

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

March 23, 1978

The Assembly met at 10:00 o'clock a.m.

On the Orders of the Day

INTRODUCTION OF GUESTS

Mr. W.H. Stodalka (Maple Creek): — Mr. Deputy Speaker, I should like to welcome Mr. Swan from the Saskatchewan School Trustees' Association and all his officials that are with him. I am sure there is some significance in the fact that they are here in the galleries today and probably are looking for something that the Minister of Education will be presenting a little later this morning.

Hon. Members: — Hear, hear!

Mr. R.H. Bailey (Rosetown-Elrose): — Mr. Deputy Speaker, on behalf of the Conservative caucus we would like to welcome the same group referred to by the member for Maple Creek. I am sure they are going to be as interested as we are with Bill 43 being introduced to the House. We appreciate their attendance in the gallery.

Hon. Members: — Hear, hear!

Hon. D.L. Faris (Minister of Education): — Mr. Deputy Speaker, on behalf of the members of my party I can say we are also pleased to have them. I am sure there will be very many interesting weeks ahead and they will watch with interest the proceedings of the Legislature.

Hon. Members: — Hear, hear!

QUESTIONS

Potash – Alwinsal Mine

Mr. E.C. Malone (Leader of the Liberal Opposition): — Mr. Deputy Speaker, I would like to direct a question to the Minister in charge of the Potash Corporation of Saskatchewan but before doing so I think I should dispel the rumor that is currently circulating through these halls that the Speaker has joined the Liberal Party. I have no knowledge of whether that's a fact or not at this time.

The question to the minister, Mr. Deputy Speaker, I have been receiving some rather disturbing reports from the Alwinsal employees, or the former Alwinsal Mine employees that the government is intending later this year to shut that mine down for a period of approximately four months or for a significant period of time. I believe that Alwinsal in the past when they ran that mine shut down for a month or so in the summer to do maintenance work but the concerns have been expressed to me by the employees that it is the intention of the government or the Potash Corporation to shut the mine down for a substantially longer period of time. I wonder if the minister could tell me whether that is the intention of the Potash Corporation and clear up the situation once and for all?

Hon. E.L. Cowley (Provincial Secretary): — Mr. Deputy Speaker, three or four months

ago after having acquired the Alwinsal Mine we had recognized when we acquired it that there would be some major expansions and major changes in the plant that were necessary. These were recommended to us by the people who had done the work on the evaluation. They were recognized, I think, by Alwinsal as well and that that might necessitate at some point in time closing the plant for a period of time longer than the normal three or four weeks shutdown which comes every July in virtually every potash mine in this province. We have made no decision and we have as a board made no decision as to how we are going to finally approach that problem. Part of the work which we have to do obviously is the engineering and to see what the difficulties there are of continuing to run the plant and installing some of the additional equipment that will be necessary. The other part of that was to see what would be the best way to do it. One of the things that we did was approach both the management and the union and say, look we have these options before us. One of the options is that we might have to close the plant for upwards of four months in order to install this new equipment. If that came about we want to explore with the union and with the management how we could do that with the least amount of dislocation possible for those employees. So, I repeat that no decision has been made by the Potash Corporation Board. The management is continuing with the engineering. We are continuing the discussions with the employees. We have a committee set up between management and employees which is working and we just reached a tentative agreement there with respect to a new contract. I would expect those discussions will be on-going. When we have the engineering studies and when we have the report from management with respect to the impact of the various options that are before us we will take a look at them and make a decision which we will obviously announce at that time.

Mr. Malone: — Supplementary question, Mr. Deputy Speaker. I wonder if the minister would indicate when the decision will be made in answering the supplementary. The supplementary is, Mr. Deputy Speaker, I also have information that the inventory of potash that is held by the Potash Corporation is growing at a rather drastic rate and indeed I am advised that the former Duval mine that the storage facilities there have been completely filled and indeed the Potash Corporation is now storing the product outside because they have run out of space. Now, this coupled with the information today that there is a possibility that Alwinsal will be shutdown for four months, I think would lead one to the conclusion and indeed would you not agree with me, Mr. Minister, that one of the things you will take into consideration in your determination as to whether this mine should be shut down for four months is the fact that you have too much inventory on hand. It becomes a very convenient time for you to lay off these people because of the oversupply of potash that you presently have.

Mr. Cowley: — Well, Mr. Deputy Speaker, I have two or three comments. First of all it is the member for Regina Lakeview who is laying off people, not the Potash Corporation of Saskatchewan. Secondly, the member said, when, and I would think that in the next two or three months we will be in a position to make a decision. With respect to the storage, all I want to say is that the Potash Corporation of Saskatchewan's inventory levels are at reasonably high levels. That is true I think of every other potash company in this province. I think the member would be hardpressed to show that our inventory levels are on a prorated basis significantly better or significantly poorer than anyone else in the industry. I think the member will recognize that we are operating now, in effect, four mines. One of the mines, the Max property is not a mine. Obviously our inventory levels from time to time build up at different levels at the different mines because it is more convenient to ship out of one location than out of three into one area, etc. I don't believe, at least as late as yesterday, I was informed. I will check again to see if we are storing any potash on the ground. However, we have relatively high

inventories. We are now heading into the spring session which I expect to be a good one. I think one is prudent to have reasonably high inventories entering into that, obviously I suppose everyone in the potash industry would like to lower inventories, but I think our situation is no different than the other members of the industry.

Mr. Malone: — Supplementary, Mr. Deputy Speaker. Minister, would the ministry not agree with me and recall that one of the reasons the government gave for becoming involved in the potash industry, was to guarantee employment to the workers in the potash mines during periods of time where there were high inventories, and during periods of time where there was not such a demand for the product as in other years. I can distinctly remember the Premier, and others across the way, saying one of the reasons you are getting involved, was to guarantee employment for the people that actually worked in these mines during the difficult periods. Would the minister not agree with me that if you now proceed to lay off people at the Alwinsal mine for whatever reason, you are simply reneging on one of the promises you made some time ago to the employees of the potash industry.

Mr. Cowley: — Mr. Deputy Speaker, first of all the member takes comments made by members over here out of context and twists them around to his own advantage. That's fine, that is the kind of thing one has come to expect from him. But the whole point of the exercise of injecting a significant amount of capital in Alwinsal (probably 25 million to 30 million dollars in new and additional capital there), is to increase the productive capacity. It is the second smallest mine in the province; it has historically and at present, higher operating costs than other mines. The way to make that mine a good employer and a consistent and steady employer over time, is to get the production up, get the operating costs down. That involves the injection of capital and if it is necessary from a technical and engineering point of view to shut that mine down for a time to inject that capital, then that needs to be done at some point in time. The member can argue it should be next year not this year, but the member cannot make the logical argument that it can be never. So the question is the timing. If that has to be done from an engineering point of view (and it is not obvious that it has to be yet, although certainly the initial engineering makes that look a likely possibility), then it is an obligation on the corporation obviously, to try and see what the minimum impact on the employee will be. That is why we are talking to the employees the last three months or so, about an idea that is still a hypothetical one. If we acted the way the friends of the member for Regina do when they treat their companies . . . (inaudible interjection)

Mr. Deputy Speaker: — Order, order please. Next question.

Mr. R.A. Larter (Estevan): — To the minister in charge of Sask Potash. Is it true that one of the mines does not have as much potash as you originally bought, and that in the not too distant future, this mine will be closed permanently? One of the mines you bought?

Mr. Cowley: — Absolutely not!

Intimidating Letters to Members

Mr. R.L. Collver (Leader of Conservative Opposition): — I direct a question to the Premier. I have today sent over a copy of a letter submitted to one of our members by the Minister of Northern Saskatchewan. As the Premier is no doubt aware the member for Prince Albert-Duck Lake (Mr. Wipf) has been questioning the activities of the Department of Northern Saskatchewan and many of the fiscal responsibilities of the

Department of Northern Saskatchewan, including the Thompson payment by the DNS over the last number of weeks and months. As the Premier is also aware, the . . . I am sorry, Mr. Deputy Speaker?

Mr. Deputy Speaker: — Would the member get to his question please.

Mr. Collver: — My question is this then, Mr. Deputy Speaker. Is it the policy of the Government of Saskatchewan and of your government, Mr. Premier, to allow your ministers to send attempted intimidating letters to members of the Legislature who raise questions about the department?

Hon. A.E. Blakeney (Premier): — Mr. Deputy Speaker, I doubt very much whether any members of the opposition are likely to be intimidated by any letters from members of this government. I am not as familiar with intimidation as others may be . . . I speak with diffidence. I do say this, I have read the letter. Our government has no general practice of saying that MLAs should not be in touch with public servants and get information from departments in the ordinary way. The Minister of Northern Saskatchewan has had some unfortunate experiences with one member or two and it has resulted in Royal Commissions because the information has been used in a thoroughly disreputable way. Accordingly he is saying that with respect to certain information he would like it channeled through his office. He is refusing none of it. He at least wishes to see that it is in a form not so that a person reading it in good faith can understand it but rather so that somebody reading it in bad faith cannot misunderstand it.

Some Hon. Members: — Hear, hear!

Mr. Collver: — Supplementary question, Mr. Speaker. Does the attempted intimidating letter sent by the Minister for DNS have anything to do with the fact that the Department of Northern Saskatchewan has promised to release a study for the last year on the payment to Thompson Industries of some \$40,000 while the houses in Cumberland are not yet finished? Does it have anything to do with that?

Mr. Blakeney: — Mr. Speaker, I am aware of no intimidating letter and, accordingly, I am unable to help the hon. member.

Mr. Collver: — Final supplementary question, Mr. Deputy Speaker. Since the Minister of Northern Saskatchewan has sent only one letter to only one member of the Legislative Assembly and that letter directed to him tells him to stop asking questions of the Government of Saskatchewan, in essence, to stop asking questions of the ministers . . .

Mr. Deputy Speaker: — Order, order.

Mr. Collver: — Would the Premier now instruct his ministers that it is the job of the MLAs to seek information and that they will continue to do so no matter what kind of intimidation is attempted by the members opposite?

Mr. Blakeney: — Mr. Deputy Speaker, the hon. member asks me and I listened with care, that I should advise the ministers that it was the duties of MLAs to seek information. I'm not going to advise the ministers of what the duties of the opposition are. I expect that the opposition will take unto themselves the duties they think appropriate and they will attempt to discharge them in that way. We will do the same. I

take the view that this letter is not intimidating; I take the view that the minister of Northern Saskatchewan has every right, based upon the track record, to be careful how information about the department is dispensed to the member for Prince Albert-Duck Lake (Mr. Wipf)

He has advised the member for Prince Albert-Duck Lake how he proposes that information would flow from the department to the member and accordingly until information stops flowing then it seems to me that members have no quarrel. We are of the view that in the particular circumstances here, having regard to the Royal Commissions which have ensued from the last sally into information gathering, some caution is in order.

Home Care Program

Miss L.B. Clifford (Wilkie): — Experts working in the field of health care have expressed concerns about your home care program in that the personnel in local programs will not be used to their utmost and that it will add bureaucracy instead of doing the best program possible. Have you reconsidered any further implementation of this program until you have further information from the experts in the health care field?

Hon. H.H. Rolfes (Minister of Social Services): — Mr. Deputy Speaker, first of all, let me say that I am not certain which particular home care program that the experts are referring to, since no home care program has been announced and the home care program is still under discussion. Secondly, I am not certain which health experts that the member is referring to since many health experts did come before the consultation committee and made their views known to us. During all those meetings we clearly indicated three options, the highly centralized option, the regional option and the district option and that we had no preconceived ideas as to which one we should go with, that we would be listening to the people. We are presently making decisions in regard to the home care program and I hope to take all of those into consideration and they will be hopefully in the proposal when it comes in due course.

Miss Clifford: — A supplementary, Mr. Deputy Speaker. The experts I'm referring to, Mr. Minister, are the ones who are working in the hospitals and I was wondering if you would table the information and petitions and briefs you have received from different people like registered nurses, like public health nurses, because if they are any indication of the same type I'm getting, they're very concerned about the options you've offered in your home care program. We feel that you possibly have not listened to their suggestions so we've tabled these briefs and proposals they've sent you in regard to your options or health care program.

Mr. Rolfes: — Mr. Deputy Speaker, again I think most of the suggestions made by the Nursing Association of Saskatchewan — their proposals are public. They've made them public themselves. I would have no reservations in making those available to the member but they are available to everyone because they made them available to the press; but when she's talking about the experts working in the hospitals I'm not sure whether she's talking about the nurses, the doctors, the laborers — there are a number of experts in the hospitals. All I want to say at this time, Mr. Deputy Speaker, is that we will take into consideration all the suggestions that have been made to us — all of them — the consumers, the senior citizens, the health experts, the social workers, municipal people, all of them will be into consideration in the program that I will be announcing,

hopefully in a few weeks.

