

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Nineteenth Legislature**

**Thursday, April 19, 1979.**

The Assembly met at 2 p.m.

On the Orders of the Day

**QUESTIONS**

**Limitations of Wascana Centre Authority**

**MR. J.G. LANE (QU'APPELLE):** — Mr. Speaker, I'd like to direct a question either to the Attorney General whose department was involved in the matter or to the minister responsible for the Wascana Centre Authority.

Concerns have been expressed to me about the limited authority of the Wascana Centre police and the potential civil liability that the Wascana centre police incur because of their inability, for example, to pursue a criminal code offender. The offence takes place in Wascana Centre Authority but if they go beyond the boundaries of the Wascana Centre Authority they at that point become civilian and run a potential civil liability. Now this matter has been discussed between the authority and the Department of the Attorney General for (by the indications I have) at least three years, and the concerns are becoming greater. I'm wonder if the Attorney General or the minister can tell me why no action has been taken to amend The Wascana Centre Authority Act.

**HON. R.J. ROMANOW (Attorney General):** — I'll take notice.

**MR. LANE:** — A new question to the minister responsible for the Wascana Centre Authority. The Wascana Centre Authority police are now trained at the police college and in fact have the same criteria required for them to become police officers. Can you tell me why this ability of the Wascana Centre police has not been recognized by your government?

Also not recognized by your government has been the practice, which is only an occasional one, of the Regina city police asking for the assistance of the Wascana Centre police beyond the authority (or boundaries) of the Wascana Centre Authority. They have responded and again they face a potential civil liability. That problem has, for at least three years, been brought to your attention. Can you tell me why you failed to take action and recognize the increased professionalism of the Wascana Centre police?

**MR. ROMANOW:** — Mr. Speaker, I said that I would take notice with respect to the first question and I will do so with respect to this one as well. May I say that the question of the jurisdictions is not something which is necessarily unique to Wascana Centre Authority. When a Regina police officer is involved in an investigation, for example, the pursuit of a suspected person involved in confrontation of the law, outside the municipal boundaries of Regina, there is a working relationship that takes place with respect to the RCM Police. What I want to do is to get myself acquainted as to the full police powers which Wascana Centre police have or don't have vis a vis the Regina or the other policemen, before I can base the answers to the questions that the hon. member raises, and accordingly, I want to take time to examine the full propositions of

the law in this regard.

**MR. LANE:** — Supplementary to the minister. Would you also, then, take notice for example, of a memo from that time, of the director of policy, planning, criminal justice within your department to the Wascana Centre Authority, and also Regina city police to the Wascana Centre Authority as to the changes that should be made. Both those letters are 1975.

**MR. ROMANOW:** — Yes, perhaps the hon. member could give me copies of what letters he apparently has, so that I can easily reference it in my pursuit of the facts.

### **Flood Protection along Wascana Creek**

**MR. P. ROUSSEAU (Regina South):** — Mr. Speaker, in the absence of the Minister of the Environment (Mr. Bowerman) I would have to consider directing this question to the Premier (Mr. Blakeney). Mr. Premier, I am told that we can expect a very serious flood of the Wascana Creek within the next two or three days. I am also told that there is no diking on the south side of the creek on Regina Avenue west of Albert Street. There are nine homes in that area that are in serious jeopardy at the present time. Have you made plans to protect these homes, and if not, will you immediately following this question period or this afternoon, be in touch with His Worship, Mayor Baker of Regina, to make plans to sandbag that area to protect these homes?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I will take notice of the question. I don't acknowledge the facts outlined by the hon. member. There have been floods that have been very, very high in the past and which have flooded very seriously on the north side of Wascana Creek, which have not caused significant damage to the houses on the south side of Wascana Creek, immediately west of Albert Street, and I point that out to the hon. member. There has, of course, been some sandbagging in the past there, but it certainly depends upon the likely level of water flow, and I know the Department of Environment and the Emergency Measures Organization will have that in hand. The city of Regina Emergency Measures Organization is, I am sure, apprised, of the situation. They had the same information that the hon. member has and that we have, and if they feel that there is any danger of flooding I know that they will be sandbagging.

**MR. ROUSSEAU:** — Supplementary, Mr. Speaker. You say you don't accept the facts that I've given you. We received already this morning two telephone calls from very seriously concerned residents of that street, who are concerned about the fact that they will be flooded this weekend. From your answer, I take it that there have been no discussions or plans taken immediately, and my question to you again is, will you immediately make plans, today, to sandbag that area to protect the homes that are on that street?

**MR. BLAKENEY:** — Mr. Speaker, I recommend that the hon. member get in touch with the alderman for that division. The sandbagging along that creek is, at least primarily, a responsibility of the city of Regina and not of the Government of Saskatchewan. I am sure that the hon. member will have been in touch with the alderman for that division and the matter will be proceeded with on that basis, I am sure. I invite the hon. member to do so.

**MR. ROUSSEAU:** — One final supplementary, Mr. Speaker. Are you telling me, Mr. Premier, the Wascana Creek being part of the Wascana development is not part of the provincial government's responsibility, which is what is causing the flooding?

**MR. BLAKENEY:** — I am saying two or three things in answer to that. You just said west of Albert and south of the creek and that is not in Wascana Centre. That's point number one. That is in the city of Regina and not in Wascana Centre.

Point number two is that Wascana Centre is partly government, partly university and partly city and not a responsibility of the Government of Saskatchewan for the purpose of reporting to this legislature.

