

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

March 17, 1978.

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

WELCOME TO STUDENTS

MR. E.B. SHILLINGTON (Regina Centre):— Mr. Speaker, to you and through you to the Legislature and on behalf of the Minister of Finance, the member for Regina North East, Walter Smishek, I would like to introduce a group of 25 students from St. Gregory School. They are Grade Eight students accompanied by their teacher Ted Zurowski. Mr. Smishek regretted that he wasn't able to be here today and he asked me to pass on to the students a very warm welcome and express the wish that they would find their stay today interesting.

HON. MEMBERS: Hear, hear!

MR. R.H. BAILEY (Rosetown-Elrose):— Mr. Speaker, I would like to introduce to you and through you to this Assembly on behalf of my colleague for Swift Current (Mr. Ham), a group of 57 Grade Seven students from St. Pat's School in Swift Current. I must say, Mr. Speaker, that it is a very appropriate day being March 17, for a group from St. Pat's to be visiting the Legislature. They are Grade Seven students accompanied by their teacher, Mr. W.J. Shumay. I will be very pleased to meet with them at 10:30, we are going to have some pictures taken. We wish them a very successful day, particularly here at the Legislature and a very safe trip home.

HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley):— Mr. Speaker, I too, would like to introduce to you and to members of the House a group of Grade Twelve students, 22 in number, from the community of Windthorst with their principal, Mr. Andy Medwid and teacher, Mr. D. Larsen. They have come this morning very early about 75 or 80 miles. I want to extend best wishes on your behalf and all the members of the House. I hope they have a very interesting day and I am looking forward to meeting them personally later.

HON. MEMBERS: Hear, hear!

MR. A.N. McMILLAN (Kindersley):— Mr. Speaker, I would like to introduce to you and through you to other members of the Legislature, a group of 10 adults from the community college in Kindersley accompanied by their instructor, Mr. Merv Colton. I would like to welcome them after a lengthy 250 mile journey to Regina and wish them every success in the two or two and one-half days that they will be spending here. I look forward to meeting with you afterwards and wish you a safe journey home.

HON. MEMBERS: Hear, hear!

MR. N.E. BYERS (Kelvington-Wadena):— Mr. Speaker, on behalf of the hon. member for Melville, Mr. Kowalchuk, I would like to introduce to the House, 46 Grade Eight students seated in the Speaker's Gallery. They are from Ituna and they are accompanied today by their teacher, Mr. Bill Hudema. Even though Ituna is in the constituency of Melville, there are a number of students from the Kelvington-Wadena constituency

amongst the group. I ask all members to join with me in welcoming this group to the Legislature today. They have planned a fairly extensive tour, I understand, of the city today and I hope that all members will join with me in making their welcome warm.

HON. MEMBERS: Hear, hear!

QUESTIONS

INDIAN LAND CLAIMS

MR. W.H. STODALKA (Maple Creek):— Mr. Speaker, a question to the Department of Northern Saskatchewan about Indian Land claims, I believe you are responsible for it within the government. I understand that there have been approximately 1 million acres identified under Treaties 4 and 6 that the Indian bands have coming. I also understand that there was some previous agreement in the 1930s in which the province of Saskatchewan has some responsibility for settling these Indian Land claims. Would the minister indicate specifically what the province of Saskatchewan's responsibilities are with regard to the settlement of these Indian Land claims?

MR. G.R. BOWERMAN (Minister of Northern Saskatchewan):— Mr. Speaker, the hon. member refers to about a million acres which has been requested by the federal government for the province to resolve with respect to outstanding land entitlements. It has to do not only with Treaties 4 and 6, as the hon. member referred to but it has to do with Treaties 8 and 10 as well, which Treaties 8 and 10 are the northern areas and the bulk of the land entitlements fall within that area. The responsibility falls on the province as a result of the 1930 resources transfer agreement and section 10 of that agreement requires that the federal government will from time to time request the province to set aside lands for the fulfilment of outstanding claims that were not fulfilled at the time of the treaty. The federal government has identified 15 Indian bands which did not have land entitlements fulfilled at the time of treaty. Therefore, section 10 of that agreement goes on to suggest that the province will provide lands in return to the federal government in order that they may fulfil their obligations to the treaties. They have identified, as a result of that agreement, about a million acres relevant to these 15 bands, as I have indicated to you, that have outstanding entitlements.

MR. STODALKA:— A supplementary question, Mr. Minister, you have indicated then that the province indeed has some responsibility. How does the province expect to acquire the 1 million acres of land?

AN HON. MEMBER:— Are you going to buy?

MR. BOWERMAN:— No, Mr. Speaker, the bottom line requirement, as we understand it in the transfer agreement, is that we are required to fulfil out of the unoccupied Crown lands of the province the responsibilities of the federal government under the treaty obligations. Therefore, the commitment on the province is to provide unoccupied crown lands as it is referred to in the historic agreement. We have proposed to go further than that. We did say that in order to get this matter resolved and to get the land selection process under way and the entitlements resolved, we would place on the table occupied crown lands as well, providing the federal government would place its occupied crown lands on the table — because the federal government does have in Saskatchewan about 3 million acres of crown lands. It would put its occupied crown lands on the table and would also be responsible for the resolution of the improvements on provincial occupied crown lands. For example, raw lands (which I believe would be identified as unoccupied crown lands), would not have the same value as occupied lands that have been cultivated, or agricultural developments have

taken place — fencing, wells, dug-outs, this type of thing. We indicated that we felt it was a federal responsibility, or, the treaty bands (the bands that would be getting these lands), would have the opportunity to trade down acres for improved value. In addition to that, those lands which are under title that were alienated before the transfer agreements or were alienated subsequent thereto, these patented lands would be the sole responsibility of the Government of Canada if they were to be selected by the respective bands. Canada would be solely responsible for our purchase of those lands and subsequently establishing them as reservations.

MR. STODALKA:— Supplementary question, Mr. Speaker. I wish that the minister would just be a bit more specific. You have indicated now that occupied lands are going to be provided. How is the province going to acquire the occupied lands? Are you going to purchase it or what? The second part of the question is, in our area there is an understanding that there is a possibility that the west block of the Cypress Hills Provincial Park might be transferred over to the Indians as a portion of this land claims. Is that correct?

MR. BOWERMAN:— It should be understood that the treaty obligations established by the federal government originally, indicated that the bands may select their outstanding entitlements from time to time, as they have need. They called upon the federal government to resolve those outstanding entitlements. The federal government came, as a result of the 1930 Resources Transfer Agreement to the province and said: ‘All right, provide to the bands the lands which will fulfil the entitlements’. As indicated, the Resources Transfer Agreement says unoccupied crown lands are the province’s obligation. In order to get the matter resolved, we indicated that we would place on the table occupied crown lands. So the title really is a crown title, but they are occupied by leases of whatever nature, agriculture lease, grazing lease, mineral lease, timber lease, whatever. Now, with respect . . .

MR. McMILLAN:— What about Cypress Hills?

MR. BOWERMAN:— Well, we interpret provincial parks to be occupied Crown lands and the matter of resolving the occupied Crown lands that the lessees must be satisfied with respect to the agreement. For example, if it was a person holding a lease that a band had selected for its entitlement the lessee must be satisfied with respect to the improvements which he has placed on the land; the province would have to be satisfied with respect to what is being transferred in terms of the term of the lease and the other conditions with respect to giving up of that lease.

MR. E.F.A. MERCHANT (Regina Wascana):— Have you offered . . .

MR. BOWERMAN:— No, we have not offered . . .

MR. SPEAKER:— Order, order! Next question.

FUNDS FOR SCHOOL BOARDS

MR. R.H. BAILEY (Rosetown-Elrose):— Mr. Speaker, I want to direct a question to the Minister of Education. In recent years the federal government has increased the amount of grants to the various provinces, to all provinces, in the way of moneys available to the provinces and to the Department of Education to be spent under the jurisdiction of the provincial department in regard to second language education. I understand that last year the last grant amounted to some \$5 million. Mr. Minister,

could you tell me at this time, were all of these funds expended? Is there a carry over and are you allowed to carry the funds over to another time?

HON. D.L. FARIS (Minister of Education):— Well, I can't give you a detailed answer to that kind of a detailed question at this time but I will certainly be prepared to prepare that material for you in Estimates. Furthermore, I think I could just give you the indication that my understanding is that they have been. My understanding is that they have been but you'll want detailed information on that and I'll see that you get that in Estimates.

MR. BAILEY:— A supplementary question, Mr. Speaker. The minister is saying that the funds have been expended. My question at this time then, Mr. Minister, is this, too often in the province of Saskatchewan when there are groups requesting a designated school, confusion exists at the local level because it is misunderstood that the extra funds are coming out of local revenue. Why has your department not made it clear provincially and at the local level that these are federal funds and that they are not using up revenues at the local level?

MR. FARIS:— Well, I think that's been made clear by the department. Everybody, that I know, knows of the very complicated federal formulas, 9 per cent, 5 per cent, 1.5 and so on. The money is given to the province on sort of an unconditional basis and is used in a number of different areas. To say in any particular area that some money is from the federal government and some is from the province would be inaccurate because it would be an oversimplification, . . . (interjection) . . . The Attorney General has just added, very helpfully, that of course the provincial responsibility is for education and this money is used in an unconditional sort of manner. I think that's one aspect of the program that isn't understood.

MR. BAILEY:— Supplementary, Mr. Speaker. Could the minister then assure — you made this statement, Mr. Minister, that is generally understood — I suggest to you that perhaps the people at the local government level and the provincial government level understand this — I can assure you that the general public does not understand this. My final supplementary question to you is this, would you not agree that when the designated school is set up that press releases (and obviously this government is good at press releases) could you not make it abundantly clear that when a designated school is set up that it is not extracting revenues at the local level to avoid all bitterness that sometimes takes place when the school is designated?

OCCUPIED CROWN LAND

MR. STODALKA:— Mr. Speaker, a question to the Minister of Department of Northern Saskatchewan. I might say, I appreciate the answers that you have been giving to questions that are of a rather delicate nature. The question I would like to ask, (you indicated that occupied Crown land would be put on the table. Now what I understand occupied Crown land to be, for instance, could be lease land, that ranchers, farmers, land bank land that people might be in possession of) how is the province going to acquire this occupied land? What are you going to do with the person who presently has this occupied land?

MR. BOWERMAN:— I indicated, Mr. Speaker, to the member that the lessee would need to be satisfied with respect to the giving up of the lease. It may be that the lease on an occupied Crown lease, grazing lease, would go to its period of termination and then

be terminated and transferred to an Indian band to satisfy the land entitlements. If there were improvements that the rancher had placed on those grazing lands and the giving up of the lease was causing him some financial problems, the obligations here would need to be resolved before the lands could be released for transfer to an Indian reservation, or for the entitlement to take place. We believe that the improvements, as I indicated to you, were the responsibility of either the Indian band to trade down acres of raw land for improvements or for the federal government's responsibility to pick up those improvements. It's no different, may I say, than what's transpiring now in the selection of grazing lands for the Grasslands National Park. The federal government is in purchasing the improvements, resolving the leases . . .

MR. PENNER:— That's working smoothly.

MR. BOWERMAN:— No, it's not working very smoothly. The process is going on. What I'm saying is the process is really not very much different than that.

MR. STODALKA:— Does this mean then that in the case of where you have. . . right now at present we have the Department of Agriculture's lease policy that when lease land comes up, then the people within the area may apply under the formula that's used and the formula is designed to help those who need it most. Does this mean that there would be some large blocks of leased land (when the lease comes up) that no longer would be put into the present form the Department of Agriculture operates — that people in the area would not be able to, in other words, use the point formula and this block of land would be just transferred over as part of the Indian land claims and the existing system would no longer apply? In other words, the land wouldn't be available to the people who live within the area because it would be transferred over, going rather into the Department of Agriculture's formula.