Canada Labour Code

Mr. W.C. Thatcher (Thunder Creek): — Mr. Deputy Speaker, a question to the Premier in the absence of the Minister of Agriculture and the Minister of Labour. I'm sure the Premier is aware that changes to the Canada Labour Code, now being considered in the House of Commons, will mean exemptions to the 8 to 40 hour work rule that is in effect now. I'm sure the Premier is aware that these code provisions will require exemptions for work hours longer than eight hours in the course of a day, or 40 in the course of a week. I'm sure the Premier is aware that this will affect all federally regulated industries, but none more drastically than the grain-handling industry. Because of the seasonal nature of the grain-handling industry, Mr. Premier, I'd like to ask you whether your government has considered intervening or making very strong representations to the federal government because I'm sure that anybody who is from rural Saskatchewan and your government, Mr. Premier, is aware that in the peak times of the year, 40 hours just simply isn't enough. Yet, there are other times of the year when 20 is probably too many. Would you tell us, Mr. Premier, whether your government has any intention of making a representation to the federal Department of Labour in hopes that they will, perhaps, relax their restrictions so that our primary elevators, mainly our one-man operated elevators, will not be in danger of closing prematurely?

Mr. Blakeney: — Mr. Deputy Speaker, I'm not as familiar with the provisions as the hon. member for Thunder Creek is. No doubt the Minister of Agriculture would be able to address himself in detail. Certainly we share the concerns of the hon. member for Thunder Creek in moves which may bring about the premature closure of any elevator. I will take notice of the question and ask the hon. Minister of Agriculture to reply.

Mr. Thatcher: — A supplementary, Mr. Minister. I'm sure the Premier is aware that the only unionized elevators on the prairie provinces are the Saskatchewan Wheat Pool and the Manitoba Wheat Pool. The union involved there is the grain service union which, to say the very least, is a very aggressive militant union. I'm sure the Premier is aware — or the government is aware, that because the contract with these expired by the first . . .

Mr. Deputy Speaker: — Order. Will you place your question, please.

Mr. Thatcher: — I will get to the question.

Mr. Deputy Speaker: — Then go to it immediately, please.

Mr. Thatcher: — Mr. Premier, in light of this situation, since the government is receiving only representations from the union, would the Premier agree that his government should take very strong action, or at least make very strong representation to the federal government, since, in effect, the Grain Service Union is dictating the terms as to how these companies are going to operate on hours of work?

Mr. Blakeney: — Mr. Speaker, I don't know whether I understand the premise of the hon. member's question. If it is that the Government of Canada receives information concerning the grain trade and the operation of the grain trade in Saskatchewan only from the Grain Service Union and has no other contacts with the grain trade, I would think that's an even harsher judgment on the federal member for Saskatoon-Humboldt than even we are on occasion tempted to make. We believe that he has some other

contacts and would be aware that there are other points of view than that of the Grain Service Union. I would think that those other points of view would reach the federal House or shortly will.

Federal Nominating Convention

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Deputy Speaker, I should like to direct a question to the Minister in charge of the Saskatchewan Public Service Commission.

It has come to my attention that the NDP has had eight federal nominating conventions — one for Mr. Benjamin, one for Mr. Nystrom and six others. Of the six candidates that have been nominated, we have Mr. Simon De Jong for Regina East, from the Rentalsman's office; Mr. Ron Gates, Swift Current-Maple Creek, the prosecutor for the Attorney General; Mr. Dean Henley, Moose Jaw, executive assistant to Mr. Don Faris. Now I understand that there is a Mr. Dale Schmeichel — I am not sure whether that is the correct pronunciation, the public relations manager for the Saskatchewan Mining and Development Corporation, now running for the NDP nomination in MacKenzie, which makes the Saskatchewan Civil Service quite a resource for NDP federal candidates.

Could the minister tell me if these people have taken a leave of absence or are they still working and under the pay of the Saskatchewan taxpayer?

Hon. W.E. Smishek (Minister of Finance): — Mr. Deputy Speaker, I am not aware of all of those people being nominated. I will take notice because I am not able to answer the question, but certainly the civil servants do have the right to run for public office, as did the hon. member for Regina South (Mr. Cameron); he was a federal civil servant and sought the nomination and got the nomination and got elected. I believe the Liberal Party subscribes to the idea of civil servants having the freedom and the right to run for public office.

Mr. MacDonald: — A supplementary, Mr. Speaker. It is also rather obvious and I am not sure whether the minister is aware, that there is a federal civil servant that is running in Maple Creek, but he has taken a leave of absence. My question is, would the minister find out, for example, if these people are still being paid by the Saskatchewan government. Secondly, would the minister stand on his feet and enunciate the policy of this government in relation to civil servants in light of the Chief Electoral Officer's report about executive assistants and civil servants campaigning in Pelly, in the light of civil servants seeking federal nominations, nothing wrong with that as long as they are not being paid. Don't you think it is about time that the NDP government in this province stopped using the Saskatchewan Civil Service as a source of talent for the NDP?

Mr. Smishek: — Mr. Deputy Speaker, as I recall . . .

An Hon. Member: — You talk about the Liberal . . .

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Deputy Speaker, I am also aware that during the last provincial election there were some Saskatchewan civil servants who ran for the Liberal Party, a person by the name of Mr. Ryan as I recall it. As I said earlier, civil servants do have the right to seek public office. I am not aware of any civil servant who is being paid by the government who is now involved in campaigning as such. They might have received the

nomination . . .

An Hon. Member: — . . . nominated.

Mr. Smishek: — Well, that is fine. As long as they are putting in their required number of hours of work for the government they are free to do whatever they want after regular hours.

Bootlegging of Alberta Gas

Mr. R.H. Bailey (Rosetown-Elrose): — Mr. Deputy Speaker, a couple of days ago I asked the Attorney General a question regarding the possibility of increasing amounts of petroleum, mainly car gas and clear diesel, coming across the Alberta border because of the great variance in price. I would like to direct a question now to the Minister in charge of the Highway Traffic Board. Yesterday the Attorney General mentioned in this House the act which had control over the movement of fuel across a provincial border. It is now the responsibility then of the Highway Traffic Board to enforce the regulations of The Petroleum Fuel Act. Has the minister given any consideration with the great variance in price to investigating or certainly stepping up the enforcement of the potential bootlegging of petroleum across the border from Alberta?

Hon. W.A. Robbins (Minister of Revenue): — Perhaps, Mr. Deputy Speaker, I could answer that question. There is really no reason for a farmer to go across the border and pick up fuel in terms of agricultural fuels but, if in fact, he goes and picks up automotive fuels, the act is very specific. Section 25 says: "Every person other than a vendor bringing fuel petroleum products into the province in any other manner than in the fuel tank of a motor vehicle shall within 48 hours after the importation make a report to a revenue officer and pay to the minister the amount of tax payable". And section 29 says: "If the tax remains unpaid at the expiry of seven days after the day in which the seizure is made, the fuel petroleum products, the barrels, tanks, receptacles and vehicles seized shall be forfeited to Her Majesty in right of Saskatchewan".

Mr. Bailey: — Supplementary question, Mr. Deputy Speaker. I am well informed of the regulations. My question to the Minister in charge of the Highway Traffic Board is simply this, it has now become his responsibility to enforce that act and would it not be better, because there will be bootlegging, will the minister not agree that it would be better to make some reduction in the taxes in Saskatchewan rather than to make criminals out of a lot of people who will be bootlegging this petroleum?

Mr. Deputy Speaker: — Order! Next order of business.

COMMITTEE OF FINANCE

ENVIRONMENT

VOTE 9

ITEM 6

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Chairman, I wonder if I might ask the minister (and I realize that it is basically an item 5 question) some questions about his correspondence with the IJC dealing with the dam. I ask the minister firstly, whether his correspondence with the IJC was to specific members of the IJC or to the IJC in general?

Hon. N.E. Byers (Minister of Environment): — Mr. Chairman, I am in your hands

with respect to procedures. We dealt with that very fully and adequately and I was reasonably well satisfied yesterday that we had dealt with it to the satisfaction of the hon. Leader of the Opposition. We are now on grants to cities pursuant . . .

Mr. Chairman: — Order, order. One at a time please.

Mr. Byers: — . . . to The Water Pollution Control Assistance Act, 1969 and I am in your hands, Mr. Chairman.

Mr. Merchant: — Mr. Chairman, I suspect my questions and answers with an ordinary minister would take about four to five minutes. I suspect that my questions and answers with this minister will take more than 10 minutes.

Mr. Chairman: — Order, order. I would like to draw to the attention of the members that we have covered item 1, which you all realize that that's the one, if you have questions, you can ask on any part of it. We are on item 6 now — Grants to the cities pursuant to The Water Pollution Control Assistance Act, 1969 so please direct your questions regarding that item number.

Member for Rosthern.

Mr. Katzman (Rosthern): — Would the minister indicate how much of this goes towards, for example, a pollution plant that Saskatoon is building to clean their effluence before they put it back into the river and is there any other place that is getting it?

Mr. Byers: — Well, Mr. Chairman, this is a formula grant program under which the province, through the Department of Environment under The Water Pollution Control Assistance Act, was amended in 1974 mainly for the benefit of Saskatoon and other cities as well. Cities receive a 15 per cent grant for advanced water treatment facilities under this grant program and in addition, a city will receive a 10 per cent grant for waste water treatment facilities that are providing less than advanced treatment. In the coming year we are not aware that Saskatoon will have any projects for water treatment and the like on their construction schedule. The best information we have at the present is that Weyburn will be proceeding with a lagoon storage cell and Moose Jaw with advanced waste treatment and Regina will be proceeding with a primary sewage treatment plant and Yorkton with a new primary and secondary treatment plant. All of this work will not be completed in the coming fiscal year. We have not been advised that Saskatoon is proceeding with any construction and, therefore, we haven't billed any money into their estimates. The city councils are very familiar with this program. They know that this is where the grant program is for these facilities and the city councils have had no trouble in beating their way to our door to get financial assistance if they are planning improvements to their systems for which grants are paid under this program.

Mr. Katzman: — This, you are saying, is strictly a construction grant only?

Mr. Byers: — Yes.

Mr. Katzman: — Would there be any money in this item for, for example, reservoirs for areas that are having their water piped in and they are not treating them themselves?

Mr. Byers: — This is for waste water treatment. This is a grant program for waste water

treatment. The grant program for the development of water supply systems is in the Municipal Water Assistance Board and I think if the hon. member checks that that grant program has been raised this year from just over \$1 million to \$2.5 million.

Mr. Katzman: — What do we do, for example, there are several towns that work on the system on their pollution, on the septic system, where the local residents pump out to a community system and then pump out again on to farmers' land. How do you handle those?

Mr. Byers: — Well, Mr. Chairman, the hon. member asks for an explanation of the program of assistance for towns. I brought to his attention that this subvote is grants to cities.

Item 6 agreed.

WELCOME TO STUDENTS

Mr. Chairman: — Might I just before we proceed mention that I am finding it difficult amid the chatter, particularly to my right, to hear the minister and if the minister would speak more directly into the microphone I think it would help procedures considerably.

Just to perhaps change the tone and decorum of the House, if you will permit me, I would like to introduce a group of students who have just come in the west gallery here. They are a group of junior high Grade Eight students from Weyburn again, the completion of the Grade Eight group. There were 72 yesterday; there are 72 I understand again today. They are here under the guidance of Jim Nedelcov and Sid Trepoff and their bus drivers, Murray McCormick and Delbert Foote and Wayne Wheeler. Wayne Wheeler is from the Weyburn Review, I believe.

I would just like to add that it is special to me, it is special, I think, to this Assembly to have one teacher in the House that has come up here 12 consecutive years, twice during each session to bring Grade Eight students to visit this Assembly. I would just like to specially mention and ask Jim Nedelcov to stand please.

Hon. Members: — Hear, hear!

Mr. Chairman: — I am sure that I am speaking on behalf of all the members when we wish them a very knowledgeable and educational time here with us this morning and again, a safe journey back home.

Hon. Members: — Hear, hear!

ITEM 7

Mr. J.G. Lane (Qu'Appelle): — I'm following now along the annual report of the department and it's under the heading Land Protection Branch. The Litter Control Act was amended – I'm referring to page 22 – to increase the statute of limitation for offences to two years from six months. First of all, have there been any charges laid under that act, and if so, would you supply me with a list of the individuals, companies or partnerships that have been charged under the act and the results of any such prosecutions?