### **Flooding of Wascana Creek**

**MR. R. L. COLLVER (Leader of the Opposition):** — Mr. Speaker, my question is to the Premier. The Premier will be aware I am sure (the staff made him aware) of the calls from a Mrs. Priest who used to work in this very building and Mr. Macala, who called this morning to outline the very severity of the problem in this particular area. The Premier will also be aware that it was the senior governments which recommended that the dike on the south side of the creek not be built because it was going to cost something like \$400,000 to protect such few houses. We are not disagreeing with that. The residents are concerned, however. My question to the Premier is this. Would the Premier not agree that most of the houses in the province of Saskatchewan are insured by SGIO (Saskatchewan Government Insurance Office) and that the cost to the Government of Saskatchewan may be considerably higher than the cost of sandbagging? By sandbagging right away you would overcome the fears of these people and the hassle and the clean-up that is going to have to take place. I, too, would ask you, would you not consider leaving this Assembly immediately to go out to try to figure out whether or not your government can get that area sandbagged to prevent a disaster, rather than wait for it to happen?

**MR. BLAKENEY:** — Mr. Speaker, the point raised by the hon. member is unquestionably a matter for the city of Regina. The suggestion that we, on the basis of phone calls, of real concern (and no one is denying the concern) should take over the clear responsibility of the city of Regina in this regard is ill-founded. I am sure that there are sandbags about. I know that the Emergency Measures Organization has them and if, in the judgment of the city of Regina, they should be put in place I am sure they will be put in place.

They have the same information as you. If the hon. member can assure us there is going to be a flood, fine. If he is not, his proper course of action, I suggest, is to call the city of Regina and ask them to take the action that he suggests.

I am sure that they will do so if they feel it is prudent. They are elected to make these decisions and I am sure they are making them. I, for one, am not prepared to say that the city of Regina or the alderman for that area, Mr. Embury, I believe, is not discharging his responsibilities.

### **Negotiations with Saskatchewan Teachers' Federation**

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Speaker, a question to the Premier in absence of the Minister of Education (Mr. Shillington).

**AN HON. MEMBER:** — Among others.

**MR. THATCHER:** — Let the records show that I didn't make that comment, Mr. Speaker.

Mr. Premier, in an article in the Leader Post today, the president of the Saskatchewan Teachers' Federation is quoted (if I could very briefly quote, Mr. Speaker):

Six months from the opening of negotiations, the problem is still unresolved and there is no speedy resolution in sight in reference to the salary negotiations which are now proceeding.

My question to the minister was going to be, and to you, Mr. Premier, is, do you agree with that assessment of the situation, and is it true that there is no speedy resolution in sight of this very weighty problem.

**MR. BLAKENEY:** — Basically, the answer is yes, I agree that the teachers' negotiations have not been appropriately resolved. They involve salary questions; they involve questions of superannuation and very possibly, other matters. There are a number of things which are on the bargaining table. I am not personally familiar with all of the items on the bargaining table. I know that it does include salary and superannuation. The issues are still outstanding and so far as I am aware, no resolution is immediately in sight.

**MR. THATCHER:** — A supplementary question, Mr. Speaker. The Premier is unquestionably aware that local school boards had to finalize their budgets by March 30. The Premier, I am sure, is also aware that the bulk of the school units in Saskatchewan have had to go for roughly, a five to six mill increase. The Premier is aware that these increases, or the increase in government grants, do not even cover the normal increments from previous negotiations. My question to the Premier is this: since two thirds of a total school budget is basically based on payments to teachers in one form or another, would the Premier tell this Assembly how a school board can possibly run its business without knowing the final figure on two thirds of its budget at this point in time?

**MR. BLAKENEY:** — Yes, I can indeed. We are in the same position with respect to the government and we hope to be writing our budget. The facts are, to everybody's knowledge, I think, the degree of variation would be 2 or 3 per cent of the salary bill. It is highly unlikely that it will be less than X or more than X plus 3 per cent. The trustees well know what that range would be — that 3 per cent of 70 per cent is about 2 per cent of their total income. Therefore, 98 per cent is clear and they are in doubt as to 2 per cent. That is a very, very common thing with respect to many, many governmental organizations. They don't know what the price of oil is going to be next September and therefore, they are going to have to make some adjustments on that basis. I have no doubt whatever that because the area of likely difference is relatively small and the difference therefore in the school budget, depending upon one settlement or the other is likely not more than 2 or 2 per cent, the boards will have no difficulty in coping with that level of uncertainty in setting their budgets.

**MR. THATCHER:** — A final supplementary, Mr. Speaker. Was the Premier serious in saying that it is normal and completely hunky-dory for a 3 per cent variation in a budget, that an efficient operation can be run by any level of government whether it be school or whatever with a 3 per cent variation? Is the Premier suggesting to school boards that there may indeed be a 3 per cent variation, as much as a 3 per cent variation in a budget that they set last March 30? Is the Premier serious in suggesting that in a variation like that which could conceivably mean as much as 3 to 4 mills in some area that they can run an efficient ship with a variation like that? Would the Premier briefly mind

expounding on that particular point?

**MR. BLAKENEY:** — I'm sorry that I failed to make my position clear to the hon. member. I said 3 per cent of the salary bill or I thought I said that. On his own calculation, salary is 70 per cent of the total bill, so, 3 per cent of 70 per cent equals 2.1 per cent. So we reduce the level of difficulty to 2.1 per cent and that is, I say, a relative maximum. I know many, many organizations which do their budgeting on the basis of expenses which may well vary as much as 2.1 per cent from the beginning of the year to the end of the year and if the hon. member doesn't know any, if the hon. member is only associated with organizations which estimate their expenses with certainty to a 2.1 per cent variance, he is indeed, very fortunate because we in the Government of Saskatchewan have been faced with very much wider variances than that and we have managed to budget with some degree of regularity. I would think that (and I'm sure the hon. member would agree) that the school boards of Saskatchewan are every bit as competent as budgeters as is the Government of Saskatchewan.