MR. BOWERMAN:— Mr. Speaker, I think it may be right to speculate on the assumption that that could be correct. I would want to, however, allay any fears of suggestion of the hon. member, with respect to increasing the concern. One really shouldn't speculate, it seems to me, on large blocks of land or large tracts of land that are being given up and would not be available for lease. I think that that would cause alarm and concern unnecessarily. I think the matter has to be resolved in the way of when the bands who do have entitlements make selections, then I think we can deal with the issue of as to what lands are involved, whether they're patented, whether they're leased, whether they're Crown federal or Crown provincial and this type of thing. I think those need to be dealt with at the time the selections are made. I think we could go on to speculate that there are large tracts of land in the province and we visualize the million acres as being a large area. It is a large area, but I suggest to you that, if you want to get something of comparable size, look at the Prince Albert National Park. That's about 1 million acres and, as I suggested to you earlier, a large portion of land entitlements are in the northern administration district.

SASKOIL DRILLING OF WELLS

MR. R.A. LARTER (Estevan):— A question to the minister in charge of Saskoil. — Would the minister tell this Legislature, due to the fact that Saskoil was supposedly formed to pick up the slack in the oil exploration and development after Bill 42 in '73, how many deep wells have been drilled by Saskoil on its own without being in a partnership, since it was formed?

MR. J.R. MESSER (Minister of Mineral Resources):— Well, Mr. Speaker, I think the

member knows full well that a lot of oil activity is carried out by a lot of companies and, in few instances, is it done by their own rigs. They will undertake to negotiate either joint partners to undertake the well drilling or, in fact, hire someone to do that and Saskoil is no different than any of the rest of those companies. I would be surprised, Mr. Speaker, if Shell, for example, who is involved in a lot of deep well drilling in Saskatchewan, has one of its own rigs involved in that deep well drilling. In regard to the specific number that Saskoil may be involved in at this particular point in time, I can't give a specific number.

MR. LARTER:— A supplementary, Mr. Speaker. I realize, Mr. Minister, that Saskoil doesn't own any rigs and you do hire but every one of your wells has been drilled in conjunction with another company. Now my question to you is there are two rigs capable of drilling deep holes in Saskatchewan at the present time. There are two rigs and they have two more holes to drill and they are pulling out. Does this mean that we are now through with the deep well drilling by Saskoil?

MR. MESSER:— No, Mr. Speaker.

INTENTIONS OF TEXAS GULF SULPHUR

MR. E.C. MALONE (Leader of the Liberal Opposition):— Mr. Speaker, I have for some time now been trying to ask questions of the Minister in charge of the Potash Corporation. However, he is unavailable so I would like today to direct a question to the Attorney General. In his capacity as member of the Board of Directors of that corporation and if you follow your past practice you won't be able to answer it, but the question nevertheless is: the government, some time ago, indicated that they were dealing with two of the partners in the Allan Potash Mine, Swift and Borax and they made some agreement with these two partners to purchase their assets at Allan. They have apparently been unable to make any agreement with Texas Gulf Sulphur for their assets. My question to the Attorney General is: Is it not correct that Texas Gulf Sulphur has an option to purchase the assets of these other two partners at the same price that was offered to those two partners by a third party, in this case the Potash Corporation of Saskatchewan? If that is the case could the Attorney General tell us what Texas Gulf Sulphur has indicated to the government as to their intentions in this regard?

HON. R. ROMANOW (Attorney General):— Mr. Speaker, there is a section apparently in the agreement as between the original three parties which might be generally categorized by some people as a right of first refusal. I am not now admitting to any of the truth of that (truth is not quite the exact word for that) but the correctness of that legal interpretation. That is a position, a matter which is being considered. That's the first part of the question.

The second part of the question is, what is the position of Texas Gulf in the light of this, what they claim is this right. My answer there is that there are ongoing discussions and negotiations as between the Potash Corporation and Texas Gulf and I am not at liberty to reveal the details of that during the course of negotiations.

MR. MALONE:— Supplementary question, Mr. Speaker. If Texas Gulf should exercise this option or right of first refusal, or if Texas Gulf should not exercise that right but still refused to sell their assets to the Potash Corporation, is it the intention of the government to use the expropriation procedures under the bills that you have that empower you to act in this way and to expropriate proceedings with Texas Gulf?

MR. SPEAKER:— Order, order! The member will have to put his question in a form other than hypothetical. It is not allowed.

MR. MALONE:— I suggest to you it is not hypothetical at all. The government is already dealing with Texas Gulf, with Borax and with Swift and it is a matter that is now of some urgency I believe in the industry and to the people of Saskatchewan when these transactions are taking place at this time. It is not hypothetical at all, it is a very real matter.

MR. SPEAKER:— I think maybe the minister's answer will . . .

MR. MALONE:— Why don't you let the minister decide whether he will answer the question or not?

MR. SPEAKER:— Well I think . . . Order, order! I don't think it is a question of the minister to decide whether it is hypothetical. He may assume, after I have ruled on the matter, that he agrees or disagrees with me about the hypothetical nature of the question. But if the member uses 'if' several times during his proposal of the question, it strikes me that it may be a hypothetical question. . . . Order, order! I am willing to let the minister answer the question. It just seemed to me to be of a hypothetical nature.

MR. MALONE:— Mr. Speaker, I will re-word the question and say, in the event that these things come to pass, Mr. Attorney General, what is the government's intention? Do you intend as one government to attempt to expropriate the assets of another government?

MR. ROMANOW:— Mr. Speaker, I say with respect to the Leader of the Liberal Party that it is a hypothetical question. Negotiations are ongoing. It would obviously be unwise and improper for me to speculate as to what might happen if the negotiations or the discussions fail.

INSULATION PROGRAM

MR. H.W. LANE (Saskatoon-Sutherland):— Mr. Speaker, a question to the hon. member for Kelsey-Tisdale (Mr. Messer). I believe the hon. member is in charge of the new insulation program. In the last weeks and months there have been a growing number of articles in newspapers and magazines criticizing governments and the private sector as well for the offensives that have been launched in the insulation program. One of them here is an article entitled, "The Absolute Consumer Rip-off"; and other one says, "More Insulation — More Is Not Necessarily Better", etc.

My question is this, I don't claim to have any expertise in this area . . .

SOME HON. MEMBERS: Hear, hear!

MR. LANE (Sa-Su):— . . . one of the few, Mr. Speaker. What I would like to ask the minister is this, there is more and more confusion about this matter of the insulation program. You have unveiled a new insulation program in your Budget and I am wondering what kind of expertise was put behind that program. As I understand it, it is going to be a loan program to go out and buy insulation. What sort of background work was done, what sort of expertise did you take into account by launching the program?

MR. J.R. MESSER (Minister of Mineral Resources):— Mr. Speaker, the member for

Saskatoon-Sutherland, I think, undertakes to address himself to an area of concern and certainly the government and my department were most concerned about the required knowledge pertaining to installation by both the applicator and the person who was undertaking to take advantage of the loan program. It is for that reason that we have introduced into the community colleges a course on installation for not only the homeowners but for the applicators, installers and/or sellers, the retailers of installation. It is hoped, and we have stressed this program, that the general public will undertake the opportunity to take advantage of these courses to better acquaint themselves with installation and what their returns may be in conserving and, in fact, saving dollars in relation to energy that is consumed by their home before they undertake to take advantage of the program. I remind the member that it is not just an insulation program. It is a program that also provides a \$1,000 interest-free loan for storm windows, weather stripping, caulking and all the rest of the expenditures which may bring about better use of energy. I might also say, Mr. Speaker, to the member, we are undertaking to license those installers or applicators and installations so that we will not have the kind of problems that have occurred in other provinces where installers, fly-by-night operators, went through the province without any licence and no protection to the person who has undertaken to buy their services.

SOME HON. MEMBERS: Hear, hear!

MR. LANE (Sa-Su):— The best form of insulation that I would care to nail to my wall is the babble-mouth from Saskatoon Centre but unfortunately he has left the House — oh, there he is.

Mr. Speaker, I ask the minister and I point out clearly that this is not to be construed as an attack on the program. I am simply asking what sort of expertise went into the program. Now I accept the fact that you are going to allow the individual to make his own decisions. I am wondering, though, what kind of studies have you made in your department? In other words, there is a great deal of concern about energy conservation and the need for some well thought out legislation but what sort of studies have you done to make sure that these people are not going to be put out on the market in a rush holus-bolus to get their houses insulated and take advantage of a program and get absolutely no use out of the program.

MR. MESSER:— Mr. Speaker, we did an extensive study in the Department of Mineral Resources in the office of conservation. Saskatchewan Power Corporation also did extensive studies in regard to insulation. They have been doing those studies in an ongoing manner for five or six years. I return again to my former remarks, Mr. Speaker, in indicating that no amount of studying is really going to be able to give assurance to the consumer of insulation unless he is fully aware of what insulation may do for his own home. Each home is different and that's why I again say that we encourage all consumers to take advantage of the courses that are being provided to them in the community colleges so they can find out whether or not insulation is, in effect, going to be of any value to them at all. Once having that knowledge, we have a program in place — the best in Canada — to give them assistance to insulate those homes.

SOME HON. MEMBERS: Hear, hear!

MEALS ON WHEELS

MR. E.F.A. MERCHANT (Regina Wascana):— Mr. Speaker, a question to the Minister of Social Services. The Minister may recall that some months ago I asked him about Meals

on Wheels, an excellent program that operates in Regina and elsewhere and suggested to him that as a result of a revision in your funding that Meals on Wheels were going to have to drop the van which was donated by the Lion's Club and the minister said, no, that wasn't the case. As the minister may know, Meals on Wheels has now had to drop the van because of changes in funding. It is no longer available in Regina and I ask the minister whether you would reconsider your funding to Meals on Wheels so that the van may once again be able to operate in Regina?

MR. H.H. ROLFES (Minister of Social Services):— Mr. Speaker, that statement is about as truthful as the one made yesterday by the member for Qu'Appelle (Mr. Lane). There has been no change in funding for the Meals on Wheels and they do not say that. I have a letter on record from the director saying that if that question is asked again in the House . . . I have a letter on record from the director of the Family Social Services office which says if that question is asked again in the House to say to the member for Wascana that that is not due to the fact of change in funding. Mr. Speaker, the member for Wascana is attempting to mislead this House as the member for Qu'Appelle did yesterday. The decision, Mr. Speaker, to drop the van was made by the Family Social Services in Regina not by us.

MR. CAMERON:— Why?

MR. ROLFES:— Why, because they felt first of all it was too expensive for them, not because of our decision. It was because of their decision. Secondly, Mr. Speaker, in their experience they felt that one van could not do the job as well as a number of volunteers could with their own personal cars . . .

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES:— . . . because, Mr. Speaker, as the director has indicated in his letter, by using only one van it would take them up to two and one-half to three hours to deliver the meals whereas if they used cars and volunteers they would be able to do it in a much shorter order of time and therefore the senior citizens could get their meals on time. No decisions that we made have interfered whatsoever, not at all.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER:— Order, Order! Will all the Irishmen in the House come to order.

ANNOUNCEMENTS

TRIBUTES TO ST. PATRICK

MR. SPEAKER:— I recognize the leprechaun from Regina Rosemont.