Mr. Byers: — I hope the hon. member will appreciate that that may take a little research to provide a list of the prosecutions under The Litter Control Act but we can provide you with that information.

Mr. Lane (Qu'Ap): — What is the reason for the soft drink bottle return rate dropping fairly dramatically? What has happened in the last year to cause that change, when in fact there had been a great deal of public concern about the problem a couple of years ago? It has dropped nearly 10 per cent.

Mr. Byers: — The hon. member is, I expect, using the rate of returns as stated in the annual report for 1977. May I remind him that in early 1977 the deposit level was raised on bottles, it was virtually doubled. Therefore the effect of that as to whether or not that has produced an increase in bottle returns is not included in the annual report before you. The return rate on beer bottles still remains very high, well over 90 per cent. We think the systems of both pop bottles and beer bottles is working very well and is producing a high rate of return, much higher than before the system was implemented.

Mr. Lane (Qu'Ap): — I would request from the government, either the definitive studies on the committee on reusable resources. The annual report indicates that it was now being reviewed by the government. I would like to know basically what the governmental policy will be on that and what studies were done? Secondly, the annual report refers to the shoreline management policy, an interdepartmental committee; I would like to know as well what copies of any definitive studies in that area which lead to government policy, which according to the report is now being reviewed?

Mr. Byers: — Mr. Chairman, there are a number of studies under way, different aspects of managing solids wastes. A report identifying a strategy and an organization and a program for provincial government recycling activity was prepared by an interdepartmental committee and is still under review by the government. Let me comment on at least two studies that have been done. There is a preliminary feasibility study of the recycling potential for waste rubber, particularly tires in the prairie provinces. This feasibility study was completed in July 1977. The study was jointly sponsored by Saskatchewan, Alberta, Manitoba and the federal government. That study is a public document. I don't know whether the hon. member has obtained one, we could provide a copy of that to both caucuses because it is a public document. This study strongly recommended that the recycling industry to convert waste tires into rubber crumb for road surfacing be set up in Saskatchewan. The recommendations of this report have been reviewed by an inter-agency task force and the report of that task force is now under review by the provincial government. In the area of newsprint, the government is currently involved in joint sponsorship with the federal government of a demonstration project in Saskatchewan that is aimed at determining the most effective methods of collecting waste newsprint. We expect that this project will be completed this summer and we hope that it will produce some guidelines that can be used to set up some collection projects anywhere in Canada. These guidelines, we think, are very much needed in light of the demand for waste newsprint, particularly in the insulation industry. There are a number of studies underway. The whole question of management of solid wastes is not confined to one particular study; there are a number under way. Some of the documents are public, some of them are finished and available. We can provide the hon. member with the one on the waste rubber feasibility study.

Item 7 agreed.

Item 8 agreed

ITEM 9

Mr. Lane (Qu'Ap): — Mr. Chairman, I am not sure that I am asking it under the correct subvote but on page 37 of the annual report you refer to dealing with the surface water complaints and perhaps we can cover it under this. You refer to a number of disputes resulting in civil court action by individuals. I will assume that the department is keeping track of those civil actions of which it is made aware through the complaints filed with the department. Can you give us the number of civil actions that you are aware of, that resulted because of illegal drainage, or surface water problems between individuals? Then I would like to know and this is a separate second question, what are the government's plans for draining that body of water south of No. 1, where it is blocked by No. 1 Highway at the city of Regina? Is there any way of taking the water across No. 1 down through the drainage ditch which the city already has through there which can be controlled by a dike and would merely – it wouldn't cause the city any problems but it would certainly do a tremendous amount of good for the farmers south of No. 1 that are suffering crop losses literally of thousands and thousands of dollars each year, that is, to utilize the drainage ditch which is already there in the city.

Mr. Byers: — Mr. Chairman, to answer the hon. member's first question about the number of prosecutions for unauthorized drainage, we don't have the number at hand this morning. We can obtain that and send you a list of the number. Secondly, on the plans for drainage south of No. 1 Highway, there was a proposal developed for drainage of that project in the 1950s. It is my information that the farmers in the 1950s did not accept that proposal and the farmers decided against proceeding with a drainage project by way of a Conservation and Development otherwise known as the C and D now called the C and LI Branch, Conservation and Land Improvement Branch, at that time. The proposal for drainage I understand is at present being reassessed by the Department of Agriculture. It is not one that comes directly under Environment because the program aspect is handled through the Conservation and Land Improvement Branch, of the Department of Agriculture. But we are aware that Agriculture is reassessing the drainage proposal, I assume of the '50s or a modified proposal thereof. To the best of our knowledge there has not been an application from the farmers to proceed with the drainage project that you refer to. There may well be discussions going on between the farmers affected and the Department of Agriculture. We don't have all the details of that. Our input would be into the proper management of the water and we would not necessarily make the decision as to whether the project went ahead or not. That would be subject to meeting certain engineering requirements and funds being available in the Department of Agriculture's budget through the Conservation and Land Improvement Branch.

Mr. Lane (Qu'Ap): — I don't think it fair for the government to say that the farmers south of No. 1 in the 1950s rejected a drainage proposal because obviously the problem has been compounded since that time and is considerably greater. The problem that existed at the time of the original decision may not, and I suggest definitely was not, as great as it is today. The second point on this, the review that the government is taking to my understanding is about crossing No. 1, draining at No. 1 and taking the natural drain near Grand Coulee around the weigh scales. What I am suggesting to you —that particular proposal, I might add is going to result in a very severe reaction from the farmers north of No. 1 who don't want to be flooded and don't want the additional problem obviously – what I am suggesting to you is that draining back east along No. 1, then under No. 21 to use the city drainage ditch which is already there, flooding can be stopped, it can be controlled and again it causes no problem to the city and doesn't

cause any problem to the farmers down the road. It seems to me to be a much more logical and effective way of doing it than just passing the problem on to the farmers further down the road, and I would urge the government most strongly to use the city drainage ditch. As I say, dike it or use a gate to control the flow so that there is no problem for the city and then use that area as opposed to passing the problem on to the farmers.

Mr. Byers: — Well, I can appreciate, Mr. Chairman, that the hon. member who lives in the city, may have a picture in his mind of how he would like this drainage program engineered. Perhaps he is competent to do that. I don't question his ability in that respect. However, the point I want to make is simply that I know that the farmers in my constituency, which is a rural constituency, realize that when they wish to undertake a drainage project, the government agency they deal with is the Conservation and Land Improvement Branch of the Department of Agriculture. I find the farmers of this province understand that very well — apparently the hon. member does not. The farmers who wish to undertake a drainage project can indicate their interest, they can form a C&LI Branch, they then can deal with the Department of Agriculture if there is input required in the project with respect to water rights, water flows and all of that. Then the hydrolic engineers and the water rights engineers of Environment work very, very closely with the engineers in Agriculture to design the ditches to the right depth, and the right direction and all that. I have stayed out of that part of it because I profess no expertise in that field. I would simply urge the hon. member that, if there are farmers who want to proceed with this project, the branch of the government and the program of the government for drainage is through the C&LI Branch in the Department of Agriculture. I am confident that the farmers know what branch of the government to deal with for such programs. It is not the Hydrology Branch of Environment, it is not the Water Rights Branch of Environment. That's where the contact should be made. In all my dealings with the Department of Agriculture, I have found the engineers in that Branch, (Mr. Coughlin, Mr. Danaluck and Mr. Wertz — many of them I know personally) very accommodating for farmers to work with and to try to arrive at a satisfactory solution.

Mr. Lane (Qu'Ap): — Except you are being very naïve I suggest. One of the reasons why the C&D effort failed, is because all it does if there happens to be a consensus in one development area, it probably causes problems down stream in another area. So it does not work that way. Let me tell you why it doesn't work in this particular case as well; that is south of No. 1, north of No. 1 just east of Regina, where there are severe flood problems every year. You take a C&D area or a C&LI area, and you put, in effect, a major dam in that area (No. 1 Highway), which is good for the farmers on the water side of the dam, but a severe detriment to the ones on the south, and you will never get consensus. Naturally you will never get consensus. I am suggesting to you that the Hydrology Branch consider the draining, whether it means an artificially deep ditch or whatever to take it down to where it would join up with the city drainage area, as opposed to hiding behind the farmers who are not together on it because they can't get a C&D area. They are not going to, and it is natural that they are not going to. So I am suggesting to you that you are being unfair and naïve if you think that the C&D or the C&LI approach is going to solve it, when you interpose a major detriment to the natural draining flow which would negate the system working, period.

Mr. Byers: — Mr. Chairman, I have never, in all the years in this House, heard such an attack on an organization that the farmers of this province support as I've heard this morning. The C & D Branch of the Department of Agriculture was established in 1949. Since 1949, approximately 200 C & D Associations have been formed in this province

by farmers wishing to undertake drainage. The farmers who wish to undertake drainage form an association. They are the ones who want to undertake a drainage scheme. They can set up under a C&D Association. They need as few as three farmers to form a C&D Association or they can form an association of a Watershed Association of which there are two or three in the province, in which they can include all or most of the farmlands within a watershed basin.

The hon. member says the C&D approach to drainage has failed. That is the analysis of the hon. member who speaks on drainage for the Conservative caucus. It was the CCF government that set up the C&D Associations. Our government, the New Democratic Party, has funded the C&D Associations very generously every year that we have been in power. I draw to his attention, page 16 of the Estimates, Mr. Chairman, under the Department of Agriculture, Item 30, Conservation and Land Improvement Branch, where last year the amount loaded was \$2.3 million and this year there is \$2,545,910 in the Estimates for C&D work.

We, as a government, are really not able to accommodate all the requests that come to us for drainage from the C&D Associations. The C&D Association has been a very effective way to organize drainage projects within the province. There are certainly a good number of C&D Associations operation in the constituency of the hon. member for Kelsey-Tisdale. They are certainly operating in the constituency of Nipawin. I understand that the hon. member for Souris-Cannington is interested in holding discussions with some of his neighbors about the prospects of setting up a C&D Association, water management. It may have its defects but nevertheless the C&D Branch is the vehicle through which farmers can organize and assess tax themselves to undertake a drainage program. The provincial government provides engineering services free of charge to farmers for authorized works through the C&LI Branch. We have obtained the co-operation of the PFRA. The PFRA in the 1950s and subsequent years did a good deal of engineering work that is used fairly extensively to this day by the water rights engineers and by environment and the C&LI Branch engineers in agriculture because PFRA assisted with the engineering work. Their designs are not followed in every case but nevertheless there has been considerable input in this respect from the PFRA. The C&LI Branch may have some deficiencies. The hon. member makes the charge that the C&D Association as an approach to drainage has failed and I don't think for a moment that the farmers who make up or who comprise approximately 200 C&D Associations in this province will accept that as being a fact, because I think the farmers who belong to the C&Ds have made good use of this program. They realize that is a sensible and logical way to undertake drainage. They have a good association; they have a provincial association; they meet regularly with the Minister of Agriculture. I have had numerous meetings with representatives of the C&D. This is the method for delivering the program. If the hon. member has a drainage program in his constituency then I would invite him to work with the farmers as a member to assist in the formation of a C&D so that the drainage works can then be properly organized and that the farmers can use the program of funding that is available. By the way I would remind the hon. member that since our government came to power we have increased the percentage of funding. I believe it was 50 per cent back in the dry days of 1971 and the provincial government now pays two-thirds of the capital cost of drainage work. We also have extensive funding for maintenance work. As a matter of fact I want to tell the hon. member that in the past fiscal year, the Department of Agriculture introduced a special channel clearing policy for individuals in rural municipalities that wanted to undertake channel clearance. We thought that

was a very wise move. Last year it was a dry year and it was a good year to get out there with the bulldozers and clean some of that debris up out of the creeks and the willows and the beaver dams and all that slush that holds up the water and causes spring flooding. I think there was about \$500,000 that they put out for that and the farmers didn't even have to form a C&D to qualify. All they had to do was to go to their local councillor and go to the local council meeting and give the council a rough sketch of the work that they planned to do, a very simple procedure for the farmers to apply for assistance of two-thirds of the cost. They simply had to apply through the municipal office and go out and do the work and we sent them the cheque. They didn't even have to form a C&D and go through all the hoops of forming a C&D and having all the engineering done to make that happen. The farmers responded very well to that program.

As one who has noted the operation of the C&Ds and their work in this province for well nigh 20 years, I am somewhat shocked at the comments of the hon. member who suggests that the C&D is a failure. He says the C&D has failed in view of the activity they have generated with respect to drainage. His charge is totally contrary to the facts if he would look at the appropriation in this year's Budget for the C&LI Branch which has gone up to \$2.5 million for the upcoming year.