**AN HON. MEMBER:** — They are more so!

**MR. BLAKENEY:** — There we are. So, even if indeed, they are more competent they will be better equipped to deal with this relatively modest variation than we are.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — I'm sure they will deal with that very, very effectively as they have in the past.

#### **A Limit to Wage Increase for Teachers**

**MR. R. L. COLLVER (Leader of the Opposition):** — My question is to the Premier. Any trade union or other organization will be aware of the difficulties that have been had by the Government of Saskatchewan with the medical profession. Since the requests or demands, if you want, by the Saskatchewan Teachers' Federation and the offers, if you like, by the school boards are significantly at variance from 3 per cent, is the Premier attempting to tell the people of Saskatchewan and this Assembly today that the Government of Saskatchewan is going to limit any difference that is applied to 3 per cent, is that the increase that you're talking about?

**MR. BLAKENEY:** — No, what I said was that any school board which is getting its information from the bargaining team will in my judgment, be able to estimate what the increase in the salary bill will be within 3 per cent. I think that many of them would be able to estimate closer than that but let's leave it at that. I invite the hon. member to consult with the hon. member for Rosetown-Elrose (Mr. Swan) and if he can't tell him within 3 per cent what the final settlement is then I think the member for Rosetown-Elrose has lost the touch which he used to have. That is all I can say.

#### **Land Acquired by Miss Argue**

**MR. R. PICKERING (Bengough-Milestone):** — Mr. Speaker, a question to the Minister of Agriculture. Is the minister now in a position to inform this Assembly whether or not Miss Argue is able to farm all the land she has acquired over the past few years?

**HON. E.E. KAEDING (Minister of Agriculture):** — Mr. Speaker, I am advised that Miss Argue has leased out a portion of land which is 40 miles from home which is not easily

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accessible to her. I think that that is not particularly germane to the argument which we have at hand.

### **Gentleman Farming Land Bank Land from Jail**

**MR. PICKERING:** — Mr. Speaker, a question to the Minister of Agriculture. Has the minister been able to determine whether the gentleman farming land bank land from jail was factual, and what steps his department has taken regarding this situation?

**MR. KAEDING:** — Mr. Speaker, I have been able to check that situation. It is one of the situations which we run into from time to time.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KAEDING:** — All right. We have here, Mr. Speaker, a situation which is possibly a little unfortunate but nevertheless . . . I recall the member for Kindersley (Mr. Andrew) talking about the insensitivity of land bank. We have here a situation where there is a grandfather-to-to grandson lease where the grandfather was very anxious to have the farm stay in the family. He sold the land to the land bank hoping that is grandson would operate the farm effectively The lessee . . .

**MR. SPEAKER:** — Order! I would like to hear the minister's answer. Order, order! The member for Qu'Appelle (Mr. Lane), I wonder if he could restrain himself at least while I'm on my feet in respect for the office of Speaker if not for me. I know that many members in the Chamber are interested in hearing the answer to this, what I assumed was an important question. I'm sure that the answer is going to be equally as important as the question. I'm having trouble hearing the member of Agriculture's answer. I didn't have any problem hearing the question. I'm having problems hearing the answer and I would like to hear the answer.

**MR. KAEDING:** — Thank you, Mr. Speaker. As I indicated earlier, the lessee may have been somewhat less than ideal. However, we attempted through our counsellors to work with this family to try to get the lessee to do a proper job of farming. He, for the first number of years, did a reasonable job of farming. In 1977 he became involved with the law and was, in fact, incarcerated. However, the father in that period did run the farm and did keep it in operation. We are now in a position where we have to say to that lessee that if he doesn't shape up this year we're going to have to cancel the lease. But that does not mean that we should not have given him an opportunity to shape up and become a legitimate farmer. It seems to me that if we are going to be sensitive in the area of maintaining family farms we have to address some of these situations. I think it would be unfair for us to say that we would throw him out the minute he was in trouble with the law.

**MR. PICKERING:** — Mr. Speaker, this gentleman who was in jail, does he have a FarmStart loan too?

**MR. KAEDING:** — Mr. Speaker, I can't tell you that. I don't know that information at this time.

**MR. J.G. LANE (Qu'Appelle):** — Supplementary question to the minister. Would the minister in light of today's information and the obvious statement by the minister that the allegations made by the Conservatives were in fact true, and he was wrong, tell us

whether in fact he is working with the Department of Social Services to integrate the work farms into the land bank program to perhaps train a whole bunch of new farmers to work with the program that you've developed?

**MR. KAEDING:** — Mr. Speaker, I regret the kind of slurs which are being cast by the members opposite. I think this was a legitimate case where we tried to maintain a family farm. We may not have succeeded but we have at least tried. He is now at the point of no return. If he is not going to shape up this year we will have to cancel his contract. But in the meantime, his lease has been paid up all the while. The land bank has not lost money on this proposition.

### **Apology to the House**

**MR. PICKERING:** — Mr. Speaker, a question to the Minister of Agriculture. Will the minister now retract his remarks which relate to the unsubstantiated allegations of the opposition and apologize to the House?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KAEDING:** — Mr. Speaker, I certainly would not admit to that. Again, I point out to you that this individual did not get in trouble with the law until late in 1977. And it was in 1978 for a short period of time that he was incarcerated and there was a chance to rehabilitate him. I think that is a fair proposition.

### **Safety Standards for School Buses**

**MR. G. TAYLOR (Indian Head-Wolseley):** — My question is to the Premier, in the absence of the Minister of Education. In view of the recent information presented on the W5 television show concerning school bus safety in other jurisdictions and the standards which school buses have in other jurisdictions, will you institute an investigation into such areas as seat belts, high-back padded seats, extra sun visors, emergency exits, and just general safety factors of our school buses in Saskatchewan?