MR. W.J.G. ALLEN (Regina Rosemont):— . . . I wonder, Mr. Speaker, before the orders of the day, if I could just take a minute to wish people of Irish extraction all over Saskatchewan a very happy St. Patrick's Day. As you may know, Mr. Speaker, and other members of the House, that the Irish people suffered 800 years of oppression by the British and out of that oppression came some of the most beautiful poetry and beautiful music that human kind has had the privilege to be able to enjoy. Also out of that oppression came many people to Canada. The potato famines of different periods in Ireland meant that people in Ireland weren't able to live there, many of them starved to

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death at the hands of the British so they came to Canada. I think Canada is much richer for these people. Unfortunately, many of them ended up in the Liberal Party, as the former leader and present Leader of the Liberal Party, of Irish extraction. As we have noticed of late the demise of the Liberal Party we find many of them are now joining us on this side of the House where they rightfully belong as democratic socialists. So with that short few words, Mr. Speaker, I would like to wish all the Irish people of Saskatchewan a very happy St. Patrick's Day.

HON. MEMBERS: Hear, hear!

MR. R.H. BAILEY (Rosetown-Elrose):— My understanding of a leprechaun is that they were rather slim and slight people. . . I suggest that you misrepresented the facts when you called on the member. I also want to thank the Mayor of Regina for giving the water of Regina very different flavor; it was very much appreciated; it was very good. . . .

MR. MESSER:— He didn't bother treating it this morning! (Interjections of laughter.)

MR. BAILEY:— . . . I might say too, Mr. Speaker, that those who would be visiting the Legislature for the first time and particularly with the last question that came before the Assembly would think that perhaps all members of the Assembly could take pride at this particular time in stating that they were Irish. It certainly would be the time of course to go back to the historical significance of the Mace, because I thought that the sergeant at arms would indeed have to move from side to side clubbing people and perhaps on March 17 we should refer to this as a shillelagh. I certainly want to wish all of those who are of Irish descent like I am, the very best on March 17, and certainly everybody wants to be Irish on this day.

MR. MALONE (Regina Lakeview):— Mr. Speaker, I want to thank both members for wishing me well on St. Patrick's Day, and other Irish people in Saskatchewan. I think we should give some time to the British to speak to refute the remarks of the member for Rosemont but I suspect that will come on another day.

While I am on my feet, Mr. Speaker, I think one of the highlights of the day in Saskatchewan in this particular year is a dinner being held in Saskatoon tonight for that great Irishman, Dave Steuart, and I would like on behalf of the people in Saskatoon who are organizing the dinner, to extend a kind invitation to all members who sit to my left and all members opposite to come and join in the festivities, providing they bring the admission fee of \$25.

Once again, Mr. Speaker, thank you for the good wishes which I will pass on to my friends . . .

HON. MEMBERS: Hear, hear!

MR. SPEAKER:— Normally I would have to rule out commercial messages given during orders of the day such as the one given by the Leader of the Liberal Party, however, considering it is March 17 I will let that one go by.

MR. E. KRAMER (Minister of Highways):— Mr. Speaker, I want to bring the House up to date on St. Patrick. I want you to know that he would not have been recognized as the saint and the hero that he was if it had not been for a Dutchman who was a very close friend of his, Hans Hazenpfeffer.

Now everyone knows that St. Patrick killed all the snakes in Ireland because they were a bit of a nuisance; they would go around biting old ladies and things like that, so St. Patrick rose to the occasion and he slaughtered all those nasty snakes. But obviously after those snakes had lain around for three or four days in the heat they started to smell, and the Irishmen having very short memories, became very angry at St. Patrick for having created the smell. You know they had environmentalists in those days too — the pollution and so on, so they were just about ready to string old St. Patrick up but Hans rose to the occasion and being inventive, as the Dutch are, he got together wheelbarrows (invented the world's first wheelbarrow in fact) and he got all of the Irish wheeling those snakes into the bogs and burying them and getting rid of the smell. Well, you know a wonderful thing happened, Mr. Speaker. Ever since then the Irish have walked on their hind legs.

HON. MEMBERS: Hear, hear!

welcome to students

MR. BAILEY (Rosetown-Elrose):— Mr. Speaker, on behalf of my colleague for Swift Current, I would like at this time to introduce a group of students who are in the east gallery from St. Patrick's School in Swift Current, and I must say that if you had been here earlier (the group and their teachers) that you would have recognized this as truly being March 17.

To you, Mr. Speaker, and through you to this Assembly, the group sitting in the east gallery from Swift Current is a group of 57 Grade VII students with their teachers, Mr. Shumay and Mr. Yuchyn and we are going to have our pictures taken at 11:15 I believe. Sorry that you weren't here for the question period but I am sure that you will enjoy the activities of the House.

We wish you a very successful day in Regina and certainly a safe trip home to Swift Current.

HON. MEMBERS: Hear, hear!

SECOND READINGS

HON. G.R. BOWERMAN (Minister of Northern Saskatchewan) moved second reading of Bill 15 — **An Act to amend The Northern Administration Act.**

He said: Mr. Speaker, I am pleased to present this bill today. I am pleased to move second reading of the bill because it marks another milestone in the government's northern development and in the subjectives for the establishment of local government. I believe, Mr. Speaker, that it further demonstrates a measure of the fulfilment toward self-government that was initiated in 1972 under this Blakeney government's proposal for northern development. I think it marks as well, an end of an era of time in Northern Saskatchewan as well as providing for a new citizens' involvement in local affairs and in the management of their affairs in so far as municipalities are concerned.

The Northern Administration Act, Mr. Speaker, was the original initiative of the Douglas government toward a northern development program. It came in the first term of office of the Douglas government from 1944 to 1948 and it established what we now know as the Northern Administration District. It established the boundary which runs laterally

across the province from, roughly, Cumberland House on the East side to the Primrose Lake and Cold Lake area on the West. It established that boundary for the purposes of attempting to deal with the issues and the problems of the day. It perceived the problems of education. It perceived the problems of health and transportation. The situations that surrounded the isolation of communities and people, the problems of communication and the fact that there was no process, there was no opportunity for local people to have any input into governing their affairs insofar as local government was concerned.

The Northern Administration District Act, I suggest to you, related to a much different era of time, an era of time when ground transportation was by very slow process — dog teams between communities of 150 miles apart, horse freighting, of fish coming out and goods and services going into those communities. The member for Cumberland will be aware of that because of his experience in those early freighting days, the days of freighter canoes when in the summer time supplies were taken into the isolated communities over water by freighter canoe. An era of time, Mr. Speaker, which sometimes is a bit nostalgic as you look back over the time that I, myself, have been involved in it, when air transportation in those days was not any faster than the highway speed limits are today in some cases, the flying of Tiger Moths, some of the old Ansons, some of the Norsemen that were used in the developing of that process, a radio communication network which would only reach 30 to 50 miles at best.

As a result of that particular era and that particular kind of situation the government of the day established what would become a quasi single agency approach by appointing what The Northern Administration District Act calls as an Administrator of Northern Affairs. The Administrator of Northern Affairs was appointed and responsible to the Minister of Natural Resources. He did have and administered a group of programs in the North particularly related to the resources, related to the social services, education and to local government. I suggest that that era of time is now closing and it will really formally pass, it would seem to me, out of existence when the renovation of this particular act is in a more major way amended in the proposals that are being now worked out with the Northern Municipal Council, with the community councils of northern Saskatchewan and we hope will be presented to this House in the near future, not at this session but hopefully in the fall session of 1978 or the spring session of 1979.

The Northern Administration Act is badly outdated. That has been recognized by us, by the government. It has been recognized by those people who have now assumed elected responsibility in the local governments of the North. If you look through the act it was never meant to meet the issues of the day in which it is now attempting to administer. So the NAD Act is badly out of date and requires major overhaul to cast itself into some more progressive developments that have taken place and that will take place now and into the '80s. That major overhaul of the legislation requires considerable input of emerging local governments. It needs time for people to assess what they see as being the role for government in the North, how they would like to see the development of municipal authority and responsibility developed. I suggest to you that the elected officials there now, both at the rural municipal level, the Northern Municipal Council and at the local levels of the local community authorities and advisory councils are reaching the point where they begin to see as well as begin to feel the responsibility and see the need for them to participate in the development of that process.

Amendments at this point in time, the amendments we are proposing today in Bill 15

are really amendments that are of a temporary nature. They are allowing for progress to continue but as I indicated they are not in any way attempting to revise the whole act or attempting to bring it up to date in terms of all of the things that are needed. It is only to provide for those things we feel which require attention at this particular time. They are basically a patch job to an act which needs to be overhauled, an act which needs to be reviewed in total. Therefore, the expectations of the act are not that we will be providing anything greatly new other than to provide the necessities for doing that which seems to be apparent and necessary at this time.

The bill deals with three general areas, an amendment. The sections 2, 3, 6, 7, 8, 9 and 10 of the bill really provide for housekeeping changes. They are really housekeeping changes with respect to the measurements being in metric rather than in the conventional type of measurements as requirement of a survey and so on. The other housekeeping matter is the redefinition of the northern administration district boundary. It makes no major changes in that area. I think all it does is clarify some points of which may have been in doubt in the past and therefore really of no great significance.

The other matter of housekeeping is clarifying that the northern administrator which was provided for under the act now is the deputy minister. Therefore all of those sections which refer to giving authority and responsibilities to the northern administrator are now referred to as the deputy minister. The administrator is deemed to be the Deputy Minister of the Department of Northern Saskatchewan. So that area of housekeeping is there. It deals with the largest part of the act but not the most significant part of the act.

Section 4 of the bill transfers the responsibility for the administration and authority of local advisory councils from the minister to the rural municipality of the Northern Municipal Council. In the old act the provision was that the development of these local councils in the various communities, as they developed were responsible to the minister, of course the minister at that time being the Minister of Natural Resources and now the Minister of Northern Saskatchewan. Section 4 of the bill attempts to redirect that responsibility and that authority from the minister to the Northern Municipal Council and from the local advisory councils to the Northern Municipal Council giving the relationship there more tie between those two particular groups and responsible groups.

The second area of transferring authority to local governments is section 5 which transfers provincial grant funding and this is the core basically of what we are attempting to do here, that in section 4, transferring provincial grant funding from the Northern Municipal Council directly to the local community authorities. The definition of funding ratios as between LACs and the Northern Municipal Council. You'll see there that it goes on to outline that 70 per cent will go to the local advisory councils and 30 per cent will be retained by the Northern Municipal Council. The 70 per cent will be put in a trust fund and can only be expended as resolutions come forward from the local councils.

So, Mr. Speaker, the other matter of significance of the transferring of authority from the centralized Northern Municipal Council to the various councils appears in section 12 which authorizes the local community authorities to fund the NMC for services that they would provide if those services are in fact desired. This again takes the centralization which as reposed in the Northern Municipal Council. It places it on to

the communities of a significant site and giving them the authority and the responsibility to decide whether or not they wish to continue with the services through the Northern Municipal Council or wish to receive those services through the municipal services branch in the department as, for example, municipalities in the South relate to the Department of Municipal Affairs.

Section 11 is the other area which, Mr. Speaker, is a matter of concern to the Northern Municipal Council. It's the issue over which you have heard in the press the municipal council continuing to say that they felt that the authority for them to operate as a rural municipality was not extended to them. We believe that it had been in the initial legislation which was passed. We have the officials of the Attorney General's Department advise us that the authority was there. However, in seeking their own legal advice, the Northern Municipal Council had been advised, I believe legally, that the authority was not there, that it was not officially transferred. So in order to clarify that point, in order to substantiate that, in order to provide some assurance to the Northern Municipal Council that in fact they do have the authority of a rural municipality under The Rural Municipalities Act. It is spelled out in section 11 that clarifies, at least we believe it does, clarifies it so that there is no doubt or should be no doubt left in their mind.