Mr. Lane (Qu'Ap): — I don't know where you have been looking, but let me tell you that in many areas of my constituency the drainage problem is solved, not by C&D units, but by farmers with their tractors or cats and a big blade, digging a ditch, which just puts the water onto the neighbor's land.

You know full well that I have enough water in my constituency that the Minister of Social Services (Mr. Rolfes) could have a canoeing regatta for all his inmates out there and on a pretty regular basis. One a windy day they could have a surfing championship out in some areas the way it sits in the fields.

The fact is that at least in my constituency, and I suggest in many other areas, the illegal ditching and the illegal draining that has been going on over the period of years has negated any possible benefits of C&D areas. And, in fact, the bitterness that has arisen and the anger among farmers has, to such an extent that they can't co-operate, or will not co-operate any more to try to ease the problem that now exists. So from that point of view it's benefit. When you see the number of complaints increase, as in your annual report, about illegal ditching and illegal draining and farmers pumping water under another farmer's land, you know that the system is found wanting and I suggest to you, again, that C&D (Conservation and Development) areas around my constituency are impractical in many cases, but in some cases he can't form one because of the works of another government department which have to be done and I am referring to No. 1 Highway. A C&D area would cross No. 1 and you are not going to get a C&D area formed. So what happens is the farmers that are affected by No. 1 Highway and the illegal ditching downstream are being flooded out and some prime farmland is sitting idle year after year after year.

I started out my remarks trying to give you a potential solution to the problem and for some strange reason you refuse to listen to it and secondly refuse to look at it. I say to you that it is that attitude which is going to increase the problem of draining and ditching throughout Saskatchewan. I think you had better take a second look at your approach to that.

When you talk about C&D there is a two year waiting list for the engineering studies

that you hold. The two years is a nice little time period, except that in that two years the problem gets compounded. I say to you that in that particular area that there has to be action. I have made a suggestion to you and I urge most strongly that the government consider it because something has to be done. A C&D area is not going to work and it won't be formed because of the natural fact that some farmers will be hurt by it.

Mr. Byers: — Well, Mr. Chairman, there are a number of inadequacies in existing drainage programs. There are inadequacies in our existing water law. About two years ago this government responded to the requests of a number of farm organizations to do a detailed analysis of existing drainage programs and existing water law. We have asked the Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipal Association, the Saskatchewan Federation of Agriculture, the NFU (National Farmers' Union), the Wildlife Federation and the C&D Association to set up a task force to undertake this. We provided a group of public servants to head up this review. All of those six organizations have had one person on a public advisory committee. We have had a study project under way, going on now for close to two years, to try and determine if there is a better system, a better method to organize drainage in the province. Those discussions are continuing. There has been a lot of good work done on it. There isn't total agreement yet as to what the new system should be, one cannot expect, if you're going to introduce an entirely new regime for water management that solutions and agreements will come quickly nor easily. They are not. We have not turned a blind eye to this matter. It is being examined very, very carefully with interested parties.

Mr. MacDonald: — Mr. Chairman, I only want to add a comment or two, simply because of the fact that I don't think there is any single area where the Department of the Environment or the NDP government has failed more miserably than in the area of land drainage in the province of Saskatchewan. The reclamation of land in this province is a very expensive proposition. The need for agricultural land and the gradual erosion of agricultural land in Canada and in the world is becoming a very serious concern with the need for food production. In the province of Saskatchewan there are years when literally hundreds and hundreds of thousands of acres of prime farmland in this province are under water. They are under water because there is no water management system whereby that land can be drained because of the fact that existing laws prevent them from putting that water across their neighbor's land. It has come now, as the member for Qu'Appelle (Mr. Lane) has indicated, a very vicious area of concern between neighbors. In some instances neighbors still aren't speaking to each other for five or ten years as a result of this. What you have done is once again put forth a study, a task force you call it, you are reluctant and afraid to act because it is going to take some courage and some resourcefulness on your part and all I'm saying is the NDP better realize that hundreds of thousands of acres of farm land are sitting idle year after year because of the inactivity and the refusal to act by the government at this particular time. I say this should be of prime importance to the Department of the Environment, far more than anything else you are doing in Saskatchewan. Nothing is more valuable than that farmland, nothing is more important than getting it back into production and yet you spend hundreds of thousands and millions of dollars in your department on other things that are not near as important to the welfare of the province of Saskatchewan and perhaps to the welfare of the Dominion of Canada. I say get on with the job, quit sitting on your hands and quit giving us excuses. This is the biggest job that the Department of the Environment should do in the province of Saskatchewan.

Mr. Chairman: — Order! Before we proceed any further I would like to give the member for Regina Victoria an opportunity to introduce some guests.

WELCOME TO STUDENTS

Mr. H.H.P. Baker (Regina Victoria): — I just received a note, Mr. Chairman, that we have in the Speaker's Gallery some exchange students from Halifax, Nova Scotia and Quebec. They are brought here by two or three students from Miller High. I know this is in Mr. Merchant's constituency but he is not here, although it's on the fringe of mine and most of the Miller High School students are in my seat anyway and I assure you they vote for me and not for him. But anyway I do want to welcome these young people here and I hope that they will gain much while here for a few moments. I will meet with them outside around 11:45, so again, welcome to them and we wish them a pleasant stay in our city.

Hon. Members: — Hear, hear!

Mr. MacDonald: — I want to join with the mayor of Regina and it begins to make me wonder whether he has reconsidered and has decided that he isn't going to run from challenging Tony Merchant in the federal election and I know that all of us would welcome your entry into the race. But I do want to join with him in welcoming the exchange students and particularly those from Miller High School.

Hon. Members: — Hear, hear!

COMMITTEE OF FINANCE

ENVIRONMENT (continued)

Item 9 agreed.

Item 10 agreed.

ITEM 11

Mr. Bailey: — Mr. Minister, for the past two years we have had some correlation and some introduction into the curriculum at the high school level and, indeed, at the elementary level as well, what is commonly known as environmental education. Was your department responsible or did you have a contribution to make to that material and that education material in general which was distributed by the department? The Environment Department has had a significant input into the program of environmental education in the schools working very closely with the Department of Education.

I say this, Mr. Minister, not in the way of criticism but rather in the way of constructive criticism, if you wish. It seems to me, Mr. Minister, that, not in this province, but across Canada, people become more environmental conscious than they ever have. I think that is good and I think everybody would agree with that. The program in itself that came into the schools for use even at the elementary grades did not receive for some reason or other the same label stamped on it as being important as some programs have. I am wondering has your department had any feedback from the Department of Education, as a matter of a fact, as to the success of the program as it exists in Saskatchewan schools today?

Mr. Byers: — Mr. Chairman, to the best of our knowledge the program has been generally well accepted by the school boards and by teachers and students. Both the Department of Education and the Department of the Environment have tried to respond to the school boards requests for information where they have stressed some interest in programs. Environment has held and assisted in teachers' institutes and the like to

suggest possible environment curriculum for the schools. We have worked with the Department of Education and the school boards in a number of ways to develop – I hesitate to use the term “environmental curriculum” – but at least to identify sources of material that can be used as teaching aids in the school system. We are still experimenting with this. We have made a start. We are far from the final program. It is a program I think that will simply have to grow and we’ll gain experience as we run with it.

Mr. Bailey: — May I make this suggestion to the minister. What the minister has said in response is quite true that the Department of Environment has in fact supplied material from time to time, and it has been good material. I think the minister also recognizes that unless the material is associated and linked up with a particular grade level, too often times it is pushed aside in lieu of what a teacher considers to be their regular assignments. Mr. Minister, I consider this topic to be of such significant importance and I’m sure that your department does as well, that one of the fundamental . . . one of the primary I should say, places for environmental education to start, is not through the newspapers, nor through television ads, not via radio but rather by integrating very systematically a program which can be identified at each individual grade level in the school. I know that you haven’t done this and it’s relatively new. I make the suggestion to your department. Certainly there are funds available in your budget. Certainly with modern techniques we can make very colorful brochures. Certainly we could go to the point of saying, this is Grade One material and base it to that particular level. I am sure if it was done that way, I am sure that if it can be identified by the individual teacher as being part of the course in study, that it can be integrated very carefully with such subjects as health, social studies and so on. What I am saying is that environmental education really becomes a meaningful input into the school system and not simply a frill which may or may not be taught, depending upon the nature of the teacher. I insist, Mr. Minister, that the time is right for this. We’ve got curriculum departments running all over spending lots of money and sometimes with very little results, but this is one area where I think that everybody could benefit tremendously. There is a civic responsibility involved in this; there’s the training of the students; there is a correlation even as far as the high school subjects – biology. I impress upon your department to put some work on this; get together with the department; get some curriculum people. So what if you have to spend over and above in that particular part of the Budget but at least when school would be starting you could say, look, we have a good program, not just bits and pieces of pamphlets. I say that not in a negative way; I commend the Department of the Environment for what they have done up to this point. But until you make it an attachment, until you make it into a colorful brochure type of thing at each grade level, I’m afraid that we’ll miss a valuable opportunity to get into teaching environment and it must start at the schools, it is the place from which to start.

Mr. Byers: — Well, I think that’s an excellent suggestion, Mr. Chairman, coming from the hon. member for Rosetown-Elrose and I would certainly invite the teaching profession and the school boards and the school superintendents to offer any suggestions that they may have as to the kinds of material and how it might be presented and how it might be structured and all of that. I know that you don’t want to take the time of the House to belabour the details but we are certainly willing to do our best to provide the best material and we welcome any suggestions we can get from responsible sources.

Item 11 agreed.

Items 12 to 15 agreed.

Supplementary Estimates agreed.

Mr. Bailey: — I would like to thank the members who were advisory to the minister for inquiring into environment and to thank them for their patience and understanding. The minister himself was at his very best. We thank you very much.

COMMITTEE OF FINANCE

REVENUE, SUPPLY AND SERVICES

VOTE 18

ITEM 1

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Minister, I would like to just direct a few questions to you in relation to the changes in The Fuel Petroleum Act in the province of Alberta, the elimination of the tax and problems it will create on the Saskatchewan border. First of all I would like to ask the minister if he has any idea of how many service stations and independent Saskatchewan businessmen might operate service stations or have an estimate from the tax collections within a 75 mile radius of the Alberta border from the bottom of Saskatchewan to the top?

Hon. W.A. Robbins (Minister of Revenue, Supply and Services): — We would not have a breakdown of that.

Mr. MacDonald: — Could the minister give me an indication then; perhaps we can make a judgment. Can you give me an indication of the total number of service station operators in the province of Saskatchewan?

While his officials are getting that information I might make a couple of comments. First of all, the minister I am sure is aware that there is no small business in Saskatchewan that has any more difficulty in attempting to make a living than the service station operator. I don't think that there is any small business in the province of Saskatchewan where there is greater change in the operators of small business than in the service stations. I think you know that they have had a perpetual quarrel with the big companies like Imperial and Esso in relation to putting in the self serves, the reductions and so forth. The service station operator in Saskatchewan is in fact, in a very, very difficult position economically, has a great deal of difficulty making a living. I would like to suggest to the minister that every service station operator within 75 miles of the Alberta border will go broke and go right out of business. I don't think that is an exaggeration because if he only loses 25 per cent of his business, or even 10 per cent of his business, there goes his profit. His overhead is very high. You know that particularly service station operators now have long hours in order to make a living. They have high wage costs. You know also that the large companies are charging, in some cases, very excessive rentals for company service stations and for operators to operate those company service stations. In fact, it has become so difficult for the service station operator in Saskatchewan to make a living that many of the large companies like Imperial, Shell and Gulf have taken over the operation of what were formerly independent businessmen who leased out the service station from those companies have now taken them over and hired and they are company service stations, that's how difficult it is for the service station operator to make a living. I suggest to you that with the loss of 10 to 15 or even 20 per cent of his business there is just no way that they will be able to make a living. I suggest that you may be — I have no idea, it would be interesting to say — the total number of service stations in the province, if it's 1,000, I

say 100 or 120 or 150 would be within that 75 mile border and you'd be putting that many businessmen out of business in the province of Saskatchewan or at least all the independents. And now what they'll do is perhaps some of the companies will consolidate service stations in certain areas, 50 or 75 miles. Now would the minister not admit that if you were living in Maple Creek, 50 miles from the Alberta border . . . (interjection) . . . is it five miles? Whatever it is, a few miles from the Alberta border and you were going to make a 22 cent saving on a gallon of gas, with the price of gas today, that your normal Sunday afternoon drive or your after work drive would be to go to that little village right across the line and fill up your tank with gas. I suggest to you that there won't be a service station operator on the Saskatchewan side of Lloydminster or any of the three or four towns on the Saskatchewan side; there just won't be any. I think that's a realistic appraisal, and I don't think I'm pressing a panic button or anything, it's just a fact. If I were living in Lloydminster I'm not going to pay an extra \$5 every time I fill my tank with gas, just so I can do it on the Saskatchewan side of the border. I think it is a realistic fact. I want the minister to tell me now, if he and his officials have got the total number of service station operators, we might be able to do an assessment of what the costs will be. Then, I'd like to ask him, for example, are we going to have the situation as exists in the sales tax in Lloydminster, Maple Creek and all those service stations where they are just going to absolutely refuse to collect the tax? Is that what you anticipate? What do you anticipate? How many businessmen do you see going out of business? What is the extent of the loss of revenue? Let's take some of these questions because I am sure the minister's department who is in charge of revenue collecting in Saskatchewan, has done an assessment. Can we start at the first. Have you found out the total number of service station operators in Saskatchewan; could you give them to me, please?