**MR. BLAKENEY:** — Mr. Speaker, I believe that question involves not only the Minister of Education (Mr. Shillington), but the minister in charge of the Highway Traffic Board (Mr. MacMurchy), which does some of the administration of school bus safety. I will take notice and ask one or other of the ministers to reply.

**MR. TAYLOR:** — One more supplementary here. The TV show also indicated a resistance by at least one company to these safety changes. Will you not agree that such resistance should require the government to move immediately to review these problems?

**MR. BLAKENEY:** — Mr. Speaker, I'm not familiar with the television show, but the brief viewing of it I had indicated that the company in question was in Ontario. I saw no evidence on the show that that company supplied any buses in Saskatchewan, so I'm not sure how germane the question is. But I will pass on the information to one or other of the ministers and see whether or not it is relevant in the preparation of their reply.

### **Increase of Salmonellosis**

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, I would direct a question to the Minister of Health (Mr. Tchorzewski). Mr. Minister, in light of a sharp increase during

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the last two years of reported cases of an infectious disease called salmonellosis, caused by a bacteria which scientists say is carried by 35 per cent to 50 per cent of all poultry sold in Canada, would the minister inform this House whether his department is monitoring the situation in Saskatchewan, and, if not, would he undertake to do so?

**HON. E.L. TCHORZEWSKI (Minister of Health):** — Mr. Speaker, our public health officers monitor all situations where there is a need to. In this specific case, I will have to take notice and make an inquiry and reply to the member later.

**MR. BIRKBECK:** — Supplementary, Mr. Speaker. Since the minister is taking notice, I wonder, would you consider also developing a program that might lower the incidence of contaminated poultry, thereby not further jeopardizing what is presently a billion dollar business? If that isn't acceptable, Mr. Minister, then you could also take notice and possibly make recommendation to the federal government to finance a program to achieve the same end.

**MR. TCHORZEWSKI:** — I'm taking notice.

#### **Answer to Question Re SPC Loan**

**HON. W.E. SMISHEK (Minister of Finance):** — Mr. Speaker, last Wednesday the member for Thunder Creek (Mr. Thatcher) asked the question with regard to the loan that SPC (Saskatchewan Power Corporation) has with the Chemical Bank. Mr. Speaker, the repayment of the loan was taken into consideration in determining the capital requirements of SPC for 1979. No decision has been made at this point in time as to the specific method that will be used to finance this requirement.

Mr. Speaker, the hon. member also made reference to the date of April 4, with respect to the loan. I am advised, Mr. Speaker, that the loan was rolled over at that date, as provided for under the terms of the loan agreement.

**MR. THATCHER:** — Supplementary question, Mr. Minister. The decision must be made very shortly on that note, on that thing — I believe by the end of September. The minister is aware that there are many millions of dollars that are riding on that, including the current currency situation. Would the minister not agree that it is rather unusual that a course of action has not already been determined at this point in time by his departmental people? If I am not mistaken we are talking very close to \$50 million. We still face a 14 or 15 point spread in terms of currency alone. September is not that far away. Is it not unusual that your people have not yet made a decision?

**MR. SMISHEK:** — Mr. Speaker, it is not unusual. For the information of the hon. member the amount is \$48,500,000.

**MR. THATCHER:** — Make a liar out of me for \$1.5 million.

**MR. SMISHEK:** — I'm not quarrelling with . . . the loan is due by September 29 and as I have indicated, in planning for our capital requirements for the coming year we have taken that into consideration. So we are mindful. At this stage we have not arranged for a particular loan for the payment of the \$48.5 million. The hon. member is probably aware that the differential in the exchange rate is narrowing. I think, as of today, it is 87.5 cents.

#### **MINISTERIAL STATEMENT**



## Provincial Disaster Fund

**HON. E.C. WHELAN (Minister of Consumer Affairs):** — Mr. Speaker, the Saskatchewan Government Insurance Office, as administrator of the Provincial Disaster Fund, is carefully planning and taking every precaution to prepare to prepare for compensation of flood victims. The disaster fund is the only permanent agency in western Canada with responsibility for a flood disaster program.

I have just discussed the program with our Claims Executive Officer, Cliff Nevins, who is seated in the Speaker's gallery, in the second row.

SGIO (Saskatchewan Government Insurance Office) is prepared to deal with a crisis if the situation arises. We have alerted our adjusters and they are ready for immediate deployment in order that assessments can be handled expediently. We have alerted our managers at the claims service centres, particularly in the danger areas of Regina, Moose Jaw, Weyburn, and Estevan. They are ready to provide information and assistance at any time and ask that their phone numbers be noted for immediate contact: Regina — 527-0621; Moose Jaw — 692-7891; Weyburn — 842-6511; Estevan — 634-3648.

All the municipalities, including R.M.'s, cities, towns, and villages have received information from my office on the 1977 revised disaster fund policies. However, I feel it is necessary to briefly outline the basic regulations.

Claims for damage to private property are limited to \$5,000 and there is a \$50 deductible.

Private property within a municipality may be designated as a disaster area.

No payment will be made if the damages are of a nature that could be otherwise insured.

Special emphasis should be made that only damage assessments by SGIO adjusters will be considered valid for the program. Municipalities can be declared disaster areas when damages exceed five mills or \$1 million, whichever is less. Damages between five and 12 mills are shared equally by the province and the municipality. The province bears the entire cost of damages in excess of 12 mills. It is because of our concern that we are urging everyone to take all precautions, if they fear their area is indeed a compensation or in immediate danger.