Mr. Speaker, there has been a limited understanding of local government development in the North as we have proceeded from 1972. It has been very difficult to explain the process because the terminology of The Northern Administration District Act. It has been complicated by that terminology and being able to relate the process of development of municipal government as we understand it in terms of municipalities, urban and rural, in southern Saskatchewan.

I want to clarify, if I can, and try to explain, Mr. Speaker, to the member of the House some of the terminology which has caused the lack of understanding and lack of clarity. In northern Saskatchewan, because of The Northern Administration District Act, we have used the terminology 'local advisory council' to define a community which we would say is an unorganized or an organized hamlet. I can think of some in my own community but I am not sure of how many I can think of around the province, but Cudworth — the member for Prince Albert-Duck Lake will know that — MacDowall is another, an organized hamlet or an unorganized hamlet. In The Northern Administration Act these are referred to basically as local advisory councils.

The others are local community authorities and the local community authorities are communities with populations up to 2,000 and over 2,000, Mr. Member for Prince Albert-Duck Lake and I suggest to you that that's La Loche if you want to look at the population figures — some of the other communities going down to 1,800, some 1,200, 1,500 population size — a local community authority which in the South we would refer to as a village or as a town. So, therefore, our terminology in The Northern Administration Act refers to these communities as local community authorities having developed to the point where their elected councils have assumed more responsibility for the administration of their towns and their villages than has the organized hamlet or unorganized hamlet.

The other reference is to the Northern Municipal Council and that we have tried to define as a rural municipality and the boundaries of the northern administration district have been the boundaries of the rural municipality called the Northern Municipal Council. The other jurisdictions in the northern administration district are those which we call incorporated centres and those are Uranium City, Creighton and La Ronge —

those communities which have developed a level of capacity of being able to efficiently function within the terms of The Urban Municipalities Act and have related to the Department of Municipal Affairs because of the level of expertise and their ability to handle them and do the affairs of business relative to a community of their size.

I might add that there is provision in the old act and it is restated again in this amendment, that those communities are not within the northern administration district. They have been taken out of the northern administration district even though they geologically rest within those boundaries.

So, Mr. Speaker, the matter of attempting to clarify and the matter of attempting to understand and comprehend the development process of local government in the North I believe, has been hindered by the terminology which we use and, therefore, does not help the process of deciding how the development process is going.

Let me go back and attempt to outline for you and the members of the House our view of the development process with respect to local government in the northern administration district. We started out by saying the whole northern administration district, those areas geographically within the boundaries of the province of Saskatchewan and being divided by the northern district boundary, that whole area was a very large rural municipality and it was subsequently divided into very large divisions that you would normally find within a municipality, not six, but five divisions and these five divisions were reported to be regions. From each of these divisions or regions there was elected a council member and there was no reeve elected at large as we would have in a southern municipality. But the five elected council members chose their own chairman once they had been elected and this they did, Mr. Yew being the first chairman to serve in the Northern Municipal Council and the second and present incumbent, Mr. Petit, from La Loche.

Mr. Speaker, within the boundaries of that rural municipality were all of the communities and really it is in the communities that the population resides. There really is not a rural population as we would see it in another municipality — farmers or agriculture people scattered throughout the rural municipality. So these local advisory councils, the hamlets and the towns, unlike their southern counterparts, were given the responsibility or were given the relationship that the rural municipality was in fact the sort of parent group and that it was to administer directly the affairs of those communities and was to relate to those communities in terms of providing services and providing the funding. In order to do that the province's grant funding went directly to the Northern Municipal Council. In 1978, using the current fiscal year we granted to the Northern Municipal Council about \$135 per capita across the piece, \$1.6 million. With regard to that \$135 per capita there were no conditions on it with this exception, that they were to transfer on to the communities about \$65 or \$70 per capita. I think the figure in the current fiscal year was \$68 per capita. So the only condition that the province attached to the grant which it provided to the Northern Municipal Council was that it would transfer on to the communities, I believe it was, \$68 per capita in the current fiscal year.

The other condition was that the funding which we were providing to the Northern Municipal Council — it was our objective and we encouraged the Northern Municipal Council to do this — is to move on the development of local government, they should hire their staff and they should move out into those areas and update and encourage these communities to take on responsibility for local government and to elect their

council and to establish themselves more formally in the process of growing into local governing bodies.

The balance of funds, as I say, were used for that purpose by the Northern Municipal Council and the Northern Municipal Council did move to strengthen those communities, it did move to strengthen the local community councils towards their full self-reliance as a local governing authority.

Mr. Speaker, the proposal of the bill, then, is that we will now alter the funding. We will now divert the \$135 per capita in terms of the towns and villages or the LCAs, local community authorities; we will send that funding directly to them. There is a provision in the amendments where they may, if they so choose, transfer up to 30 per cent of those funds to the municipal council if they so wish, to receive their services still from the central rural municipality. In the case of the LACs that is not so, it is an unorganized hamlet, organized hamlet. The money goes directly to the Northern Municipal Council. Their responsibility is to put in trust 70 per cent and use 30 per cent of that for their own funding and administrative purposes. Therefore the funding of the Northern Municipal Council will be considerably reduced as you will see from about \$800,000, about 60 per cent of the \$1.6 million which they used to keep for themselves and provision for the administration and the management will now be reduced to something like \$250,000 because of the 30 per cent which they will keep. By the way I will send to the member for Prince Albert-Duck Lake the grants which will be made to those various communities on the basis of the allocations of funds that have been made in the 1978-79 Budget.

So, Mr. Speaker, what we have eventually I think come to, and the privilege and pride which I have at this particular moving of the amendments to this particular act, is that I think we have reached a period of growth now where we will begin to see some of the excitement that is being expressed already by those local communities for them to assume their full and rightful place as communities that have their autonomy, that have a funding source which they know to be theirs; it certainly increases to a great degree the amount of money which they get. As a result thereof we are seeing the emerging of local government in northern Saskatchewan in a very positive sense. I know that this causes some concern for the Northern Municipal Council. We have been seeing of late where certain staff people from the Northern Municipal Council are being laid off and so on with respect to the funding which will obviously be reduced. But we believe that is a natural process. We believe it is a process which must inevitably come into being if these local communities are to assume their responsibility. I believe they want to, they have expressed that opinion. I believe that there will be more of them as this process goes on. Whether or not we will get to the point where a community like La Loche with 2,000 population or over wishes to move on to a formal village status under The Urban Municipalities Act is a question that is yet to be answered and we thought that, rather than move to that extent at this period in time, the process of consultation must go on and we must give an opportunity for the councils to feel their way in this process. Even the changing of the terminology of their names, as to how they're identified would at this time, I think, cause some concern about whether or not we were doing something more than we would want to about changing the nature of this structure.

Mr. Speaker, I am indeed proud to present to the House, today, the amendments to this legislation which I believe is moving into the final stages of developing local government for northern Saskatchewan and I recommend to all members of the House that they review this issue with interest and indicate their support for the northern

people in assuming the responsibility. Therefore, Mr. Speaker, I am pleased to move second reading of an Act to amend The Northern Administration Act, with pleasure indeed.

WELCOME TO STUDENTS

MR. J.R. KOWALCHUK (Melville):— Thank you very much, Mr. Speaker. I want to thank the House for allowing me the privilege of introducing a group of students that have just arrived. They have already been introduced once this morning, by error, and I'd like to do it again. To you, Mr. Speaker, I want to introduce a group of 46 Grade Eight students from the Ituna School. They are in this capital city to visit the number of exciting and important places and important institutions, one of course being this Legislature and I think it's really too bad they missed the question period this morning which would have added to some of the education which I know they're here to pick up. They are here with a couple of their teachers; Mr. Bill Hudema and Mr. Harry Holowatiuk. The bus driver is Mr. John Kentz. We hope that their stay here will be enjoyable as well as educational and that they will have a safe journey home.

HON. MEMBERS: Hear, hear!

MR. WIPF:— Mr. Speaker, while I'm on my feet I'd like to welcome the students to the Assembly today, also, and hope that your stay will be informative and, same as the hon. member across the House, that you do have a very safe trip home.

Mr. Speaker, in response to the hon. member for Shellbrook, I'll tell you that we do welcome the change of attitude in the NDP and especially in the DNS, to see the Progressive Conservative's way of allowing local government and letting local people start to run their own affairs. As the minister said, this is sort of a patchwork amendment to the act and it's not going to clear the whole act up. He gave a very lengthy statement and any time that minister stands up and explains something that fully, I get a little suspicious that he's trying to do a selling job. In most of his statements, however, I had to agree that there are a lot of good things happening in the North. He gave a lot of information and passed on this other piece of information to me. I'd like to study his statements, along with the one he just brought in.

One concern I have, Mr. Minister, is the local administrative council's share — the 70 per cent. Was there any consideration given to maybe training some of the people in these LAC areas to administer these funds? I realize that this is new coming in, as you said. There are a lot of things happening and there may be people in place up there now who are very capable and able to administer this. This fund has been administered by the Northern Municipal Council up to now. I realize also that the LACs have the opportunity or the right to contract with the Northern Municipal Council for the administration capabilities that they have but if they do not, I would hope that you have been assured anyway. There are people in the LACs (Local Administration Council) who are able to administer these and they do not get into any trouble.

I would like to have more time, Mr. Speaker, to study the statement of the minister and, therefore, I beg leave to adjourn debate at this point.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

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

MR. P.P. MOSTOWAY (Saskatoon Centre):— Mr. Speaker, I just want to say a few words on this particular bill. I want to say that I took the opportunity of phoning our parish priest in Saskatoon and asked him for his opinion on this bill.

AN HON. MEMBER:— Well, you better name him then.

MR. MOSTOWAY:— Well, I can . . . (inaudible interjection) . . . No, it is not Father Ogle. I am not going to name him but I will tell you that my wife and children and I go to St. Philip's Church in Saskatoon. At any rate, I asked him for his opinions relative to this bill. He thinks it's a good bill. He said to feel free to quote him and I am going to do so. . . . (Inaudible interjection) . . . Well I think if you were up on your parish priests and your ministers in Saskatoon, you would know who is the priest in charge of St. Philip's Parish in Saskatoon. (Laughter) At any rate, I asked him about the matter of religion and church affiliation. It was his opinion that the courts would consider that in deciding where the child would be placed. He did not feel that it would be necessary to incorporate something like that into the bill. He felt that the courts would consider that and the general theme for the welfare of the child was quite sufficient. Consequently, I want to say that I was pleased to hear his remarks because I, too, am in favor of this bill.

MR. J.G. LANE (Qu'Appelle):— Mr. Speaker, I am going to beg leave to adjourn debate on this bill.

Debate adjourned.

COMMITTEE OF THE WHOLE

BILL NO. 10 — AN ACT TO AMEND THE FUEL PETROLEUM PRODUCTS ACT.

Section 1

HON. W.A. ROBBINS (Minister of Revenue):— Mr. Chairman, I would like to introduce Mr. Harold Jones who is the Deputy Minister of Revenue, Supply and Services.

Section 1 agreed.

Section 2

MR. R. KATZMAN (Rosthern):— This change, all that would do is move it into the new Department of Revenue and Supply — it gives them the authorization?

MR. ROBBINS:— It is simply transferring those sections from Finance to the new department.

Sections 2 to 5 agreed.

Section 6

MR. KATZMAN:— Does that mean that you are not going to allow the selling of gas in

the 45 gallon drum any more?

MR. ROBBINS:— No.

MR. KATZMAN:— Excuse me, how do you convert — is there a system where you take a 45 gallon barrel, or is it just going to be automatic to transfer it over and accept it that way or are they going to have to now develop a new barrel?