Mr. Robbins: — Yes, 3,336.

Mr. MacDonald: — I would think it may be a fair assessment to say 10 per cent would be within 75 miles of the Alberta border, maybe it's 8 per cent, maybe it's 9 per cent, whatever it is, but let's say it's 10 per cent. We are talking some 300 service station operators, small independent businessmen that potentially are out of business very, very quickly. I suggest to you that by the 1st of July they will all be out of business. Can you tell me this, can you tell me how much revenue your department estimates will be lost by private citizens going across the Alberta border to purchase gas? Have you done any assessment of that kind?

Mr. Robbins: — I don't know how many questions, Mr. Chairman, the member asks in his long dissertation. Obviously it is a very serious problem; we realize that. It is also a very serious problem between B.C. and Alberta, where they have a 17 cent gas tax and none in Alberta. I don't know, you said, say \$5 on a tank of gas; you must have an awfully big tank. It's 19 cents and 20 gallons would be \$3.80, so obviously you would have to have an awfully big tank, you'd have to be in the range of a 30 gallon tank on a car.

We don't deny that it is a serious problem but we have no instant solutions. That's hypothetical question with respect to how many businessmen will be put out of business. The fact of the matter is, service stations for years have been going out of business regularly on a routine basis. The average fellow goes in, he goes in with a bit of capital and within 18 months or 24 months he's out and somebody else is in there. We are trying to do our best to grasp what is involved in terms of the total problem and I think you are aware of the fact that we have an arrangement in Lloydminster with some rebate on the differentials but we have no solution as yet. The actual situation hasn't arisen and doesn't arise until April 1st and we have only known for 3 or 4 days so I don't

think we can be expected to have instant solutions.

Mr. MacDonald: — Mr. Minister, may I take another tack. For example, you don't have any estimated amount of revenue that might be lost to you; you haven't done any estimate on that as yet, eh?

Mr. Robbins: — Not in terms of the total; we know roughly what we think we lose in Lloydminster itself.

Mr. MacDonald: — Could you give us that?

Mr. Robbins: — Our accommodation on the commission has represented a loss of revenue of about \$300,000.

Mr. MacDonald: — That's in the Lloydminster area. You multiply that by so many thousands of miles and how many towns and service stations in there — Myra tells me there are five in Lloydminster. Just a minute, Mr. Minister. Ten? All right, we will say ten out of 300. Therefore, ten service stations in Lloydminster represent a loss of \$300,000 to the Saskatchewan Treasury. We are talking now — I say an estimated 300; it may be 200; it may be 400 — but let us take an example of 300 and divide ten into that . . . oh boy, we have got quite a substantial potential loss of revenue. Even though Lloydminster may be the largest town, there are towns pretty close to the border that are pretty substantial towns as you know — Maple Creek, Kerrobert, Macklin, Prelate, and so forth.

Anyway, let me go to another proposition. Is it the intention of the government to insist that all service station operators collect The Saskatchewan Fuel Petroleum Act and if they don't, the government will prosecute the same as they would prosecute any other service station operator in the city of Regina? Is that the intention of the government?

Mr. Robbins: — I think the member is already aware that the taxes are collected at the wholesale level and not the retail level. But, I think your suppositions with respect to the number of service stations is much too high. Lloydminster is the only town or city of any consequence on the border. Towns like Alsask, there is one I know which is very near the border, much closer than Macklin. I do not think how many there might be in Macklin. There are obviously some in towns within a radius or a fair distance from the border. I think you would probably be much closer to say there wouldn't be any more than 100 service stations at most within a reasonable distance of the border. That is not to say it is not a problem, of course it is a problem. We will be attempting through investigation and study to try and find out how to cope with that problem. I think the member would agree that we can't be governed completely by what happens outside the province. I must point out again, that same problem is prevalent on the B.C. — Alberta border and is also prevalent on the Montana — Alberta border. There is an advantage on the Montana border because obviously the federal officers of the United States government would look at it in terms of smuggling, which is a different situation in terms of crossing provincial boundaries within a country.

Mr. MacDonald: — First of all I would like to point out to the minister that you can't relate Lloydminster and say that is the only sizeable town because most of the service stations are now located on the Alberta side. Let us remember that we are splitting Lloydminster in half and only talking about the service stations on the Saskatchewan side. For example, in Kindersley my colleague tells me there are six or seven. No, don't underestimate the fact that there might be 300, and if there is \$300,000 from the ten in

Lloydminster, and \$300 is anywhere an accurate figure, we may be talking as much as \$8 million or \$9 million. That is a substantial amount of money for the Saskatchewan taxpayers to lose. I point that out as an indication of the problem of the fact that Saskatchewan taxes, particularly The Fuel Petroleum Act, have been going up steadily and the Saskatchewan people have been receiving no benefit of the resources we are sitting on top of, particularly the automobile user.

I want to point out another problem to the minister in relation to this and ask him if he considers what the loss of revenue in this regard would be? I do not know if he is aware, for example.

I don't know if he is aware, for example, about the tourist industry. All of a sudden we have one of the major sources of revenue in any province in the tourist industry.

The tourist industry is getting national attention, because Canada and Canadians are pricing themselves out of the tourist industry. This happens to be a fact. You go downtown here and go to a first-class hotel in Regina and it is \$44 per night and you can go to Hawaii and you can get on the beach for \$30 a night. This happens to be a fact. It is receiving great national attention.

What does the minister evaluate that the loss of tourist dollars – now just take what Saskatchewan does. It has the 5 per cent sales tax on hotel rooms. I believe it is still on meals, is it not? No, it is not on meals. We have the difference in The Fuel Petroleum Act; of course, now he is raising the price of liquor. My, God, if we don't have the rum running in gasoline we are sure going to have it in liquor. I tell you, every time you fellows turn around you use the excuse of, you know it is easy to put it on liquor. But, boy, you buy a bottle in Alberta and buy a bottle in Saskatchewan! You know it is pretty tough on the poor guy that likes a belt on a Saturday night.

All that I am saying is, what do you think kind of an impact is the reduction in fuel or gasoline in Alberta, the sales tax, the sales tax on hotel rooms and all the other additional costs because of the high taxes in Saskatchewan going to affect our tourist industry? Or does the minister have any idea whether it will or not?

Mr. Robbins: — Mr. Chairman, the member makes assumptions all the time. I was in Edmonton not long ago and I paid more per gallon of gasoline at the pump than I do in Saskatoon. That is a fact! How do you know that the station operators in Alberta won't raise their prices appreciatively in terms of taking more returns? We don't know that and neither do you.

In terms of assumption with respect to the 5 per cent tax on hotel rooms – obviously we have a problem in relation to Alberta, again, but British Columbia has a problem, too, 7 per cent tax on their motels and hotels. So it is not something that is just peculiar to this province. We don't say there is any instant solution. We know that there are problems and we will be working on them as hard as we can.

I can't give you any more information than that at the moment.

Mr. A.N. McMillan (Kindersley): — Mr. Chairman, one point only and I only want to emphasize some of the remarks that were made by my colleague from Indian Head-Wolseley about the seriousness of the situation.

Kindersley is located about 40 miles from the Alberta border. The service stations in

Kindersley probably 60 or 70 per cent of their volume gas business is done with interprovincial traffic. The minister well knows, as he is a resident of Saskatoon, when he wants to go to Calgary or Banff or go to B.C. he take No. 7 Highway and goes through Kindersley. He is 120 miles from Kindersley if he leaves Saskatoon, so it is no difficulty for him to fill the gas tank in his car, drive to Kindersley where he might have been tempted to fill up again before he went on to Drumheller or Hanna, Alberta. It is now no problem for him to go through Kindersley and drive that extra distance maybe to Oyen just inside the Alberta border and pick his gas up.

Service stations, in Kindersley, during the winter months when the interprovincial traffic drops off drastically, probably operate at rather a bare minimum of margin. I would think that they are only barely surviving in the winter with respect to their gas sales because it is a highly competitive business in Kindersley.

But during those summer months when they are picking up the vacationers from Manitoba and Ontario, Quebec and British Columbia going both directions, people who make it a point to find out where they can buy their gas the cheapest to keep their vacation costs down. Those people are going to go through Kindersley and they are, believe me, not going to buy gas there. When they are heading West they are going to go through Kindersley and when they are coming home they are going to fill up in Oyen and hope that they can get back to Saskatoon on their tank of gas, which they can.

I think we are probably talking about 60 per cent of the volume of business that these service stations do, is volume of business that comes off No. 7 Highway. They can potentially lose 100 per cent of that business as a result of the discrepancies in the price between Alberta and Saskatchewan.

There is little question that if the price differential stays where it appears to be today, that we could probably lose all of those service stations, certainly all of the four located on No. 7 Highway, we could lose those four with the possible exception of the Gulf station which is run by the company's self-serve and their prices being relatively comparable to that in Saskatoon. So there is some possibility that Gulf Canada will hang on to their self-serve stations in Kindersley under any circumstances.

Now that is a serious situation. That situation is just as serious on No. 1 Highway through Gull Lake, the other towns along there, the two service stations north of the town of Maple Creek on the No. 1 Highway. It is bad enough when your local business or your local traffic is going to be tempted to go to Alberta to fill up but when your interprovincial traffic that is your bread and butter is definitely going to have no incentive to stop there, I don't think you can come to any conclusion but that those businesses are going to go out of business unless some action is taken.

Mr. Robbins: — Well, the member takes a very gloomy attitude I will admit. I have travelled that route, yes, and Kindersley is a large town. Do you think people are going to drive a mile off the highway into Oyen to get gasoline? I doubt very much if they are specifically going to do that. The other towns they have to choose from are, Sibbald, Cereal and Hanna, small towns, most of them off the highway until they get to Drumheller. The tendency for people to stop in a place like Kindersley, the next stop would probably be in Drumheller. If you drive a small car like mine you can get all the way to Calgary by filling up in Saskatchewan and driving all the way.

Mr. McMillan: — That is unfortunate. If you think people aren't going to drive — you have got more money than most people do — if you aren't prepared to drive off the

highway a mile for \$5 on a tank of gas, that is a serious problem. It would be \$4 in his car but \$5 in other people's cars. It is a serious problem! People are going to find out awfully quickly that they can save their \$4 or \$5 in that one mile drive into Oyen. That is a little problem for them. I am not sure what you can do about the problem, if you were to eliminate the differential. We are talking about a reduction in revenue or rebate or a lack of revenue as a result of not collecting the tax in Saskatchewan of perhaps \$9 million. We have only arrived at those figures here this morning. Maybe you have to look seriously at going that far in order to keep these people in business in these communities that are so affected. I don't know. We are going to have to set up some sort of a system to take the pressure off them or I am telling you right now you are going to lose them.

Mr. Robbins: — As I said before there are no instant solutions. The member admits that, he knows that. Obviously we will be doing the best we can under the circumstances but I think also the members are taking a gloom and doom attitude in terms of the flow of money in relation to gasoline. People go to a town for other reasons than just to buy gasoline. Kindersley is a large trading town, much larger than any of the others I have run through — Sibbald, Delia, Cereal, Hanna until you get to Drumheller. There is a tendency for people to stop in those larger centres when they are travelling. There are no easy answers, we admit that. You admit that. Can we go on?