**MR. COLLVER:** — Mr. Speaker, I'd just like to make a couple of comments. The Assembly will be aware that this is an annual message from SGIO, and an annual message from the minister responsible. I don't know why the minister takes the time of this Assembly to outline the policy of SGIO, which he should be presenting to all of the agents and adjusters in the province at any rate, and should be advertising to the people. But I think that this particular statement at this particular moment in time, given the question period of today, Mr. Speaker, outlines in complete detail the attitude of the government members opposite. Let's outline for the people how wonderful is the NDP government. Let's outline for the people all of these wonderful policies, but let's not take one ounce of prevention. Let's not try to instruct one organization.

**MR. SPEAKER:** — Order! Ministerial statements are allowed to be responded to. The

response must be brief, a strictly relevant comment. A debate cannot take place. I want to take this opportunity to warn the member of that.

**MR. COLLVER:** — I'm pleased that you warned me on that. This is not a debate. The policy of the Progressive Conservative Party of Saskatchewan would be to take the ounce of prevention to prevent the pound of cure that the minister responsible for SGIO is presenting to the people of Saskatchewan today. The purpose, I think, of these statement periods is to present what our policy would be, and to tell where we think the government is wrong. Of course the statement that the minister made is welcome. It's welcome to anyone that's hit by a disaster, but we believe, as opposed to the government members opposite, that if the government were to take steps now the savings to the people of Saskatchewan, not only in money but in time, effort, energy, hassle, mess, clean-up time, and so on would far outweigh any statements the minister might make in this regard today.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 69 — **An Act to provide for Community Health Units**

He said: Mr. Speaker, I am pleased to take a few minutes in second reading to explain the provisions of the community health unit act. This bill will allow autonomous community health units to develop around our two major urban centres. The cities of Saskatoon and Regina may request to be designated as health units and neighboring municipalities will be allowed to decide whether they wish to join with the cities or whether they would prefer to remain part of the Department of Health's health region structure.

Before going into what this bill will accomplish, Mr. Speaker, I would like to take some time to explain why it was developed.

The cities of Saskatoon and Regina, which are not included within any health region, operate their own independent city health departments. The municipalities surrounding them, however, are included in health regions administered by health region boards. For several years, there has been considerable interest, in Saskatoon in particular, in creating a unified community board that could be responsible for public health and other health related programs in Saskatoon and the surrounding rural area.

In fact, Mr. Speaker, a task force studying senior citizens' services in the Saskatoon area, whose report my colleague, the Hon. Herman Rolfes, and I recently made public, has recommended the creation of just such a board for Saskatoon and its neighboring communities.

A few years ago, the city of Saskatoon presented my department with a proposal that a community health board be developed to serve both the city and the outlying rural area. It was clear that, although the proposal had merit, extensive discussion would have to take place between local authorities and my department before the proposal could be refined.

It was necessary to determine the range of services for which a unified board could be responsible. It was necessary to determine how participation by interested municipalities could be allowed, while preserving the right of other municipalities to remain in the health region system if they chose. It was clear, as well, that enabling

legislation would be required to provide a legal basis for the creation of a unified board.

Mr. Speaker, this bill is a result of lengthy negotiations and consultations between the city of Saskatoon, representatives of neighboring municipalities, and the Department of Health. I am confident that this bill will provide a basis for bringing together, under one administrative structure, a range of health and health-related services and programs.

I'm equally confident that this bill will do much to allow service and program arrangements to be worked out at the local level between participating municipalities according to local wishes. Although this bill was developed with particular needs of the Saskatoon area in mind, it is drafted in general terms and can be applied to Regina as well.

I would like to emphasize that this bill will not disturb any existing provincial health legislation and that it will not change the way by which my department gives assistance to the two city health departments. The Community Health Unit Act would apply only to Regina and Saskatoon and only upon the expressed wishes of either of those cities would it be applied.

Mr. Speaker, I would like to take a few minutes to explain the bill's major features.

Any city of over 100,000 in population may request the Lieutenant-Governor in Council to designate it as a health unit. A health unit will be an autonomous body separate from my department's health region structure, and after a city has been designated as a health unit, any municipality that borders on it may choose to join the unit or to remain within its original health region.

The bill established three basic requirements, Mr. Speaker, for municipalities wishing to join the health unit.

- (1) A municipality itself must initiate a request to join the health unit.
- (2) The municipality must physically border on the health unit.
- (3) The terms and conditions for the union must be approved by the units, by the health region board and by the Minister of Health.

A health unit board will be established as the administrative authority for the unit, and the urban-rural representation on the board will be determined by the urban-rural composition of the unit.

A health unit board will possess powers defined by the act and by other provincial legislation. It will be responsible for public health services, but it will have a broader mandate and scope of authority than city boards of health now possess.

In addition, this bill provides for a health unit board to administer other health-related programs that are not traditional public health programs. The extent of board involvement in these programs, Mr. Speaker, will be determined by agreements worked out at the local level by participating municipalities and confirmed by the government. This bill gives the board and participating municipalities the authority to enter into the necessary program and program funding agreements.

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Mr. Speaker, I have explained many times before how deeply this government is committed to high standards of health care and to new health initiatives and programs. Everyone knows that we will be not only sustaining our health programs but expanding them while other governments across Canada are chopping theirs. Mr. Speaker, this government's commitment to health care includes preventative and community health programs just as much as it does hospitals and other treatment oriented programs.

I have said earlier that Regina and Saskatoon have their own city health departments; they are not part of my department's regional system. This government believes in helping the cities to strengthen their community health programs and in helping them to keep their programs strong. For this reason, the Department of Health pays an annual community health grant to Regina and Saskatoon that is calculated on a per capita basis and that is equally applied to both cities. I have already announced that this year's budget will see the amount of this per capita grant increase from \$1.75 to \$2.50. In 1979-80, Mr. Speaker, this increase per capita grant will make over three-quarters-of-a-million-dollars — \$768,500 to be exact — available to Regina and Saskatoon to help support their local health departments and community health programs. And bearing this in mind, I would like to say a few words about how a health unit will be funded.