MR. ROBBINS:— Multiply by 454609.

MR. KATZMAN:— In other words, all the present containers — legally you are not going to stop the use of them?

MR. ROBBINS:— That's correct.

Section 6 agreed.

Section 7 agreed.

Motion agreed to and bill read a third time.

**COMMITTEE OF FINANCE — DEPARTMENT OF REVENUE, SUPPLY AND SERVICES —
VOTE 18**

MR. CHAIRMAN:— We're dealing with Revenue, Supply and Services. Would the minister like to introduce his staff.

HON. W.A. ROBBINS (Minister of Revenue):— Mr. Chairman, I introduced Mr. Jones, the deputy Minister of Revenue, Supply and Services a moment ago. Directly behind me is Gary Brandt, Executive Director of Operations, perhaps better known to the Legislative Assembly as a lineman with the Saskatchewan Roughriders . . .

SOME HON. MEMBERS: Hear, hear!

MR. ROBBINS:— And to this left is Dan Cunningham, Director of Administration.

ITEM 1

MR. G.H. PENNER (Saskatoon Eastview):— I wonder if I may be permitted some remarks and some questions with regard to the Department of Revenue, Supply and Services. The minister will recall when the bill was put before the House during the fall session, the basic question that was asked with regard to the fact that this department was being created, was why is it being created? The minister failed, at that time, to satisfy that question in my mind and one of the questions I would like him to address himself to, when he replies, is to answer again. As I recall, the answer was somehow tied into the fact that the method of collecting revenues in the province up until now has been handled very well by the Department of Finance. I think most of us tended to agree that that was the case and saw very little reason why we ought then, to create a whole new department in order to collect revenues.

At the same time, Mr. Chairman, the minister indicated that we weren't really talking about anything insofar as any major expense was concerned because we were going to be taking part of the Department of Government Services, part of the Department of

Finance and moving them into the Department of Revenue, Supply and Services. Now it is rather interesting, Mr. Chairman, when you compare the expenditures of the Department of Finance and the Department of Government Services last year and then compare the expenses of the Department of Finance, the Department of Government Services and the Department of Revenue, Supply and Services this year, that you find that there is an increase in spending this year of from \$57.5 million last year in Finance and Government Services to just over \$69 million this year in the three departments. We have a 21 per cent increase in spending for a department that, when it was brought in its legislative form, wasn't really supposed to be significant from the point of view of any cost increase. I think, Mr. Chairman, that it is indicative of one of the things that I have harped about for some time and that is what appears to be an uncaring attitude by the government about the money it spends and how it spends it. As I have indicated before, this government, in the past five-year period, has increased its spending by just a little better than \$1 billion; it has increased its spending by just a little more than \$1,050 per man, woman and child in Saskatchewan; it has talked a good story about the need for restraint but it creates a new department which is supposedly only to do something which another department has been doing and by so doing, incorporates an increased expenditure, as I say, that is an increase from \$57.5 million to \$69 million, an increase of 21 per cent, to do the same things.

Mr. Chairman, I would like to reiterate my question when I began, what is the rationale for establishing a department that is doing something that two other departments were already doing and which is spending 21 per cent more in order to do it?

MR. ROBBINS:— Well, as usual, I don't know just where the member for Eastview gets all his figures but if you look at the relevant figures in relation to Finance, Government Services and the Department of Revenue, the actual expenditures a year ago totalled \$18,200,530. The Budget this year is \$20,511,080 the increase is 12 per cent the bulk of which is in postage increase which totals \$1,177,800 and if you take that out the actual increase is 6.2 per cent.

MR. PENNER:— Mr. Chairman, in 1978, the Department of Finance had a total budget of \$29,294,910; the Department of Government Services had a budget of \$28,236,010 for a total of \$57,530,920. In the 1979 Estimates the Department of Finance budget is \$20,722,180; the budget for Government Services is \$27,937,400 and the budget for the Department of Revenue which is the department under review now is \$20,511,080 making a total of \$169,170,660 a difference of \$12 million or 21 per cent. Does the minister not recognize that those are the figures that are contained in the Estimates for those three departments last year or for the two departments last year and for the three departments combined this year?

MR. ROBBINS:— If you look at the — and we are not discussing the finance section — but there is \$8.25 million in there of new items that weren't there before, such as the item for Taylor Field, for example; the item for \$4.5 million in employers matching contributions to the Public Employees Superannuation Act and a number of other items. They total \$8.25 million. You can't simply say that by throwing that in and adding that into the totals that you are getting a comparable figure, because those items weren't in Finance a year ago and they are in Finance now.

MR. PENNER:— The figures that I have given in the Estimates for 1978 for those two departments and the figures for 1979 for the three departments, nevertheless, are correct. \$57.5 million this year in the Departments of Finance and Government

Services — or last year, excuse me — and \$69 million, just a little better than \$69 million this year for the three departments.

MR. ROBBINS:— Mr. Chairman, as I have already pointed out, \$8.25 million that is in the Department of Finance this year wasn't in those totals a year ago and it is new money. Taylor Field and the contributions to the Public Service Superannuation fund and other items. In addition there is another item in there of about \$1.2 million in terms of postage increases. Actually, you can't take the three figures of this year and compare them with last year because of those new items in Finance that weren't in there last year at all. That is obvious. The \$4.5 million to the Public Service Superannuation fund is new money and the item to Taylor Field is completely new money which wasn't in Finance a year ago.

MR. PENNER:— I wonder if the minister would indicate in the personnel that are involved in your department the number of people who are out of scope people.

MR. ROBBINS:— To the points raised by the member for Eastview. If you take the three departments in 1978-79, that is the current year, at \$69 million as shown in the Estimates and you take the two departments that existed the preceding year added up to \$57 million, the difference is \$12.7 million. But, in that \$12.7 figure is \$8.25 million of new money in the Department of Finance which was not there a year ago. Public Service Superannuation Fund, Taylor Field and other items. That leaves a difference of \$3.5 million and almost half of that is postage increase. For the three departments, mind you, but almost half of that, postage increase.

MR. PENNER:— Mr. Chairman, I'm still waiting for an answer to my question about the out of scope personnel.

MR. ROBBINS:— 22.

MR. PENNER:— And that means then that in the total department you've got 201 people who are in scope people. Is that correct?

MR. ROBBINS:— Correct.

MR. PENNER:— Are all of those positions full time positions?

MR. ROBBINS:— Yes.

MR. PENNER:— What, if any, new positions do you have in your department that were not there in a transferred way from a year ago?

MR. ROBBINS:— The total for the three departments now is 880; a year ago the two departments was 929, there are 49 less persons.

MR. PENNER:— Are there any positions that are in your department though that are new positions? I realize that there is a net — that the figures that you give are correct. But is there anything new?

MR. ROBBINS:— We deleted 10 positions and created 8 new ones.

MR. PENNER:— Would you just briefly indicate what the eight new ones are please?

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MR. ROBBINS:— One in Personnel and Training; six in the Purchasing Agency; one in Mail and Communications. .

MR. PENNER:— Mr. Chairman, I wonder if the minister would go back to the question I asked him earlier with regard to the why and expand on the actual revenues that your department will be collecting.

MR. ROBBINS:— E & H tax, gasoline tax, tobacco tax, insurance premiums tax, pari-mutual tax, motor vehicles insurance premiums tax, fire prevention tax, public health levy, hospital revenue tax, succession duty which is being wound up of course and miscellaneous revenues and gift tax which is also being wound up.

MR. R.A. LARTER (Estevan):— Mr. Chairman, you mentioned an overall reduction of so many employees, can you tell us if this is going to be permanent or can you see this increasing and these employees going back to approximately where you were before?

MR. ROBBINS:— As far as the Department of Revenue, Supply and Services is concerned we do not anticipate increases in staff. One of the reasons for creating the department was to effect some economies in relation to these factors.

MR. LARTER:— Mr. Chairman, has your department virtually completed its changeover now and everything that you are going to be responsible for, is it in place?

MR. ROBBINS:— There is one section of the department that is related to monitoring services, we are looking at — if I could use as an example, maybe this isn't the best example by any means — I will use the Vital Statistics branch in the Department of Health. In terms of looking at the revenue flows that come into the department in relation to fees and schedules and things of that nature, we are monitoring those in all the departments and if we find that we can effect efficiencies and economies in relation to the transfer of revenue collections from some of those departments to Revenue, Supply that would occur.

MR. R. KATZMAN (Rosthern):— On page 90 under item number one, it shows the number of positions as 40. There is a single star over at the far line which tells me to note at the bottom that last year this was indicated under Finance and Government Services. Are you with me? If I slip over to last year's Estimates and look at the amount of personnel in those two departments underneath that I get 42 and 54 which makes a total of 96. This year in those other two departments the figure is lower in one to 36 and the other one is 55, yet you have 40 employees which makes an increase in staff, yet you say there is a transfer. You have actually shown 121 employees under Administration this year in those three areas where last year you showed 96 as indicated by your figures.

MR. ROBBINS:— If you look on page 44 of Finance and again we are not discussing that department as you realize, there are 17 positions deleted from the Taxation Branch in total on administration, on page 44.

MR. KATZMAN:— This year's?

MR. ROBBINS:— Yes, this year's.

MR. KATZMAN:— The problem is I am trying to compare the figures from one to the other. Do you have somewhere over there an indication if I would transfer the positions

that are moved into Revenue and Supply, those 40 bodies that you claim are moved from the other two, what my figure would be for permanent positions, other expenses and other personal services? Do you have a transfer over there that you can give me those figures?

MR. ROBBINS:— If you go to permanent positions and I realize this is tougher for you because you have to move back and forth between departments, but if you look at finance administration last year, that's the year we are in, there were 19 people in finance administration but there were 17 in taxation administration, 3 in central services administration which was under Government Services and 4 under Government Services Administration and 3 under Public Works. If you add them up there are 46 people. We've dropped to 40.

MR. KATZMAN:— Is it possible to somehow give us these figures for the rest of your department in Estimates, rather than go through it individually asking where you have drawn them from? I'm suggesting you may have a sheet or something that we can do it off of.

MR. ROBBINS:— I will try to go slowly enough so you'll get these but approved positions in finance administration in 1977-78 were 23. We transferred 19 of those into Revenue, Supply and Services administration. Four were transferred into personnel and training. Then under finance taxation administration there were 17 and we transferred those to administration under Revenue, Supply and Services. There were 72 under E & H tax.

MR. KATZMAN:— Could you send me over a photostatic of that sheet? That might save some time.

MR. ROBBINS:— Yes, we'll get it for you.

MR. KATZMAN:— O.K. On the same item now, I assume going through the rest of the budget... Mr. Chairman, I may be out of order here but going through the rest of the budget when we get to the Finance Department and Government Services Department, would it be feasible to — will those figures be able to correspond into the other or should we ask you now if they can produce their figures to correspond? ...(interjection).. I know, that's why I say can they do it ahead of time?

MR. ROBBINS:— These are the accurate figures. Finance can use them, Government Services, it doesn't matter, they are the actual figures.

MR. KATZMAN:— In other words, we can go into their back year's Estimates and pull everyone from which location so that I can get a counterbalance number.

MR. ROBBINS:— Yes, you can.

MR. R.L. COLLVER (Leader of the Conservative Opposition):— Mr. Chairman, I would like to ask the Minister of Revenue the logic that was used by the government of Saskatchewan in creating the department of Revenue when the evidence of a similar Department of Revenue in Ottawa is so bad?