Mr. MacDonald: — One more point I would like to point out to the minister. You take a community like Lloydminster with ten service stations, all right. I would suggest to you that each of those service stations would average seven or eight employees, particularly the ones on the highway, between the grease monkeys, the manager, the people serving gas. Even in Regina you are going to stop at your closest Texaco or Imperial where there are seven or eight employees. I am taking the minimum. You take those ten service stations, that is 80 people. I tell you in Lloydminster they will be out of business, they will close down. That is 80 people out of jobs. Some of them the service station may just move across the border and build another one and maybe there will be some employment. But in Kindersley you are looking at a loss of employment — that is without question the biggest employer in Kindersley I would suggest — the biggest single employer, those five or six service stations. We are not only talking about a loss of revenue of \$8 million or \$9 million, we are also talking about a loss of a vast number of jobs. We merely point that out to the minister that something has to be done and it requires some really serious consideration by the government because if not, we are not only going to lose the revenue to the Government of Saskatchewan but we are going to close down those small operators — the minister said himself it is very volatile — you go in with a little capital and they only last 18 months. That is how tough a business it is now. Boy! Oh boy! You turn around and have 10 per cent of their business go across the border, or as my colleague says, 60 or 70 of it is the tourist traffic, the through traffic, you just wrapped those people up. The margin that the service station operator operates on and as when I started off, no small business in Saskatchewan has a bigger turnover than the service stations because the margin is so small. I just point those out as difficulties, not only loss of revenue but it is employment and industry in small Saskatchewan towns.

Mr. Robbins: — I agree with the member in that respect but as I said before there are no instant solutions. We will do our best to investigate the thing and come up with the best solutions we can find.

Mr. Bailey: — Mr. Chairman, I brought this question up in the House several days ago and my colleagues to the right have been discussing with the minister and I asked the

question today. Of course, he referred to The Petroleum Act which requires an individual who takes a vehicle across the border to report his purchases over there, that is outside his regular field. Now there are more and more vehicles being operated in Saskatchewan on clear diesel. I think the minister should be aware of that. The question which I present to him now and which I brought up before is a question of enforcement. It's going to have to come into being. Now if they make a purchase over there in bulk they are to come back and report their purchase and pay the tax on this side of the border. But I suggest to you that if you want to look at a great gulf in price it's in clear diesel, Mr. Minister. And these people who happen to have an A licence in Saskatchewan, who have an operation licence for the short hauls, you know can't deliver in Alberta. They can only pick up and so on. They are going to be tempted and I suggest that they will be despite the log books that they have to keep track of, there is going to be a 30 cent difference in clear diesel. These people, they've got month end payments to make and with that discrepancy I suggest in question period today that we have an act to protect us from it but there was nothing mentioned about how we were ever going to enforce this thing now. So a semi is coming back and he shoves 10 barrels up to the front of the semi. He piles cardboard boxes around it. He gets 45 gallons of clear diesel into each drum. He's got 450 gallons on and he saves 30 cents a gallon. That's pretty good bootleg.

Mr. MacDonald: — It's better than whisky.

Mr. Bailey: — Well, it's going to take a lot to enforce this and we're going to be in trouble, Mr. Minister.

I direct this question to the Minister in charge of the Highway Traffic Board who has some responsibility in this area. Are we going to put on increased inspection at the border points? How are we going to control this trafficking?

Mr. Robbins: — Well, the enforcement of course is carried out not by just the Highway Traffic Board but by every police officer or every revenue officer. I must point out that in terms of actual interprovincial trucking we've always collected in terms of the miles covered in Saskatchewan. That's an agreement that's carried out between the provinces. You are talking about people who may go in there and smuggle it in. We think basically the people of Saskatchewan are honest. We have some confidence that they will not, that they will obey the law even though they're tempted. Perhaps the theme song of the Department of Revenue should be, "Yield not to Temptation."

Mr. Bailey: — All right. But there is another too, Mr. Minister. You know the cost of driving is getting very expensive and people are doing other things in the way of their driving habits to save money. I have some concern about the car going down the road and so he fills up and throws about four or five gallon cans in his trunk and the danger of spilling and rear end accidents and so on is some concern to me.

Mr. Minister, last summer I spent most of my free time doing some work for myself on the farm and I made it my business in the morning where I went for breakfast as soon as it opened up and it happened to be in the city of Swift Current, to talk each morning with tourists coming in from the United States. It was very disappointing to me to listen to them talk when the first thing they always mentioned was the price of gas and secondly, it was followed by the price of meals. The tourist industry in Saskatchewan has in the past been fairly good to us and there was a drop last year and I suggest there is going to be a significant drop this year. If my conversation with these people was a kind of a

public opinion poll, many of them said that they weren't coming back and they couldn't afford to go back. But for my own I happened to make one quick trip across into North Dakota on personal business and the same breakfast which I normally ordered, I ordered across from the motel there and it was \$1.68 and I traditionally had paid \$3.45 for the same breakfast. You can see some idea why the American tourist is a bit turned off. The motel room, of course, was much cheaper than I would get it here.

Mr. Minister, the whole problem here is one of temptation to people. Now let's be honest. You're a very honest man. If you were leaving the city of Edmonton you could probably drive from Edmonton to Saskatoon on one tank of gas but would you not fill up or let your tank carry you tell you got to a point where the gasoline price would be significantly lower? You know, you'd still be honest in doing so. Is not that what we, in fact, are going to be doing? We're going to be dodging the Saskatchewan centres as the members have referred to Kindersley. We're going to be saying, let's get enough to get us to where we're going to get a cheaper gallon. As a result of this, deliberately or not, and as honest as we're going to be, I think these gentlemen are right. I think that, let's say you're going down No. 1 at the present time that the junction goes into Maple Creek. You have two service stations there. I think that, if they don't have any other income, you're going to see one of those service stations close, or maybe both. I think that we're going to lose in revenue. Why not drop the tax down to the point where we would save that revenue and make it a little easier for the Saskatchewan motorists?

Mr. Robbins: — What the member is saying is that we shouldn't govern ourselves; we should be governed by what other people force upon us indirectly. Now, he asked me a question and I can't answer for all the other people and obviously I believe that most Saskatchewan people are honest people. He asked me the question, what would I do? In terms of whether I would buy inside Saskatchewan or wait until I got into Alberta, I would buy inside of Saskatchewan. I've done it many times before, knowing that the gas differential was favorable in Alberta. The reason I do that is I realize there are other things that enter into it. I don't pay \$183.63 premium per year for my family in terms of health care and I'd have to buy 1,000 gallons of gasoline outside in Alberta to save that \$183.60. Personally, if you're asking me, I'll tell you very bluntly that I will be buying my gasoline in Saskatchewan.

Mr. Bailey: — You said that you weren't governed by other people. How would you explain your dropping of succession duties if you weren't being governed by other people? Certainly you're being governed by other people.

Mr. W.H. Stodalka (Maple Creek): — I happen to represent one of these border towns and I'd just like to describe some of the things that are going to happen and are happening out there at the present time.

You now know that there's a differential between gasoline at the car pumps. It's probably going to be 20 to 25 cents, something along that particular range. You can then see what's going to happen at the border, in the border towns. People who are living in the towns or villages very close to the border are just going to have another incentive for going to Medicine Hat, in our area. There's no doubt about it. It's 60 miles away and for some of the villages it's closer. They're going to be able to go in and also save the 5 per cent sales tax. I know the minister indicated that he'd rather have such things as free medical care in Saskatchewan and I know Alberta also has a premium that they charge for medical care services. The problem is that you have this inconsistency between the two provinces. If you'd have some sort of consistency and could get along and get together, then we, on the border, wouldn't have to pay the

penalty for these inconsistencies between the two.

Now the other point that I wanted to mention is, you know policing that you were talking about in your reference this morning to The Vehicles Act and how it can be controlled. I'll just create a situation for you and I'd just like to hear your comments as to how you think you can control it.

In our area, there are just loads of these tanks on the backs of half-ton trucks – 150 gallon tanks, 200 gallon tanks. So the guy goes into Medicine Hat and I'm talking about the amber gas because they don't only have purple gas in those tanks on the back of those trucks. Are you going to sit at the border going into the province of Alberta, and measure how many inches of gasoline he's got in that tank and then sit and wait for him to come back again at night to see how many more inches of gasoline are in that tank so that you can calculate how many gallons of gasoline he bought in the province of Alberta? How are you going to do that? It's absolutely impossible to police this and I can assure you that you're going to have all kinds of movement with the price and an incentive like that. The people in that area are going to go over. These are honest people. You can't call people dishonest because they can go out in their neighboring town, the town that they regularly shop at and go in there and purchase something they can get for a price lower than what they're paying here. That's not dishonesty, Mr. Minister, and I have some concern when you say it's dishonest.

Mr. Robbins: — What I was referring to was that the member for Rosetown-Elrose was saying people would go in with barrels, fill them up and bring them back into Saskatchewan. If they're breaking the law, it's dishonest.

Mr. Stodalka: — OK. The example I cited, where they go over with the tank on the back of their truck with two or three inches of gasoline in the tank, spend the day in Medicine hat, come back with a tank full – how are you going to catch them?

Mr. Robbins: — If it is not in the tank in which the motor of the vehicle is directly fueled, then it is illegal and he is breaking the law. Now we don't know any more than you know how we shall solve the problem, but he is breaking the law.

Mr. Stodalka: — Well I think that if it is the law then it's the government's responsibility to enforce the law and they had better start to know how to enforce the law. But in this instance I think I have just illustrated it is absolutely impractical for you even to think that you could possibly enforce that law in the case of these tanks on the backs of trucks. You just can't do it.

The minister over there mentions they can't bring alcoholic beverages across, and that's not quite correct. I understand that you have planned another 10 per cent increase here and a raise from 5 to 10 per cent increase in the tax here. I would suggest that if you wanted to buy a bottle of Canadian Club in Medicine Hat and bring two bottles back legally into the province of Saskatchewan it would cost you less, or you would save \$1 per bottle.

Mr. E.C. Malone (Leader of the Liberal Opposition): — I would just like to ask a few questions of the minister on a related subject and this is the enforcement of E&H tax in Lloydminster.

When we were going through your bill originally last fall I think I directed a series of questions to you about the government's compliance or non-compliance with the laws

in collecting taxes in Lloydminster. You certainly left me with the impression that it was a very difficult problem and it has been a problem for all governments and that you hadn't come to any solution to the problem and that things were just going to go along the way they were. I think this is reinforced again by comments that you made in this House on Estimates, just a day or so ago.

In view of those comments I was very much surprised to see an article in the newspaper recently where you indicated to the press that you had a plan whereby the government could collect E&H tax in Lloydminster and it would work as no hardship to the businesses in that particular area. Now if you have such a plan, Mr. Minister, I would be pleased if you would share it with us and let us know just what your plan is to collect these taxes. It becomes even more urgent now because of the gas situation.

Mr. Robbins: — We are not responsible for the interpretation the press puts on statements. I am simply telling you that we will have some plan which will be discussed at Cabinet level and we hope will be successful and acceptable to the people of Lloydminster. Until that's done, of course, we are not going to be announcing anything.

Mr. Malone: — Surely, Mr. Minister, you have had these plans in operation for some time. Is that not correct? You just didn't dream them up overnight. What I am suggesting to you is that when we asked you these questions last fall and we are asking you questions now about revenue, you are rather misleading the House when you say that things are just going to go on the way they have in the past. If you had a plan, why didn't you tell us you had a plan? You now tell us that you can't disclose the plan until it has been approved by Cabinet. I accept that.

My next question to you is: When do you expect Cabinet to deal with it? When can you give us some information as to what your plan is?

Mr. Robbins: — In due course.

Mr. Malone: — Well, what's due course? Can you say it is going to be at this session? Will it be the next two months?

Mr. Robbins: — In due course.

Mr. Stodalka: — Are you extending the same provisions to other border towns other than Lloydminster?

Mr. Robbins: — This is a difficult problem, of course, along the border, everywhere, also between British Columbia and Alberta as I intimate, also between Montana and Alberta. But, the worst problem is at Lloydminster which straddles the border.

Mr. R.L. Collver (Leader of the Conservative Opposition): — Yes, I would like to perhaps take a little different approach with the minister and to suggest to him that he has had certainly time in the last few days to, I'm sure, have got his officials together and since he admitted the other day that they had not made a list of the ways that the new Department of Revenue would improve the efficiency of the government. Now he has had a chance, I am sure, to discuss this with his officials and I am sure that he now has a list of the reasons or the ways that the Department of Revenue is in fact going to "improve the efficiency of government" and so I ask him now to provide us with that list. I will certainly listen very attentively, I am sure just as attentively as the minister listened to the Leader of the Liberal Party when he was speaking from the Conservative

benches.

Mr. Robbins: — Well, Mr. Chairman, during the consideration of the bill to establish the Revenue Department I made some reference to generally excellent work done in collecting specific tax revenues by the Department of Finance in previous years. I reiterate those statements today.

Historically the Department of Finance was responsible for collecting specific direct taxes, E&H Tax, the Gas Tax, the Tobacco Tax and a few other taxes which are highly visible and which can be readily identified in the budgetary cash inflows.