A health unit board will finance its operations out of revenues received from the city, other participating municipalities and the Department of Health. By increasing the level of the per capita grant the government pays to the cities, Mr. Speaker, we will be establishing a financial basis for the implementation of this bill. The important provision in this bill for rural areas is that no municipality that is now part of a health region will necessarily have to pay more for public health services if it joins a health unit than it does now. This bill will allow the board and municipalities to reach agreements about the provision of extra services and new programs. The level of municipal contribution for these extra services and new programs, however, will be set by mutual agreement reached between the board and its constituent municipalities.

Mr. Speaker, in summary, it is obvious that this bill gives maximum latitude to cities and local municipalities to determine the direction they want to follow. The act would apply to cities only upon their specific request. Local municipalities will have a free option to decide to join a health unit or to remain within a health region. Funding and program arrangements will be worked out on a local level and municipal contributions will be determined in accordance with agreements reached with the health unit board. A further provision, Mr. Speaker, will allow a municipality that changes its mind after joining a health unit to be deleted from the unit after an initial three-year period has elapsed.

I'm confident that this bill will establish a basis for the administrative co-ordination and integration of an important range of related services around our province's two major urban centres. I'm convinced that the bill will encourage local participation in arranging for the delivery of services and I am satisfied that the interests of individual municipalities are both protected and preserved.

Mr. Speaker, I therefore am pleased to move that this bill be given second reading at this time.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, as the minister is probably aware, the negotiations that have led up to a community health unit around Saskatoon have been going on for several years. I suggest to the minister there are several questions that need answering which he did not answer in his seconding speech.

First of all, the services provided in the rural areas presently are, in my opinion, superior and there are more of them (different services) than are supplied to the residents of the city of Saskatoon.

Secondly, there is a problem for the people who work for both the city and the government now being moved into a third type of unit which basically the city will not be responsible for and neither will the government and neither will be the R.M. (rural municipality.) A council made up of the three will sort of run the function. There is concern among the people now who are working for one or the other area re pensions. Will the city staff be required and forced to go rural which they have never had to do before? Will rural staff be forced to work within the city? These are some of the concerns that the minister may be aware of which have delayed, I think, the agreement between the R.M.'s and the city of Saskatoon over many years. I would calculate the first time I was aware of this would be about 1974 when the negotiations were first started and I was on the city of Saskatoon bargaining team. The information came to us about this concern. I have talked to many of the people who serve the R.M. rural areas (the nurses and so forth) and they're all concerned whether they are going to be represented by SGEA (Saskatchewan Government Employees Association) or if they are going to have to move to CUPE (Canadian Union of Public Employees) and so forth.

I would suggest that the minister, in his closing remarks on the seconding of the speech of this bill, indicate some of the tentative agreements that may be available to the individuals who are going to be affected. I refer to the employees. Secondly, the rural service provided presently — the health inspectors do many services that the city health inspectors do not do. Will those services be continued or because the weight of the board is in the city of Saskatoon's favor, will they be changed so that the rural will get a less service?

Mr. Minister, I have a few other comments I would like to check before I make them and therefore, I beg leave to adjourn debate.

Debate adjourned.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 73 — **An Act to amend The Osteopathic Practice Act**

He said: Mr. Speaker, I just want to say a very few words in commenting on the reasons for amending The Osteopathic Practice Act and what the amendments are intended to do.

I think it is far to say that this is not one of the major bills that is before us today, but nevertheless, people involved in the profession of osteopathy and people involved as patients of osteopaths, will find these amendments of particular importance to them. In our consultations with those involved, they have given their full approval for these amendments.

The first amendment is a very practical amendment to deal with unusual circumstances in our province with respect to the registration of osteopaths. Under the current act,

authority to register osteopaths in Saskatchewan rests with the Board of Osteopathic Physicians. This board is required to have a minimum of three persons who are members of Saskatchewan Society of Osteopathic Physicians. At present, there is only one osteopath registered in Saskatchewan and she is also the boards' only member. The board is therefore prevented from fulfilling its responsibilities under the act, one of these responsibilities being the registration of the osteopaths. If the present sole osteopath were unable to perform her duties, it would become totally impossible to administer the act, if indeed it can be legally administered now.

Our amendment will authorize the Minister of Health to appoint persons to the Board of Osteopathic Physicians when it lacks the minimum number of three members. Individuals appointed by the minister would remain on the board only until registered osteopaths became available to replace them. In the meantime however, the board could function.

The proposed amendments to section 5 of the act are intended to make the introduction, amendment or repeal of regulations, subject to the approval of the Minister of Health first, followed by review of the House Committee on Regulations. At present the regulations are subject to legislative approval only.

Since the first amendment will allow non-osteopaths to sit on the board, this means that new regulations or amendments regulating the profession could be made by persons who are not members of the osteopathic profession. This situation is virtually unique in this province, and the minister's approval for any new regulations or amendments made by this reconstituted board is proposed for the purpose of giving some assurance to the osteopathic profession that the interests of osteopaths will not be adversely affected by persons who are not members of the profession.

Ministerial approval also provides an immediate basis for protecting the public interest. It should be noted however, Mr. Speaker, that regulations and amendments to regulations, will eventually come before this House for final ratification. It might also be useful to point out that similar sections are to be found in several other recent acts, namely The Denturist Act, The Ophthalmic Dispensers Act, The Psychiatric Nurses Act, and The Dental Profession Act.

Mr. Speaker, for many years now, persons receiving and promoting osteopathic services in our province have been interested in attracting additional osteopaths to Saskatchewan. Our last amendment is in response to this concern.