MR. ROBBINS:— I don't know what connection it might have with the Revenue Department at Ottawa other than it has the same name. The whole purpose here is to improve efficiency in relation to the collection of taxes. We realize it has been good but

we don't say it couldn't be better. In addition we are doing a monitoring service in relation to the other departments with respect to fees and that sort of thing that they collect to see whether or not it couldn't be more capably done in a central department. In addition we have a lot of other functions. We cover the purchasing agency in CVA, etc. These are operational functions and there is a fair bit of operation in this. We have people who have good qualifications in relation to administration of those kind of functions.

MR. COLLVER:— Mr. Chairman. You didn't provide yet, Mr. Minister, the logic that went into the creation of it. What you said is improved efficiency. What I am asking you to say is, how is it going to improve the efficiency of the provincial government? Just because you create a Department of Revenue, to say that it is going to improve the efficiency, what we would like to find out is, what is the logic that you used in creating it? How will it improve your efficiency? As an example, other departments of government were responsible for the collection of revenues under their department. The same people who were responsible or the comptrollers who were responsible for the expenditure funds, were also responsible for the collection of funds. These people were experts in their field. We have heard last year many, many times, the problems and difficulties the government of Saskatchewan has in attracting chartered accountants and proper accountants to the government of Saskatchewan. The provincial auditor stated last year that he had a great amount of difficulty in filling all of the positions in his particular agency. The comptroller stated in Public Accounts that he had a great deal of difficulty filling the positions in his particular department or agency. Now you are saying that we are going to have to have accountants in the Department of Finance, in the Department of Highways, we are going to have to have accountants in all these various departments when they are in short supply. You are going to transfer some and add more into the Department of Revenue, (they are in short supply, admitted by your officials), yet you tell us you are going to, 'improve the efficiency of the operation of the government of Saskatchewan'. What we are asking you to say, is, how are you going to improve the efficiency?

This morning the member for Saskatoon Eastview raised the issue with you quite correctly, that the total expenditure of the government of Saskatchewan in this so called administrative area, is up 21 per cent. How does that improve the efficiency? You have hidden behind some juggling of some numbers with regards to 'Oh you can't use that department because you have to subtract this and add this', and are then very confusing about how you are presenting the numbers. What we are saying is, here you are creating a new department of government. You are saying that this new department of government, which most individuals, including many individuals on the other side of the House, realize that with every additional department of government, there is additional chance for inefficiency — additional opportunity for inefficiency. The more departments of government, the more opportunities there are for bureaucrats, if you like, to want to expand the size of their departments. We all know that happens. I am sure even the minister will agree that this happens. There is in some minds of officials there is the opportunity to empire build within government. That has been pointed out for a hundred years. It is still apparent in every government that we know of, whether it is NDP, Liberal, or PC. There is that opportunity in government. If you create another department, you are adding to that number of opportunities for empire building, for building up the departments, any built in inefficiencies, and so on. All we are asking you to do is to explain to this legislature how and why was this department created? How is it going to improve efficiency? Just by saying improve efficiency doesn't work. Tell us, how is it going to improve the efficiency of the government? Efficiency, to suggest as

the minister has just done, that — let us impose this new department on government and then we'll improve the efficiency, surely he has to be totally illogical. Surely you can't come to the Legislative Chamber and suggest a totally new course of action without having some rationale for the original course of action that you decided on. All I am asking you to do is to give to this Assembly — you must have had reasons — your officials must have come to you and said, look, here's a comparison for example, of what the government of Saskatchewan is doing today and here's what we could be doing if we had the Department of Revenue.

If we had such a presentation by your officials based on previous experience, based on employees from before, expected employees for the future, perhaps we could say, yes, it's a fairly reasonable idea, let us examine what your officials presented to you in the creation of this new department. Then, at that point in time, if we agree with the officials, with the presentation of the officials, if we agree that the officials have made some very strong points in terms of improved efficiency of the government of Saskatchewan, then we may agree with you that a Department of Revenue will improve the efficiency of the government. The fact of the matter is, you haven't stated that that was the case, if you are suggesting to us that somebody just walked in your office and had a brainwave and said look here, if we have a Department of Revenue receiving all the moneys . . .

MR. BOWERMAN:— Keep your arms down . . .

MR. COLLVER:— Well, I can't do that. Surely, Mr. Minister, your officials came into your office with a proposal. Let me ask you that question, perhaps I am wrong. Did your officials examine in any possible way, before the implementation of the bill creating the Department of Revenue, did your officials submit to you how the Department of Revenue would improve the efficiency of government? (Long pause) I am waiting for an answer from the Minister. Is the minister not going to give an answer to that question?

MR. ROBBINS:— Well, I think it is fair to say, you know, the member for Nipawin makes a big speech. One thing is sure, we are not going to go to Management Associates for any consulting advice, I can assure you. The increase in revenues from both sources that the province collects directly requires increased scrutiny and that is what we are doing. I can't give you all the details on it, but I can tell you we find individual situations which have to be corrected and I can't give them out in public at the moment, but we certainly found some already.

MR. CHAIRMAN:— I am going to . . . (inaudible).

MR. COLLVER:— Mr. Chairman, I am wondering if I might interject here to suggest to you that I have had exactly six minutes of this question period.

MR. CHAIRMAN:— Order! May I remind the member that I have acknowledged the last three speakers from the PC side and I have only acknowledged one from the Liberal side today, as yet. I acknowledge this question and after that I acknowledge the one from Saskatoon Eastview.

MR. COLLVER:— Mr. Chairman, I would again repeat to the Minister of Revenue, who has suggested that the purpose of the Department of Revenue is increased scrutiny. Now he is suggesting that only the Department of Revenue can increase the scrutiny over the collection of taxes. Therefore, he is suggesting, by his own logic, he is suggesting that the scrutiny over the collection of taxes previously was not properly

handled by other departments. Would the minister suggest . . . (interjection) . . . all right, if it was properly handled then could the government of Saskatchewan, through the Treasury Benches, not have suggested to the Department of Finance and the other departments that were responsible for these areas, quote, "increased scrutiny" to increase the scrutiny from their department over those matters. What I am asking you to tell us today is a very simple question. You introduce a Department of Revenue, you say it is to improve the efficiency of the government of Saskatchewan. I ask you today to provide any evidence of any kind whatsoever that led to your process in the creation of the Department of Revenue, that's all. What were the thought processes, what information did you have at your disposal that made it impossible for the other various departments to improve their efficiency and that necessitated the creation of a Department of Revenue.

MR. ROBBINS:— Well, perhaps I can give the member one example that would illustrate the situation. There are departments which collect fees and that's not the major function of that department. I'll use the Department of Health and I'll go back to the Vital Statistics again, where they collected a fee of a dollar for issuing a birth certificate. That had not changed since 1963. It was obviously costing a great deal more than a dollar per certificate to actually issue the certificate. Now it's not a case of wanting to make money on the thing, but we had to make an adjustment in terms of the fee that would be charged for a birth certificate to bring it up to the state where it would at least cover the cost and that is the part of the efficiency which might be occurring throughout the government. In addition, we have only been in operation six weeks actually in terms of the monitoring device and the hope is, the belief is, that we will make some efficiencies in the collection of certain items which may be transferred eventually into revenue. But that is subject to the study that must occur.

MR. COLLVER:— What is the Comptroller and Provincial Auditor for?

MR. ROBBINS:— The Comptroller has to do with the pay-out of moneys and he continues those pay-outs. This is with regard to revenue collection.

MR. PENNER:— Would the minister give us an indication whether or not there are any agencies or groups that have been contracted by the Department of Revenue for any kinds of studies whatsoever?

MR. ROBBINS:— You mean consultants?

MR. PENNER:— Yes.

MR. ROBBINS:— None.

MR. PENNER:— Would you give us an indication — in the breakdown you have 223 employees in your department. What number of those are involved in a collecting way and what number of those are involved in some kind of a controlling way?

MR. ROBBINS:— Well, for instance, the 73 people in E & H Tax are basically tax auditors. There is a bit of a control function too in terms of when they make the audits. The 17 persons in relation to the Gasoline and Tobacco Tax function in that way as well, Revenue monitoring, of course, is an auditive type of approach which is being carried out in relation to all of the departments of government and all the agencies of government. Miscellaneous revenue collection, again, refers back to the fees and schedules which are collected by the various departments. We may be transferring

some of those to the Revenue Department, eventually, depending upon the results of the surveys we make.

I might say, there is such a thing as tax evasion. It does occur. Without naming any names (Obviously I can't name any names) we caught one the other day, a very sizeable sum in relation to a function of the Revenue Department. I don't know how long this had been going on, but we were able to correct it.

MR. PENNER:— With regard to the people that you have involved in an auditing capacity, for example, do you have the same difficulty being able to retain and hire auditors as the Auditor's Department does?

MR. ROBBINS:— We have 38 auditor positions that might be classified in that category and three are vacant at the present time.

MR. PENNER:— There was some interference here, would you repeat that please?

MR. ROBBINS:— We have 38 that might be classified in an auditing position and three of them are vacant — three positions are vacant at the present time. We don't seem to have too much difficulty, my deputy informs me, in getting these people to work for, for instance, E & H Tax, Motor Fuel and Tobacco Tax.

MR. PENNER:— Are salaries in your department for example similar to what they are in the Auditor's Department and would you for example have some people in that department, as there is in the Auditor's Department, who are paid more than the Provincial Auditor is paid?

MR. ROBBINS:— Basically the same schedules. We don't have anybody being paid any more than they would be paid in the Auditor's office.

MR. PENNER:— You are aware of the situation that there are people in the Auditor's Department (the Provincial Auditor's Department) who are paid more than the Provincial Auditor himself is paid?

MR. ROBBINS:— I am not aware of that.

MR. COLLVER:— I am going to return again to my line of questioning before to ask the minister again to provide us with the statistical information and evidence that he had at his disposal and that his officials gave to him, prior to the decision to create a Department of Revenue. Will the minister provide this Assembly any information at all about the information given to him by his officials that led to the decision to create the Department of Revenue?

MR. ROBBINS:— Well actually it was a Cabinet decision to set up the department but it is not the setting up of a new function, it is a re-organization of existing functions and surely as a consultant, you are aware of the fact that re-organization does occur from time to time in business operations.

MR. COLLVER:— That's right and that is exactly what you don't re-organize without some kind of evidence. You don't re-organize without having what you have got now, and what you propose and the benefits to be derived from what you propose. No one ever does that, at least they certainly don't in the private sector. They don't re-organize things in advance and say, trust us, we are re-organizing; it will be more efficient. What

they say is, this is what we have today; this is what we are going to have tomorrow; these are the benefits that will enable us to operate more efficiently. They then make their decision.

We are asking you to give to us, not your statement that it will improve efficiency as you have done today — give us a list of the benefits that will provide it to you before you make the decision or if you like, make them up today, but at least give us a list of the benefits that will improve the efficiency so therefore we can examine whether we agree with you that it will improve the efficiency and perhaps agree with you that a Department of Revenue is a good idea.

AN HON. MEMBER:— (inaudible) interjection)

MR. COLLVER:— Ah, but we could change our minds, that's the difference between us and the New Democratic Party — that's the difference; we can change our minds.

The fact of the matter is, we have asked the minister today and we will ask him again. Can you provide one benefit today that will provide to this Assembly that the Department of Revenue . . .

MR. ROMANOW:— You're wasting time.