Mr. Chairman, the Department of Finance did a good job in collecting these taxes. That's not to argue that it couldn't be better done. But they did a good job. There are other components in the total budgetary cash inflows of the province, for example, individual income tax and corporation income tax, and various payments from the federal government under the Federal-provincial Fiscal Arrangements Act and the Established Programs Financing Act. Again, these are clearly identifiable in the summary on page 8 of the Estimates.

Mr. Colver: — Mr. Minister, would you be kind enough to go back to the words 'income tax' and 'corporate tax' and just go a little slower?

Mr. Robbins: — What's your comment, Sir?

Mr. Colver: — Just you are listing these off and you were rattling rather fast, Mr. Minister, and I was trying to write down the items that you were saying. You said, there are other aspects — income tax, corporate tax, I would like to have them all.

Mr. Robbins: — Individual income tax, corporation income tax, various payments from the federal government under the Federal-provincial Fiscal Arrangements Act and the Established Programs Financing Act.

You asked the question I believe, Mr. Member, why the Department of Revenue didn't collect these taxes. Because these are the proceeds of a continuing process in relation to the federal-provincial agreements and the fiscal negotiations which are carried on between the federal Department of Finance and the finance departments of all the provinces. It is not a collection activity. It is a transfer of payments. The federal government collects those moneys and transfers them to the provinces.

We do not collect an income tax, neither do any of the other provinces with the exception of Quebec. It would not make sense to set up a machinery in Saskatchewan to collect income taxes when the same machinery is required by the federal government to collect federal income taxes.

There is a third category of revenues that is generally overlooked because these revenues are less visible and the actual dollars involved are considerably less than from the provincial sales tax for example. I will give you a few examples. Privileges, licences, and permits in 1978-79 are expected to bring us revenue flows of \$39,400,000. Sales services and service fees we anticipate will bring in \$31,300,000. Fines, forfeits, and penalties will yield another \$5,600,000. Other receipts from government enterprises and other funds are estimated at \$24,700,000. Miscellaneous revenues will generate another \$20,300,000. I'm sorry, Mr. Chairman, \$22,300,000. Those categories total up to \$123,400,000. Now that is not a large amount of money in relation to the total budget — about 7 per cent to 8 per cent. The individual items that comprise those totals

are relatively small.

What is important is that no less than 28 departments and agencies of government are involved in the collection of those revenues – 13 of them in privileges, licences and permits; 18 in sales and service fees; 2 in fines, forfeits and penalties; 10 in other receipts from government enterprises and 18 in miscellaneous services. Many of those fees were provided for in statutes or regulations that have been in existence for many years. Some were adopted as a measure of control; for example, the issuance of licences to motor dealers, to direct sellers, to engineers, to firemen, to journeyman electricians. Because the collection of those fees (privileges and permits) occurs in departments where it is ancillary to their main function, then main emphasis has never been made on the collection of those revenues and we think they need to be subject to review.

I pointed out that one of the primary functions of the new department is to monitor the revenue collection activity throughout the government. We intend to take a look at these other revenue collection activities and we intend to ask questions. What is the legislative authority for a particular fee? What purpose was it designed to serve? Is that purpose still valid or should the fee be abolished? Is the level of the fee appropriate today? Mr. Chairman, I cited an example in the House the other day in relation to Vital Statistics. Is the application and administration of this fee uniform, consistent, equitable? How much does it cost to collect the fee in relation to the revenue derived from it? Is it essential to the specific program to have that fee collected in a program department?

We ask ourselves the question, could economies be achieved by centralizing this function in one department that is geared to process revenues, to issue receipts and to account for and deposit those revenues? These are the questions that the Department of Revenue will be asking. They are the questions that need to be answered in order to ensure that the people of Saskatchewan receive full value for every dollar that is paid into the provincial coffers. We think it is important for the Department of Finance to have a mandate to supervise and control expenditures. We believe it is equally important for the Department of Revenue to have a mandate to supervise and control revenue collection.

Now I think, Mr. Member, that I have covered the thing rather fully and I hope you are satisfied.

Mr. Collver: — Mr. Chairman, I only wish that I was. I only wish that the minister had addressed himself to the question. First of all I would like to emphasize that it is not my intention in asking the minister to tell me how a department of revenue will improve the efficiency of government, in any way to be deprecatory to his staff or to him or to his government. All I am asking him to do is to justify for this Assembly, for me and for the people of Saskatchewan the creation of another government department – the additional government department.

First of all he admits in his talk right now that his department will not be responsible for the collection of income taxes or monitoring them because that is the function of the federal government, or corporate taxes because that is the function of federal government, or payment from the federal government from whatever source because that is the function of the federal government. Certainly the Department of Finance in its continuing role ensure that it maximizes the grants. I am sure the Cabinet does the same. I am sure that every member of the government side attempts in every possible

way to maximize the amount of money that is received in the province of Saskatchewan from the federal authorities, since so much of it that goes out of the province of Saskatchewan vests in central Canada and stays there. I think we should do everything in our power to insist that we certainly try to get every possible penny that's available. He has admitted that the Department of Revenue was not designed for that. He has admitted that the Department of Finance did a first class job in the collection of the 5 per cent sales tax. He stated that, categorically, the Department of Finance has done an excellent job. That is not to say it couldn't be done better. Of course, he is not being critical I don't think of the Minister of Finance stating that the Minister of Finance is not doing his job. At least I hope he is not saying that . . . that the Minister of Finance, over the last six years, who was responsible for the collection of the 5 per cent sales tax in Saskatchewan – certainly, the minister would not be criticizing him. Furthermore, he transferred most of the employees out of that department anyway; therefore, what he is saying is the same people are going to do the same job anyhow. How is that going to improve the efficiency?

He goes to say that, therefore, that those areas of taxation are not our concern in the Department of Revenue. He goes on to say that there are \$124 million that are collected by the government of the province of Saskatchewan through 28 departments of government that require (the Department of Revenue, that's what he's saying). What he said also, I must add to that, he said that the main emphasis of those departments was not a collection of fees and revenues from those various areas in which they would be collecting revenues. Now some of the revenues, I am sure the minister will admit, under those miscellaneous items are rather direct revenues that the legislated revenues, that are automatic and it's not a matter of collections. I am sure the minister will agree with that. For example, the Department of Highways collection of licence fees is handled by —I guess it has been switched to SGIO – SGIO's collection of licence fees on automobiles and insurance on automobiles. I'm certain (well, the insurance goes to SGIO) the licence portion, I'm certain the minister is not being critical of the Minister responsible for SGIO. Or is he? These questions, of course, have been raised in the House on numerous occasions, about delays to obtain licences for young drivers, about the delays when on this five-year licensing program, a great many questions have been asked of the Minister responsible for SGIO with reference to the licensing of vehicles and licensing drivers. Certainly I'm sure the minister is not being critical there because I heard him and watched him thump his desk many times when the Minister responsible for SGIO got up to make excuses for his department in falling down in those particular areas. Other departments have been questioned about, for example, fees with reference to hunting. I am certain that the minister when he was thumping his desk on behalf of that minister's response to the questioning in this Legislative Assembly pertaining to that source of revenue. I am sure he was in total support of the minister and he wasn't being critical of the minister responsible for that department, or at least he's not being critical of him in this House at this time.

What I am really saying to the minister is this: We have in the province of Saskatchewan a committee, called the Public Accounts Committee that does look into these miscellaneous revenues, they form part of the presentation in Public Accounts. They form part of the presentation of that department in that arena. The Public Accounts Committee of legislators, of people responsible directly to the people of Saskatchewan, spend a great deal of time in examining the detailed analysis of expenditures and this type of miscellaneous collection that goes on in every single department of government. So, I'm certain that the minister in his comments is not being critical of the Public Accounts Committee which cost the people of

Saskatchewan a great deal of money. Furthermore, we have a Provincial Auditor who has stated in his report many times that he does not have sufficient staff to properly assess the internal control in the various departments of government that he is required to audit. He has stated that in his report in every year since we have been in the Legislature. I am certain that the minister is not being critical of the Provincial Auditor in his statement that the Provincial Auditor is not doing his job in assessing the departments. Or is he?

What the minister is really saying to us, as I understand it, is that there is no specific reason for the Department of Revenue that will improve the efficiency of government because he is going to perform the same functions that were performed in another department – the Department of Finance, which he has not been critical of at all, or he is going to monitor the collection of other revenues which is already the function of the bailiwick of the Provincial Auditor and the Public Accounts Committee. Furthermore, the Department of Finance in their assessment of budgetary requirements every year, I am sure, through their comptroller's branch, had occasion to have discussions with all departments of government relative to the amount of collections under this miscellaneous revenue. They are going to retain, the Department of Finance, they are going to retain their budgetary staff. They are going to retain the staff that are going to be needed to go throughout the government departments and work out (a) what kind of expenses you are going to have and (b) what kind of collections you are going to have. So you are going to have the Minister of Finance's staff examining all of these 28 departments of government from the standpoint of what your requirements are going to be for the coming year and how much you are going to bring in, how are you going to maximize the amount you are bringing in. You're going to have a minister of the Crown and all of his assistants and executive assistants who are responsible to that agency of government, monitoring the amount of money that is being brought in and the amount of expense. He is going to be interested in terms of doing the best that he can for his department in maximizing the amount of money that is being brought in under that department. You're going to have the provincial Auditor examining the books of each department, recommending ways to improve internal control and ways of developing better methods of collection of these miscellaneous revenues. Why do you need, with all of that, plus the Legislative examination in Public Accounts, why do you need a Department of Revenue?

Mr. Robbins: — Mr. Chairman, we know that it costs us 7/10ths of a cent per dollar in the collection of E&H tax. We know that it cost us less than 7/10ths of a cent per dollar to collect gasoline tax. That may change with the border problems. I don't know. We do not know what it costs us to collect \$124 million. We don't know whether it's 2 cents a dollar, 5 cents a dollar, 50 cents a dollar or a dollar per dollar. In fact, we have run into cases where it is more than a dollar per dollar. I cited a case of this and it is not a criticism of the Department of health, where the fee for a vital statistic such as the birth certificate was \$1.00 from 1963 until last year and it was costing about \$4.50 to issue the certificate. Now I don't think it is unreasonable to suggest the Department of health concerned with a large \$400 million budget related to fees of \$500 thousand or so in relation to vital statistics that they are spending as much time looking at that factor as they should have been looking at it. That's not a criticism of the department. I don't think it is. It's an ancillary function, and the major function – and I know there are a lot of problems with the Department of health – I was there for awhile. I am sure the hon. member would find them if he ever got there and I am sure he won't get there.

Mr. Collver: — He says we don't know and I want you to hear these statements, Mr. Chairman, because I think it is important for all members to understand what the

minister said. What he has said today is that the Minister of health is not doing his job . . . (interjection) . . . That's what he said. The Minister of Finance said . . . come off it . . . what he has said today is this. The Minister of Health is not doing his job because we have \$500 thousand worth of revenue and that's too little for the Minister of Health or his department officials to worry about. Because that's too little for the department officials to worry about we've got to create another department to watch that department. We've got a Provincial Auditor who is supposed to be watching the government, we've got a Public Accounts Committee who is supposed to be watching the government and now we want a department of government to watch the department of government. I say to the minister if he doesn't know how much it costs him to collect \$124 million dollars, I suggest to the minister today that he is now adding at least \$5 million to the collection of government because we must add to those costs. So where, before, if it was a dollar for every dollar collected, it is now going to be \$1.25 for every dollar collected because the cost of the minister's department is an extra cost. The minister can talk until he is blue in the face about how a department of government is merely transferring all these employees from existing departments. There is not a citizen in the province of Saskatchewan that doesn't realize that if you add a new department to government, in very short order, all of the other departments will be back to full complement again and a new department is an extra cost. Now, if that new department, that extra cost is in fact going to save the people money and is going to improve the efficiency of government, then we have no quarrel with the new department. All we ask of the minister is to cite to us or state to us that it is not possible, if that is what he is saying, it is not possible for the other ministers of the Crown to do their job in collecting the revenues under these miscellaneous items that are included in their legislation.

If he is saying that those departments, because they are very major – in other words, the Department of Health – if he is saying that in that area the minister can't possibly look at a half a million dollars, or his department officials can't look at a half a million dollars because we are spending \$300 million, then say so. If he is saying the ministers can't do their job, then say so. I'll buy that, I'll take that. The ministers can't do their job, in the NDP, where it comes to money coming in. All the NDP ministers can do is spent money. And if that is what the minister is saying, fine, say so. Let the people of Saskatchewan know that all that the ministers of the NDP can do is spend. They don't understand how to bring it in. They don't understand that it is necessary. They don't understand that we can't go on and on, every 18 months increasing our borrowings - \$1.5 billion. We can't do it. Every NDP government coming in, found that they were in a terrible position financially, terrible position financially! I don't blow that at all. I know that is what has been said both in Manitoba and in British Columbia, that when they go in they owe so much money and they have so much interest to pay that there is no possible way that they can possibly survive unless they take drastic, drastic measures that nobody wants to take. That's what they found.