At present, a person may take examinations under the act for the purpose of registration, only after he has obtained a degree in osteopathy. The amendment will remove this restriction and will allow an individual to take examinations in stages under The Saskatchewan Osteopathic Practice Act. Therefore, when a student osteopath has completed certain course requirements in detail, like the basic sciences, he may then get to write these examinations under The Osteopathic Practice Act while the knowledge is still fresh in his mind. The student osteopath will not have to wait to write all his exams under the act until he has completed his entire course of study. Regardless of how the examinations are staged, individuals will continue to be eligible for registration only after a degree in osteopathy has been obtained and all registration examinations in Saskatchewan passed. Mr. Speaker, I, therefore, move that this bill be given second reading at this time.

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, this is one of the heaviest

pieces of legislation to come before the House this year. I have no particularly strong feeling about this bill. Since I haven't been in contact with all the osteopathic professionals in Saskatchewan . . . I'll wait until Committee of the Whole to do this. I'll let it go through now. I want to have some consultation with the osteopathic professionals in the province and any of the concerns that you may have misinterpreted I will bring to your attention during Committee of the Whole.

Motion agreed to and bill read a second time.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 84 — **An Act to establish the Saskatchewan Cancer Foundation.**

He said: Mr. Speaker, it is indeed my pleasure to introduce a cancer foundation act and explain its provisions. This act will make it possible to implement the major recommendations of a report by Dr. T.A. Watson of the Ontario Cancer Foundation. Dr. Watson was commissioned in 1978 to undertake a review of the organization of the cancer program administered by the Saskatchewan Cancer Foundation.

Before I get into the details of this act, Mr. Speaker, I want to provide some background for the members of the House. The history of our cancer program is one the people of Saskatchewan can be proud of. Its roots go back as far as 1930 when through the mutual co-operation of government, the medical profession and the public an act was passed in this legislature to establish the first cancer program in the Commonwealth.

The Cancer Commission Act of 1930 was initiated in response to recommendations by the Saskatchewan College of Physicians and Surgeons for improvements in the provision of cancer treatment. The College of Physicians and Surgeons at that time recognized the need to develop specialized clinics to consolidate the use of new techniques being developed for the treatment of cancer, when radiotherapy involving the use of a substance called radium was becoming an important mode of treatment. Prior to the formation of the cancer commission, individual physicians had to purchase their own supplies of this radioactive substance. Increasingly, concerns were being raised about the procurement, availability and the use of radium. The commission appointed under the terms of the 1930 act was given responsibility for establishment of diagnostic clinics and facilities for radiation therapy.

In 1932 two cancer clinics were opened, one in Regina at what was then the Grey Nuns' Hospital and one in Saskatoon at the City Hospital. The people of Saskatchewan will remember that the '30s were times of great economic depression in this province and developments in the cancer program slowed and patients had to pay nominal fees for the diagnostic and radiotherapy services provided by the commission.

We didn't have medicare or hospital insurance plans in those days, either. So patients had to pay for all these other services as well.

In April 1944, Mr. Speaker, The Cancer Control Act was passed and Saskatchewan became the first area in the world to provide a comprehensive cancer program without direct charges to patients. When the CCF was elected later that year the new cancer program was actually implemented and cancer patients no longer needed to fear the very high costs of medical and hospital care. 1944 was also the year that Dr. Allan W. Blair was appointed director of cancer services for Saskatchewan, beginning a period of rapid innovation and improvement in our cancer program.

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Shortly after the death of Dr. Blair, the Regina Cancer Clinic was renamed the Allan Blair Memorial Clinic in tribute to the contributions he made to the people of our province.

1949 saw the introduction of new technology, a betatron unit, which allowed treatment by super voltage radiation to kill cancer cells that had been impossible to reach with earlier radiation therapy. This unit, one of the first of its kind, was installed at the University of Saskatchewan and was available for treatment of patients from across the province until 1966.

Saskatchewan was often among the first areas of the world to adopt new treatment methods, but we were also leaders in development of new technology. In 1951, the staff of the Saskatoon Cancer Clinic, especially Dr. Watson and physicists at the University of Saskatchewan, designed what was known then as the cobalt bomb. This was the first cobalt 60 unit in the world as well.

Although not as dramatic as these new technologies, we have made contributions in other areas as well. Since the 1930s the cancer commission has maintained a policy of insuring that patients receive regular follow-up examinations to determine whether cancer has reappeared and whether additional treatment is required. Such a practice is essential to the well-being of cancer patients and it has further potential benefits for all of us in the control of cancer. Detailed clinical records have been maintained by the cancer commission since the program began and as a result Saskatchewan is one of the few areas of the world today, for which reliable information on the incidence of cancer and the results of treatment can be obtained.

This type of cancer registry is essential for the evaluation of treatment programs and for the detection of trends in the occurrence of cancer. The cancer commission has been working to computerize these records, making them more accessible for cancer research.

Over the years, The Cancer Control Act and its regulations have been modified and policies have been adjusted to improve the operation of the program.

In 1970, the Minister of Public Health at that time established a committee to examine all aspects of the cancer program in Saskatchewan. The committee, which was chaired by Justice F.W. Johnson, presented its report to government in 1972. And of the 71 recommendations of the Johnson report, 50 were acted upon.

More recently, Mr. Speaker, Dr. Watson, director of the London Clinic of the Ontario Cancer Foundation was commissioned to undertake a further review of the organization of the cancer program administered by the Saskatchewan Cancer Commission. I mentioned Dr. Watson's work in Saskatchewan on cobalt 60 unit a little earlier. Dr. Watson came to Saskatchewan in 1946 as director of the Saskatoon Cancer Clinic and became director of cancer services for Saskatchewan in 1949. He continued in that position until 1963, and was highly regarded by both the medical profession and the public generally for his contribution to the development of the program.

