federal income tax provisions. I am not an expert on federal income tax, but I am advised that under that act there is a mechanism for appeal from the assessment to a tax appeal board or whatever they call it, the Taxation Appeal Board. And then there is a subsequent appeal (and here I am not clear whether it is limited to fact or to law only — or one on fact and law) to the courts. We see that occasionally. While the wording is different one can readily see that the concept is similar here because rather than structuring our own tax appeal board we refer it to the Board of Revenue Commissioners, which is in a sense a tax appeal board for the purposes of this bill. So the answer to the question in specifics is 'no' it is not like the Income Tax Act of Canada, but 'yes' it is similar in principle to the concept that is set out. Just different bodies with slightly varying different powers.

Mr. Collver: — Mr. Chairman, my concern and I wish the Attorney General would perhaps lift my concern on this bill. The idea of this bill is to attempt in some way to make possible the fact that the government of Saskatchewan won't be attacked constitutionally. This is an income tax. It is stated as an income tax. We want it to look like an income tax. We want it to be an income tax. Now surely the appeal procedures as it relates to income taxes should be similar in this bill to the income taxes appeals in the federal legislation because our provincial legislation follows directly the federal legislation as it relates to personal income taxes and corporate taxes. Surely since this is a corporate income tax, if you want, related only to oil, but since this is an income tax surely the appearance of that income tax could best be maintained by adding a similar kind of appeal (court appeal) as that income tax legislation asks. Surely it would make it a stronger bill. If you are lifting a sales tax appeals procedure (which is what you have said today) into an income tax, are you not getting yourself into the same kind of constitutional box, perhaps, that you need not get into once this act is passed, that you need not get into by following the appeal procedures followed under the income tax legislation both corporate and personal in our country?

Mr. Romanow: — Well, Mr. Chairman, I know what the member is saying, but I would argue with him that the test here is the essence of the tax. (It's not exclusively that). The test may be, in a small way, dealing with the nature of the appeal mechanism for the tax assessment.

Mr. Collver: — Would you object to an appeal mechanism under the income tax . . . would you object to that?

Mr. Romanow: — Well my answer is I simply don't know whether I would or wouldn't, because . . .

Mr. Collver: — What is wrong . . .

Mr. Romanow: — Well I will take a look at it over the supper hour but I can say this,

that in our preparation of the bill, certainly at the official's level, I am sure this was a matter which was open for consideration to them, and was rejected, and something that I subsequently adopted in the carriage of the bill and reference over to the House.

Mr. Collver: — Interjection (inaudible)

Mr. Romanow: — I am sure that I did. I can't recall the discussion specifically on this issue. But believe me, I tell the Leader of the Conservative Party that no big deal should be made of this fact. What is wrong with an appeal to the Board of Revenue Commissioners?

Mr. Collver: — What is wrong with the income tax . . .

Mr. Romanow: — Well, I am proposing to you a mechanism which is known to Saskatchewan people, which is known to the government of Saskatchewan (I say that in a non-political sense) there is a mechanism which is one which is fair, eminently fair and acceptable, that's the situation we should be following and accordingly I just see no merit in going to the adoption of a federal income tax operation.

Mr. Collver: — Mr. Chairman, I would ask the Attorney General, since he doesn't know, would he be prepared over the supper hour to investigate, briefly, the appeal procedure under the income tax legislation in Canada, as it relates to Saskatchewan income tax and I think the Attorney General is forgetting that we claim a portion of the corporate taxation in Canada, we claim a portion of the personal income taxes in Canada. The people of our province and the corporations and organizations in our province understand the appeal procedure of the income tax legislation in Canada as it relates to income taxes. We are now passing an income tax bill. Would he undertake, over the next hour or two, to discuss with his officials the potential perhaps of an amendment that will allow an appeal procedure similar to that of the income tax legislation, rather than sales tax and come back tonight and give us a reason why it is no good?

Mr. Romanow: — Well, Mr. Chairman. I certainly . . . it's so close to the supper hour . . . I can certainly undertake to study it but I don't want to lift any hopes for the member for Nipawin in this regard. I say that we have here, in this bill, a mechanism which by his own admission is eminently fair and reasonable.

Mr. Merchant: — He didn't say that!

Mr. Romanow: — Yes he did. He indicated that while seated. He said that he acknowledges that's the case in the Board of Revenue commissioners. "You tell me," he said to me; "What's wrong with the tax appeal mechanism." Well I am not going to give you that kind of an argument. I am saying that if you agree with me that the submission I have made to this House in respect to the appeal mechanism is valid and you have not yet indicated to me one reason why it is invalid, that's the end of the matter. I am prepared to look at it over the supper hour to see if there is something that should perhaps be incorporated there, but I am saying we are dealing here with a Saskatchewan Income Tax Act for a Saskatchewan problem. We have a Saskatchewan mechanism called the Board of Revenue Commissioners. It has worked well. There is an appropriate appeal mechanism. No one has given me one iota of evidence that it has not worked well and on that assumption why in the world should I accept the proposal to change it. We'll examine, it's two minutes to five, I'll get my people to look at it but I am simply saying if you have any hopes riding on this one don't lift your hopes high

because I'm not inclined to the change I don't think.

Mr. Collver: — Mr. Chairman, I will just add to that to what has already been stated, that the Attorney General suggested that we haven't given any examples of how this appeal mechanism is not fair, the reason being that the appeal mechanism has never been worked for an income tax. It has been worked for a sales tax but it hasn't been worked for an income tax. What we are suggesting is that the people and the corporations and the organizations in our province paying tax understand the appeal mechanism under income tax legislation. This is supposedly an income tax bill. Now, for goodness sakes, Mr. Chairman, and I say to the Attorney General, let's for goodness sakes try and make it so that isn't going to be declared unconstitutional on some silly technicality and that we decided in Saskatchewan that we're going to have a Saskatchewan Board of Revenue Commissioners to appeal to based on the sales tax bit of legislation when we have got perfectly good appeal legislation in the federal government and under the federal legislation which by the way we would accept that appeal procedure and we understand it as residents of Saskatchewan. This is an income tax and it's got to look like an income tax. it mustn't look like a bastardized bill that is only designed and drawn up to correct the problem. It's supposed to be an income tax, let's have an income tax.

Mr. Romanow: — Well, Mr. Chairman, just before I ask the House . . . I don't know the procedure, I am so confused now as to who asked for 5:00 o'clock. Let me just simply say — perhaps this is not a very strong argument — but the member is, indeed, wrong about the Board of Revenue Commissioners because there was a time, albeit not recent history but in the last 30 years, there was a time up until 1947 or 1948, somewhere in that period, where the Board of Revenue Commissioners was in fact the appellate tribunal for income tax. Well, I know the member is saying, you know, for heaven's sake forget it. It was only when we blended our system in with the federal income tax that that stopped, but you made the statement that it never had been used for income tax and I am rebutting that, it has been used and it was a mechanism for usage of it.

So, Mr. Chairman, I don't think much more can be added to what I say. I sure don't want to heighten anybody's expectation because to argue that the appeal mechanism is rooted to the nature of the tax is wrong but I will take a look at it.

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