MR. COLLVER:— We're not wasting time at all. This is an expenditure of \$20 million and I know that the Attorney General, Mr. Chairman, doesn't mind the government of Saskatchewan spending \$20 million here and \$20 million there and \$20 million somewhere else, but the people of Saskatchewan worry about \$20 million. The minister, the Attorney General, may be able to spout off the millions of dollars that he talks about today with such a flippant attitude off the top because out of billion . . . six . . . what is it? — \$20 million is a great deal of money to the people of Saskatchewan. They want to know that this money is being spent wisely. They want to know that the government is going to have the most efficient possible system, Mr. Chairman — the most efficient possible to look after \$1,600,000,000 budget, so I don't think that the Attorney General's suggestion of wasting time in asking the minister for one simple benefit that we can examine under scrutiny to see if that improves the efficiency of government. Will the minister give us such a benefit?

MR. ROBBINS:— Well the first thing I should say is that the member for Nipawin talks about \$20 million as if it was new money. It isn't. It is not a case of \$20 million here and \$20 million there and he knows that. He talks about efficiency in the government — look at the government of Ontario. Their deficit this year is bigger than our total Budget.

How can we know in advance when we are carrying out a monitoring function over the departments — how can we give an answer within six weeks in relation to that monitoring function? Obviously we can't. We have certain specialized skills with tax auditors in revenue who are going to ensure that those revenues are protected and I have seen examples already which I can't tell you in terms of individual situations. I'm talking about both gasoline operation — I can't identify it for you specifically obviously. We take advantage of the economies of scale and we have some clear evidence that we can improve the system. Now if you want me to write out a list, that isn't possible. If you go to the monitoring function how are we going to know whether the money that is collected, say in mineral resources which are large sums of money, should be in mineral resources or in revenue in terms that we would have to sit down and go through the function on that basis. That takes time.

MR. COLLVER:— Mr. Chairman, the minister has suggested that he now has in the Department of Revenue, some specialized skills that did not exist in the other departments of government. Now how can the minister suggest that he now has specialized skills in the Department of Revenue, when he says that the Department of Revenue was a creation by transferring from other departments of government and putting it under one roof. The point is, that there are no new specialized skills in the department. Presumably, the minister is suggesting that he has the specialized skills necessary to examine and monitor the collection of moneys for other departments of government. But, of course, we have a provincial auditor who has been set up by the Legislature as an independent, presumably, agency of the government to monitor the collections of money and to monitor the spending of money.

That Provincial Auditor's Department has been asking for years for an increased allocation from the government of Saskatchewan so that they could do their job. Furthermore, they have been asking for years, for years, for the authority to do the kind of job that the minister is talking about in terms of monitoring the collection of money throughout the government. Furthermore, Mr. Chairman, the provincial auditor in his report last year, the year before that, the year before that, has made specific proposals in his monitoring of the government finances and the collection of moneys and the government of Saskatchewan, the departments, the various departments have seen fit to continue on doing the same kind of spending and collecting that they have done in the past.

The point is, Mr. Chairman, that the minister still has not come up with one single solid reason for the creation of the department. If that is the case, why create the department? If there isn't a reason to do something, why do it, other than perhaps for political reasons to provide the minister and the member for Saskatoon Nutana with a way of sitting in the Cabinet when other matters are not as clear to him in terms of his being Minister of the Department of Health, for example. He suggested that he wasn't able to do his job as Minister of Health, that he couldn't, as Minister of Health, make the decision to understand at \$1 per fee it should be raised to \$3 because that covers the very cost of issuing the birth certificate; he, as the Minister of Health, couldn't make that decision.

Now, Mr. Chairman, we are going to sit here and ask for one reason for the creation of the Department of Revenue. That is all that we are asking for. Give us one reason, one method, one description or methodology by which the Department of Revenue can act more efficiently than any other department of government already was.

MR. ROBBINS:— Mr. Chairman, the member for Nipawin is typical for ripping off tirades with really no basis of anything to go on. The provincial auditor has had substantial increases in terms of his budget in the past number of years and he knows that but the provincial auditor acts after the fact, the auditing, of course after the fact. The auditors always act after the fact. What we are doing in terms of revenue is looking for things while the revenues are being collected and in terms of evasions that may occur, etc. This kind of nonsense can go on all morning as far as I am concerned.

MR. McMILLAN:— Mr. Chairman, I would like to intervene in the petty squabbling that has been going on here and ask a question of some, perhaps, considerable substance.

I would like to know if the Minister of Revenue has had discussions with anyone in his

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department or in his Cabinet about the possibility of eliminating the 5 per cent education and health tax on any construction materials that are used to build the heavy oil plant at Lloydminster?

MR. ROBBINS:— We have always collected the E & H tax on all construction projects in the province of Saskatchewan and that is the intention.

MR. McMILLAN:— I think, probably, the minister is well aware that one of the real disadvantages for anyone to build a construction plant — certainly private interests — or a heavy oil plant on the Saskatchewan side is the fact that we have a 5 per cent education and health tax which is not in existence in Alberta. One can only assume that, right off the top, we can add 5 per cent on to the capital cost of that operation as a result of the taxes that will have to be paid on the construction materials used in that plant.

Now, I would assume that the Minister of Mineral Resources has very seriously considered trying to get that tax eliminated under the circumstances as a bargaining tool to try and get Husky Oil to agree to put the plant in on the Saskatchewan side. I ask you again, has anyone in your department, or you personally, had any discussion or negotiations with either the Minister of Mineral Resources or other members of the Cabinet about the potential for eliminating that 5 per cent tax?

MR. ROBBINS:— We have not had any discussions with regard to that.

MR. CAMERON:— Mr. Chairman, a related question. The province is very anxious that Ipsco should have the contract for the manufacture of pipe for the northern pipe line and your party has been taking a particularly vocal stand in Ottawa in that respect in wanting Canadian manufacturers to be able to manufacture the pipe.

Now, are you prepared to consider as an inducement to make Ipsco more competitive, and they are going to face some tough competition, by eliminating the 5 per cent sales tax on the pipe that is manufactured as an inducement?

MR. ROBBINS:— I am informed that the tax will not apply to pipe shipped out of the province.

MR. McMILLAN:— Mr. Chairman, one other question. I would assume then, if the construction cost of a heavy oil plant is as high as the Minister of Mineral Resources would suggest it is, in the neighborhood of \$750 million, there is potentially then correct me if I am not in the general area — roughly \$37 million in potential education and health tax to be collected on the construction not to talk anything about the spinoff industry that construction of that nature would create there. Have you included that amount of revenue in the figures you have come to as far as expected revenue through your education and health tax this year?

MR. ROBBINS:— No, not for the current year.

MR. CAMERON:— I want to follow up, Mr. Chairman. Can you give me an assurance that there will be no 5 per cent education and health tax collected by the government of Saskatchewan on any steel pipe that Ipsco may manufacture for the northern pipe line?

MR. ROBBINS:— The taxes imposed on the consumption or use in the province of Saskatchewan — not outside.

MR. McMILLAN:— I would like to ask the minister if he is disposed in the direction of eliminating the 5 per cent tax on the construction materials used in the heavy oil plant so that we might use that as a bargaining tool towards attracting that plant to the Saskatchewan side rather than the Alberta side.

MR. ROBBINS:— No, I'm not, because that's a form of bribery really.

MR. KATZMAN:— Going one step further on the member for Regina South's question, is it correct that there is presently no 5 per cent sales tax on any item that is sold for consumption outside of this province and has it always been that way?

MR. ROBBINS:— Tax is levied on the use and consumption of goods and services within the province of Saskatchewan.

MR. KATZMAN:— In other words, for anything that is sold for use out of this province, we do not collect the 5 per cent sales tax, yes or no?

MR. ROBBINS:— If somebody in Alberta is buying something that's made in Saskatchewan he doesn't pay any tax. He's not consuming or using the service in Saskatchewan.

MR. KATZMAN:— So, basically, you're saying to the member that if they're buying pipe made in Saskatchewan and using it elsewhere, to this point they have never collected the 5 per cent sales tax, and in your opinion, without changing your rules, they will not.

MR. ROBBINS:— Correct. It never has applied outside the province.

MR. W.C. THATCHER (Thunder Creek):— Mr. Chairman, for the enlightenment of the member for Kindersley, I'd like to tell him about the sales tax. There will be no 5 per cent sales tax on the materials or a heavy oil plant or any more 5 per cent sales tax in anything in this province, shortly after the next election when a Conservative government takes over.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER:— Mr. Chairman, could we have some order? Goodness! Mr. Chairman, I'm frankly shocked at these veteran members giving the rookies such a rough time today. If I could ask the minister a question, would the minister tell me, since he apparently refuses to give my colleague from Nipawin any substantial reason as to the logic behind the setting up of this department, would the minister tell the House what sort of studies were used and what sort of logic was arrived at when you decided to set up this department. Did you send people to study the federal government and other provincial systems and American systems, etc.? Could you elaborate on that please?

MR. ROBBINS:— We had consultations with Revenue Department officials in Ontario and Quebec, both of which have Revenue Departments. I note that the member's remarks with regard to removing the sales tax entirely — that's what his father also said he would do, but he didn't — and I also point out that the Progressive Conservative government in Newfoundland levies a 10 per cent tax, Ontario 7 per cent and New Brunswick 8 per cent.

MR. THATCHER:— Oh, Mr. Minister, that answer's a real winner. I'm afraid you sort of

remind me of a situation we have out on the ranches occasionally. You know I have an old bull. We have occasion to use quite a few bulls and because they're registered cattle we have them all in their own separate pasture. Now, when they're in their prime, they get pretty top-quality cows and a lot of cows and a great big pasture. You know, as time goes on, they get a little bit slower and consequently, you've got to make the pastures a little bit smaller or else they have trouble keeping up with the cows.

Now, Mr. Minister, I point this out because I see an analogy here between that situation and your Department of Revenue. Here we seem to have a minister who has given excellent service to his party and I'm one of the ones who happens to think you're one of the better ones over there, and have been, but you're winding down. Let's say your pasture's being made a little bit smaller this time. Let's say they're not giving you quite as many cows, but anyway, Mr. Minister, could you perhaps tell us why you set up this department because, as I understand it from a conversation with some of your officials you are not having any participation in the personal income tax; that is staying with the Department of Finance, if I understood your official correctly that you are only going to be dealing with E & H, the gasoline, corporation tax and the tobacco tax.

Now, Mr. Minister, it would seem that one of the big ones here, as far as revenue, would have to be in the income tax thing, and yet that is collected for you federally and I understand the administration is staying with the Department of Finance. Could you briefly elaborate on exactly just what is going on here and if I've said something that's incorrect here, please correct me.

MR. ROBBINS:— I want the member for Thunder Creek to know that I'm related to birds — not bulls. The federal/provincial agreement between the province and the federal government collects. There is a federal/provincial agreement related to income tax. Obviously, the Finance Department in Saskatchewan deals with it as do all the Finance Departments across the country. We wouldn't be taking the Finance Department here and dealing with the Revenue Department in Ottawa, in relation to the federal/provincial agreement. Income tax comes under that category. It does derive the largest amount of revenue, about \$418 million estimated for the next year. This department is related specifically to the revenues that are raised within the province of Saskatchewan. Therefore you're looking at E & H taxes, gasoline taxes, tobacco taxes — I listed them all awhile ago — I don't believe the member was in the House at the time — and also to carry out a monitoring function related to the other departments.

In relation to fees, if you look at the Budget, you'll find that there is a very large sum of money in miscellaneous items. We think we have to look at those very diligently in a relative way, and I use again the example of the Department of Health in the Vital Statistics Branch, where from 1963 on, we were collecting a dollar for the issuing of a birth certificate which didn't anywhere near cover the cost. That's an important item. Those items must be looked at, and that's part of the monitoring function.