Mr. Chairman, I would suggest that if the minister wishes the people of Saskatchewan to believe in the Department of Revenue, if he wishes the people of Saskatchewan to believe that, in fact, it is not just another department in order give a minister who is quitting anyway, the kind . . .

An Hon. Member: — Who said he is quitting?

Mr. Collyer: — That is the rumor. What I would like to know, Mr. Chairman, is this. If the minister wants the people to believe that the Department of Revenue is performing

a useful function then he should either say, give a list of the ways in which not that he is going to monitor – the people understand that word, monitor. He says he is going to monitor the collection of \$124 million when the Public Accounts Committee monitors the collection of \$124 million when the legislators monitor the collection of \$124 million and when each departmental minister is supposed to be monitoring the collection of \$124 million and when the Provincial Auditor is going in on the top and seeing whether the methods of internal control for the collection of the \$124 million are, in fact, in order.

Furthermore, his accountants also make suggestions from time to time to the department and I am sure that the Provincial Auditor has made many suggestions about that \$1 birth certificate fee. I suggest that the minister rise in his chair and deny, today, that the provincial Auditor or his staff have never made mention of the fact that a dollar's worth of collection was costing the Government of Saskatchewan \$4 or \$5. If the minister wants the people to believe this, then why won't he tell us how you are going to improve the efficiency of government?

Hon. R. Romanow (Attorney General): — Mr. Chairman, I would like to say a word or two. I have been watching this debate with some interest and I have been particularly watching the vigor and venom of the Conservative Leader, this morning and the last few days. I merely surmise, Mr. Chairman, that this kind of questioning under subvote 1 is really an attempt by the Leader of the Conservative Party to try and keep the progressive Conservative caucus together. He is focusing on an issue against the Department of Revenue because he has serious internal division problems within the PC caucus. This is the person who is telling the people of Saskatchewan what to do about revenue and finances when, Mr. Chairman, the public record is that he can't even keep his caucus together.

Mr. Chairman, he is telling the Minister of Revenue and telling the people of the province of Saskatchewan what good management is all about, how you are going to save money and protect money, while right now he is in a very serious battling position with respect to some of the individual MLAs in the Conservative caucus.

I would say to the Leader of the Conservatives, Mr. Chairman, that what he ought to do first is to convince the public of Saskatchewan that he has got a united caucus, to convince the public of Saskatchewan that they know themselves, collectively, where they are going. First, before he can convince us on this side that there is a particular direction we should be going with respect to the Department of Revenue and, Mr. Chairman, he can't do that, he simply can't do that and that's public record. He hasn't denied any of the statements that have been made about the divisions in the caucus, he hasn't denied any of the directions and the way that the Conservatives are, in their traditional fashion, drawing a circle around themselves intruding inward, to describe the old expression, he knows that he can't. And yet he has got the audacity on this vote, Mr. Chairman, on this vote he has got the audacity to get up and give us a lecture on how things should or shouldn't be run.

Now I want to tell you this, Mr. Chairman, with respect to one or two of the observations that the Department of Revenue has made. My department collects some revenues, my department collects revenues. I say that there is a very serious question whether a department of the Attorney General should be a revenue collecting agency. As Attorney General my job should be the administration of justice and the laws under which the administration of justice and it should be the question of whether or not the laws are

fair and how they should be administered and should not be concerned about the questions of revenue. To use the judicial system as a matter of revenue I think presents a very wrong principle. Now I know that the member for Sutherland (Mr. Lane) doesn't believe that. The member for Saskatoon-Sutherland believes that the judicial system should be used as a revenue raising operation. His object should be to go around the province of Saskatchewan fining all the farmers because the provincial PC Party would need the revenue. The member for Sutherland would want to go around laying fines on all kinds of farming people and small business people because he would like to get additional revenue. That's exactly his point of view and I'm saying, Mr. Chairman, that that doesn't necessarily coincide with my point of view. I believe that that is an example of a revenue raising function.

I want to tell the hon. member for Saskatoon-Sutherland and the member for Nipawin (Mr. Collver) that we know very well how the PCs would deal with revenues and how they would deal with spending, Mr. Chairman. We know very well; we've seen it in Manitoba where they fired 1,300 civil servants, Mr. Chairman, that's how they don't spend money. We see it in Alberta where they knocked down the gasoline tax but raised the medicare premiums by 8 per cent. That's their priority, we've seen it there in the PCs. We see the PCs doing that, Mr. Chairman, if they had a chance to deal with this vote number one on revenue. If they dealt with vote number one on revenue, Mr. Chairman, they would do away with the Department of Revenue, make no mistake about that. They would use the Department of the Attorney General as a revenue source. They would do away with 1,300 other civil servants or more as they did in — and they nod their heads in agreement. They would increase the medicare and hospitalization and add medicare and hospitalization premiums and they nod their heads in agreement back there, Mr. Chairman . . . oh, the leader is looking behind them to see whether they are nodding yes or no and I suggest to them you should look more often behind you. You don't know what is going on behind you, Mr. Leader. You don't know how much division there actually exists . . . you see, this is the nervous reaction of division. Well I didn't like the CKCK news story. I wasn't the MLA talking to CKCK news; I wasn't the MLA talking to broadcast news. Don't laugh at me, that's the public record of the situation and you know that that's the situation. I'm saying, Mr. Chairman, that the difficulty that the PC caucus has is one of growing credibility. There, Mr. Chairman, is an act of decorum by the member for Swift current can make all kinds of obscene and other references. The member for Sutherland (Mr. Lane) can laugh all that he wants to laugh. The member for Nipawin (Mr. Collver) can do whatever he wants to do, with respect to statements, but I want to tell the member for Nipawin and to tell the members of the Conservative caucus that if you think the people of Saskatchewan are going to take your kind of a position on revenue in 1979, given your instability, your caucus divisions, you've got another think coming, Mr. Chairman, to believe that. Absolutely not. If you think the people of Saskatchewan are going to take 1,300 or 1,500 civil servants fired by the PCs, you've got another think coming. Fire them, that's what you're going to do, fire them.

Mr. Lane (Qu'Ap): — Find them . . .

Mr. Romanow: — Mr. Chairman, you find them. You people already know the 1,500 you've got marked. You know exactly where you are going to go for them. Mr. Chairman, the PC caucus here is in the situation where their position is stated publicly, their position is already one of a drastically curtailed caucus, holding up documents to

prove that. Mr. Chairman, an increase of the medicare and hospitalization premiums . . . you know you can call me about the press release that you have there . . . see if he runs. We'll see if he runs. Oh, we'll see if he runs. I tell you one thing, even if Mr. Babulah does run, he is not going to overcome the difficulties that you have in your PC caucus one way, not one way. I predict, Mr. Chairman, that there will be at least one or two PC MLAs before this session is out, who will be leaving the PC caucus to sit as Independents. I say, Mr. Chairman, that that is going to happen because, unlike Mr. Babulah, they know how the PC caucus operates and thinks. Unlike Mr. Babulah, they know what the PC caucus position is on Vote 1, Revenue, Mr. Chairman. They know that the Leader of the PCs wants to cut back 1,500 people in this operation.

Mr. Collver: — Mr. Chairman, on a point of order, I wonder if the references that the Attorney General is making on behalf of the Department of Revenue, since they can't make their own, to Mr. Babulah, the former campaign manager for Wes Robbins and the director of SEDCO who has announced today he is seeking office for the Progressive Conservative Party in Saskatchewan, I wonder if those remarks are in order of the business that we are talking about today.

Mr. Chairman: — Order, please. I have to agree with the statement just made but I would also like to remind the members that there have been statements made, previously to this, on subvote 1, that I do not think were relevant to it also, from members from the other side of the House . . . (interjection) . . . Order, Order. I think that it's only right and proper that the decorum of the House, that we try to keep this and we try to follow the rules and procedures. I think that I have been very lenient with you all on subvote 1. I could have called you at some time previously, I think, for repetition, which is something that I can do, but I have given you leniency on all of it. Now I ask you to co-operate with me the best that you can and I expect that.

Mr. Collver: — I will certainly do that. I would like to direct my question to the Minister of Revenue . . . (interjection) . . .

Mr. Chairman: — He has the floor, please. Order!

Mr. Collver: — On the point of order, is it the order of the Committee of Finance to have the Attorney General speaking on behalf of the Department of Revenue?

Mr. Chairman: — There is nothing wrong with it. I just ask the Attorney General to try to confine his remarks to subvote 1, please. State your point of order.

Mr. Lane (Qu'Ap): — The Attorney General gave up his chair and the Minister of Finance just rose to his feet . . . (interjection) . . . certainly he did.

Mr. Chairman: — Order, order!

Mr. Lane (Qu'Ap): — The Minister of Finance just got up, Mr. Chairman. He was prepared to answer.

Mr. Chairman: — The member for Qu'Appelle knows the rules of this House. He is one of the senior members or is recognized as one of the senior members, whether he sits on the Liberals or on the Conservatives, it doesn't matter. But, let me tell him this, that we expect him to act accordingly. And when order is called, it is only proper that he take his seat. I certainly see nothing wrong with my guidance I have given you. The Attorney General was on the floor and I called, order, and he sat down. He has the right to resume

his speech and he can speak regardless of whether it is for the Minister of Finance or who.

Mr. Lane (Qu'Ap): — On the point of order. The Minister of Finance was under the same impression I had that the Minister of Revenue . . . because when the member for Nipawin was finished the Minister of Revenue proceeded to rise from his seat and was all prepared to speak, so he was under the same misconception, for which I apologized, Mr. Chairman. But, in fact, the Attorney General had given up his seat.

Mr. Chairman: — Order. I have made my ruling. If you care to challenge the ruling you have that privilege. I made my ruling.

Mr. Romanow: — Mr. Chairman, thank you very much. This is the moral leadership which is being exhibited by the PC caucus we witnessed this morning, the way the caucus has reacted from the member for Swift Current, the member for Qu'Appelle and the member for Nipawin.

Mr. Chairman, I address myself to the remarks that the Leader of the Conservative Party made respecting deficit budgeting and the fact that NDP governments bankrupt the governments. That was the comment that he made under subvote 1 when referring to the Department of Revenue. I think I have a right, Mr. Chairman, and I hope I am ruled in order, to dispute that statement which has been made by the Leader of the Conservative caucus.

I dispute that statement by simply saying that one has to look at the financial record, in Manitoba, or British Columbia as compared to a PC province say, Ontario, or a PC province now in Manitoba, and what they do with their budget and their revenues and their deficits.

If one looks at that — Alberta is a special case. One has to admit that there is a speciality to it, but even if one looks at Alberta, I say to the member for Qu'Appelle as I say to the Leader of the PC Party, I don't think it makes good priority sense in terms of revenue to be able to say that we are going to be cutting the gasoline tax — as beneficial as that is — while we are going to increase the hospitalization and medicare premiums on the question of revenues.

I don't think that on a matter of revenue, Mr. Chairman, it is a good priority for the province of Ontario to be collecting more money in revenue, from hospitalization and medicare premiums, than they collect from revenue and multinational resource companies, which is the situation.

I am entitled as a member of this House to speak and draw a conclusion, that if the PCs should be in power in the province of Saskatchewan that that kind of a revenue principle would be applied here, to this department, if they should ever come into place, under Vote 1. That is implicit throughout the entire statements. I am saying that the Leader of the Conservative party in all of his bluff and thunder this morning, not only said that, but also belies the fact that he is in a very serious political precarious situation right now, himself, and he knows it. He is in a situation where there is this kind of a dissent; this kind of a confusion, perhaps even under his position on revenue.

Mr. Chairman, I think I am entitled to speculate that members of his PC caucus don't even agree with him on the position that he postulates on the revenue.

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Mr. Collver: — On a point of order, Mr. Chairman. I don't understand how the Attorney General's remarks, pertaining to the PC caucus which certainly appears to be united in this Assembly today, I do not see how that has got anything whatsoever to do with the Department of revenue or this subvote. Mr. Chairman, since it is now one o'clock, I hope you will rule on my point of order and call it 1:00 o'clock.

Mr. Romanow: — Mr. Chairman, I will make the motion right now with just one brief comment. I am glad to see that the PC caucus is united today as well — because it might not be on Tuesday or Wednesday.

Mr. Chairman, I move that the Committee rise, report progress, and ask for leave to sit again.

The Committee reported progress.

The Assembly adjourned at 1:00 o'clock p.m.