MR. THATCHER:— I'm still having trouble grasping the philosophy that the government had in setting up this department. First off, you have taken some very capable people from the Department of Finance and taken them into Revenue. We are on record as saying that we'll dismantle the Department of Revenue as such. I want to make it perfectly clear that means nothing whatsoever regarding that you have taken over because we have a great deal of respect for them. But if you are setting up a Department of Revenue I don't really see why you didn't set up the whole Department of Revenue? Why would you set up a brand new department to simply take over a portion of the revenue of the provincial government? It appears that you are handling roughly around

\$500 million. O.K. somewhere along the line you've got to take in \$1,600,000,000, almost \$1.7 billion. Now if it's a Department of Revenue, why don't you make it an all encompassing Department of Revenue? Why go this part way as you've gone. That, I suppose, is the question that the member for Nipawin and myself have really been trying to grasp, what exactly was behind your thinking on this? Mr. Minister, with all due respect, and I am not trying to be facetious, for one reason or another you really haven't tried to give us much of an answer in that area. Again I'll ask you basically the same question again.

MR. ROBBINS:— Well, I think you ask that question of the Progressive Conservative government in Ontario. They have a Revenue department and they do not collect their income taxes, that department doesn't collect the income tax. The Finance Department in Ontario with an agreement with Ottawa collects the income tax. They have a Revenue Department as well.

MR. THATCHER:— Very well, Mr. Minister, if we're going to do it that way. Now, perhaps you could tell me because I don't know off the cuff, how much money does the Department of Revenue in Ontario have to collect?

MR. ROBBINS:— Well, they are certainly involved in collecting the 7 per cent sales tax that the Conservative government applies down there, but they collect about \$1.3 billion less than they spend.

MR. THATCHER:— Mr. Minister, that's really no answer at all. I suppose the point of my question there is, for a province the size of Ontario and the number of dollars that probably they have to bring in because of the difference in population, the difference in industry and everything else in the activity in that province, I am sure there is justification for a Department of Revenue down there. But this is Saskatchewan! We don't have any Torontos or that many people or that much activity. I don't know what the size of the Ontario Budget is

MR. ROBBINS:— \$14 billion.

MR. THATCHER:— O.K. you just answered my question right there. The numbers that they are talking in down there are way, way out of our league. Now we're talking only \$1.7 billion (now when I say only \$1.7 billion, that just staggers me as a rural Saskatchewan boy that hasn't travelled too far.) I suppose, Mr. Minister, what really staggers us is that when we are talking of only 900,000 people, and we just really don't see, we just can't grasp, and you are not helping us grasp why in goodness you needed this extra department.

Now, Mr. Minister, if it is a political consideration for goodness sake tell us and let's get on with it because certainly your government in the past has made the odd move that may have been politically motivated and if that's what it is then goodness sakes just simply tell us. We will know and we can get on with it. For goodness sakes we just don't simply operate on those kinds of numbers. It absolutely escapes us. Now, Mr. Minister, we have put this thing to you half a dozen times and for one reason or another you choose to answer it, now give us something and let's get going.

MR. CAMERON:— Are we likely to see the Sales Tax eliminated on children's clothing in the foreseeable future? It keeps being raised with me as to why we don't do that and I wonder why we don't?

MR. ROBBINS:— No.

MR. CAMERON:— The other thing, and I ask you seriously, is there not some way that we can shield our senior citizen people from the 5 per cent sales tax? Now we all know what has happened in the last four or five years, is that those people who are retired are facing the ravages of inflation in ways that we even find hard to understand. We can keep up with it and those people can't and all of us are searching for some way to shield them from it. Could we not devise some sort of a card system that applies generally to services and collections by government which would exempt these people from continuing rises in other areas and more specifically to exempt them from the payment of the 5 per cent sales tax?

MR. ROBBINS:— I think that sort of thing becomes almost administratively impossible. A lot of abuses can creep into that type of an approach. I just don't think it is feasible. It's like when you ask the question on children's clothing, all the advice we get is that we should not exempt such a thing as children's clothing because you can get a youngster who is 13 years old who wears a woman's dress and you could get a small woman who can wear children's dresses, etc., that sort of thing. It is an extremely difficult thing to administer. It is wise to stay away from it.

MR. KATZMAN:— Maybe we could go a little further into the Revenue Department and see what your cost is to push a piece of paper. Basically for example during my years with the city of Saskatoon they used to suggest that from the time something came in to the time it was finished, when it was revenue bearing, it cost \$9. Now I am referring to taxation — the processing of all the people it had to go through from the collection front desk to the final conclusion. Is there possibly any saving within your department because you have a Revenue Department rather than the other two collecting the money?

MR. ROBBINS:— If I heard the member's question correctly you are asking the question with respect to the administrative cost in relation to the collection of the E & H tax, is that what you're saying? About seven-tenths of one per cent of the revenue flows in terms of administration.

MR. KATZMAN:— No, that's not quite what I was looking for. What I am saying is, in business, for example when I was in the city of Saskatoon, they did a cost to find out how much it cost them to handle any piece of paper. For example, one of the figures I remember was \$9 for taxation from the time it was started and all the processes were done with it, how much money it cost, and I am asking you if the Revenue Department will make it any cheaper than having the two departments that seemed to handle it before?

MR. ROBBINS:— I presume what you are asking for is the total cost of business incurred in relation to the paper work related to collection of taxes on behalf of government, etc. We won't have any breakdown of that because obviously they are collecting Canada Pension Plan contributions, income tax, sales taxes for the federal government, all sorts of things. Now you can make all sorts of estimates in relation to what it may cost any individual business but if that's what you are referring to in terms of the actual paper work that an organization must carry out in relation to the taxes imposed, you have to include federal and provincial as well and we haven't got any breakdown that would give you a specific figure on that.

MR. KATZMAN:— Mr. Chairman, we're missing just one part of my question and I think you've got it. What I am asking you is what is your cost, not the outside cost, your cost? Is it any cheaper with a revenue department than having the other two departments? I am trying to look to see if there is a saving or if there isn't a saving.

MR. ROBBINS:— Well that's part of the monetary function. That's why we really feel we can perhaps reduce some of those paper flows.

MR. KATZMAN:— Now we're getting to the point that I was getting to. You say you can. Is there any related experience when you set your department up that indicated that you would be able to and that's why you set up your department? For example, instead of having to run paper through two different offices you will be able to run it through one in revenue bearing.

MR. ROBBINS:— Well, at the present time we have certain routine processes for collecting revenue in agriculture, labour, health, mineral resources and any of the ones you want to name. We have a process in terms of revenue and we feel that we can work out economies in scale in terms of the monetary process and get a better result in the overall picture than is currently being achieved in all those departments.

MR. KATZMAN:— But you are not saying to me that because you started this department that savings will definitely be there. You are just thinking they still will be. You are saying that you are going to go into agriculture and maybe on the brand fees work something out there; you're going to work something else in another department's revenues. But you are not saying to me that because you are not passing papers through four different departments it's cheaper or because you are shortcutting all the changes.

MR. ROBBINS:— We are confident we will effect some economies.

MR. CAMERON:— Mr. Chairman, I for one, am not all satisfied that if we put our minds to it, we couldn't devise an effective way to exempt the purchase of children's clothing from education and health tax, so I want to move a motion before the Assembly, seconded by Mr. Penner, my seatmate:

That this Assembly urge the government to exempt children's clothing from the imposition of Education and Health Tax.

MR. CAMERON:— Mr. Chairman, I want to address a lot of remarks to it. I am frequently asked by people this question, why we deal as we often do with so many millions of dollars; we talk about the purchase of potash mines and the oil development in the province. We are so often on these large issues of great importance, no doubt to the province, but so seldom they say, it seems to them do we direct ourselves to some day-to-day issues which affect people in some very real ways and this is one of them. The imposition of the sales tax on children's clothing. As I say, we ought to be searching for some ways to exempt the purchase of children's clothing from the tax. I think if we put our minds to that, we could do it, if we just had the will to do it. Even if the system would be subject to some abuse and the Minister says the difficulty with it is you can't devise a system which is incapable of abuse. Well, you can't devise any system which is incapable of abuse. The present system, as it applies across the board, is subject to abuse as well.

The minister indicated that there are investigations going on occasionally. He said that some time ago they caught somebody in a rather large operation, in respect to which I

gather charges are pending. So that we can't devise a system which is incapable, as I say, of some abuse along the way. I think it is no answer to say that a child of 13 can purchase a dress and it would be exempt and it may be capable of being worn by a grown woman. Surely to goodness those kinds of considerations shouldn't enter into it. As I say, if we but had the will to do it and we ought to have the will to do it, I think we can find a way to do it.

MR. ROMANOW:— Mr. Chairman, on a point of order. Mr. Chairman, I wonder if you would consider the propriety of accepting the resolution which has been moved because my understanding of the motion is that it is here dealing with a revenue matter. I understand that, in very general terms with respect to revenue, opposition members can move reductions, but cannot move increases and it may be on that basis that the Chairman is permitting this. However, my argument is that when one logically considers that motion, if you passed it, for example, quite clearly there would be a tremendous impact on the revenues and the resource raising capacity of the government and, therefore, it has, if you can put it that way, a positive budget implication. So, Mr. Chairman, I would invite you to consider my submissions on the basis of my argument and rule it out of order.

MR. CAMERON:— Mr. Chairman, if I may address a few brief comments to that, you see what lies behind it is an unwillingness by the Attorney General to have his government consider that proposition. What he is trying to do is avoid addressing himself to that issue. Now, I say to you, Mr. Chairman ..

MR. CHAIRMAN:— Order, Order! Order, please! I think the hon. members certainly know the conduct of the House. I would ask them to try and adhere to it. I made my ruling on this and I stated that the motion was in order. It does not commit the government to follow out a moneyed order. It urges the Assembly and it is not that way at all.

MR. ROBBINS:— Mr. Chairman, I would just like to make one or two comments with respect to this. We have checked that out with other jurisdictions who have always advised us that it would be an unwise move to move in that direction. Opposition members are people who are always saying we have put too many impositions on business. The onus would be on the vendor to prove that the goods were sold to a minor. I am completely convinced in my own mind that when the gentleman sitting to my left was 10 years old he couldn't wear children's clothes. It's an extremely difficult thing to do. You could actually have a fur coat sold to a youngster of 12 years old that happened to be very large and then the mother could wear it and escape paying tax. There are all sorts of implications. It is not ridiculous; it's a fact of life that it becomes an administrative nightmare.

MR. THATCHER:— Mr. Minister, Mr. Chairman, in this area, while we are on sales tax, could the minister tell me why in 1977-78 that you budgeted on the assumption that a point of E & H was \$37.4 million and this year you are budgeting (and seeing that we are talking about sales tax, Mr. Chairman) why you would budget this year that a point is worth...

MR. CHAIRMAN:— Order, order! I as yet fail to see that you are speaking to the motion because the motion is before you now...the motion that is before you.

MR. THATCHER:— Is it a sales tax off it, Mr. Chairman?

MR. CHAIRMAN:— It is a specific education and health tax on children's clothing.

Order, is the Assembly ready for the question?

Motion negatived on the following recorded division.

YEAS - 18

Malone
Wiebe
MacDonald
Penner
Cameron
Anderson

McMillan
Nelson (As-Gr)
Clifford
Collver
Larter
Lane(Qu'Ap)

Birkbeck
Berntson
Lane (Sa-Su)
Wipf
Thatcher
Katzman

NAYS - 22

Blakeney
Thibault
Bowerman
Smishek
Romanow
Snyder
Byers
Kramer

Lange
Kowalchuk
Robbins
MacMurchy
Mostoway
Banda
Kaeding

MacAuley
Feschuk
Vickar
Skoberg
Nelson (Yktn)
Allen
Johnson

The Committee reported progress.

The Assembly adjourned at 1:07 o'clock p.m.