During the course of his 1978 inquiry into the cancer program, Dr. Watson determined that our program had maintained a quality service to cancer patients in this province. Nevertheless, Dr. Watson concluded that it would be advantageous to replace the



cancer commission by a body with more autonomy. The creation of a foundation with members appointed from consumer and professional groups was suggested. Dr. Watson also recommended that the foundation be outside the civil service sphere.

Under the present arrangement, all staff of the cancer commission are employed by the Department of Health and are subject to regulations of the Public Service Commission.

Another major recommendation was the creation of a medical advisory committee to the foundation. This mechanism would facilitate greater liaison and access of medical staff to the policy-making body of the foundation. The provision of lodge facilities for patients who must travel to the cancer clinics in Regina and Saskatoon was also recommended. Some accommodation of this type is now provided in Saskatoon for patients who do not require hospitalization.

Mr. Speaker, these recommendations of Dr. Watson have been thoroughly reviewed and I believe they have a good deal of merit. Provision has been made in this act for all of these major recommendations.

Now, Mr. Speaker, I wish to outline some of the specific provisions of The Cancer Foundation Act. This act will authorize the establishment of a cancer foundation to replace the present Saskatchewan Cancer Commission. The foundation will be separate from government and will operate autonomously similar to a Crown hospital. Members of the foundation will be appointed by the Lieutenant-Governor in Council. Membership will include, among others, one physician representing the College of Physicians and Surgeons, one full-time member of the faculty of the College of Medicine of the University of Saskatchewan and one representative of the Saskatchewan division of the Canadian Cancer Society. These appointments will be made by mutual agreement of the body represented and the Minister of Health. The chairman of the foundation will be designated by the Lieutenant-Governor in Council. The foundation will be empowered to carry out functions required to conduct a program for the diagnosis, prevention and the treatment of cancer. All personnel required for the operation of the program will be employed by the foundation, rather than the Department of Health.

Mr. Speaker, the foundation will be financed by moneys appropriated by the legislature and by moneys received from other sources, such as, bequests, donations, research grants, and the like. The foundation will be empowered to expend these funds in the manner the foundation considers appropriate.

Another important provision of the act is the establishment of a medical advisory committee appointed by the foundation. The membership of the committee will include one physician from each of the cancer clinics, three physicians in private practice specializing in some area of cancer treatment or diagnosis and two general practitioners and a member of the College of Medicine. The Medical Advisory Committee will advise the foundation on technical medical matters. Moreover, this committee will ensure a high degree of contact between the governing body and physicians involved in the provision of service to cancer patients. I believe the establishment of this committee will contribute to an even higher level of service to cancer patients than we have seen in the past.

Finally, Mr. Speaker, I want to draw to the attention of the hon. members a provision which will authorize the foundation to establish and operate hostels and to assist another organization in the operation of a hostel. The development of hostels will be of

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considerable benefit to patients who must travel long distances for specialized cancer services.

Mr. Speaker, I am confident that The Cancer Foundation Act will establish a firm basis for the continued development of the Saskatchewan cancer program. I, therefore, move that this bill be given second reading at this time.

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, just briefly, we on this side of the House support fully the recommendations of Dr. Watson. I haven't had a chance to review the bill in any great detail and I am not sure that this bill is the vehicle for the proper implementation of those recommendations. I would, therefore, like to have time to review the bill and the minister's remarks. I beg leave to adjourn the debate.

Debate adjourned.

**HON. A.E. BLAKENEY (Premier)** moved second reading of Bill No. 60 — **An Act to establish the Department of Intergovernmental Affairs.**

He said: Mr. Speaker, it is my pleasure to move second reading of Bill No. 60, a bill to establish a department of intergovernmental affairs. I would like to explain the background for the bill and then some of the provisions of the bill.

One of the activities in which the new department will be deeply involved is the matter of constitutional review. In that area there are issues of profound importance to Saskatchewan. Canada now faces a serious threat to its continued existence as a nation and in the course of resolving these difficulties the institutions of our federal system may undergo some profound transformations.

Those of us living outside Quebec have been aware for some time of distinct nationalist movements within that province but since November, 1976 we have been faced with a government which is committed to political independence for Quebec. I am sure that hon. members will agree that this situation warrants resolute and effective action on the part of all concerned Canadians. Mr. Speaker, I am not about to deliver an exhaustive argument in response to the proposals of the Parti Quebecois. I have spoken on this subject many times in the past and shall continue to do so on other occasions in the future. My views on the subject are well known. It is enough for me to say that we, in Saskatchewan, also have a unique way of life and a rich multicultural heritage. All parts of Canada are unique in some respects and yet they have a number of things in common. Like Quebec, Saskatchewan has experienced frustrations from time to time, in this blend of diverse regions and diverse cultures which makes up Canada. I'm certain that people in each province have similar concerns. We must all recognize that there are genuine grievances, not only in Quebec but elsewhere in Canada. Canada is not a country of two groups, as is sometimes asserted by Premier Levesque. It is a country of many groups, and several distinctive cultures. We want to insure that Canada remains united and that the distinctive Quebec culture remains in Canada. I am convinced that it's possible to accommodate Quebec in Canada. This, however, will not be done easily. It will require a firm commitment from each of us, and some hard work and some hard bargaining by governments as well.

I want to re-emphasize that this government is gravely concerned about the threat to national unity. We're determined to do what we can to alleviate the threat. There are several constitutional areas, Mr. Speaker, which are of more specific concern to Saskatchewan. In the field of resources, for example, our government has always acted

on the assumption that the provinces have the power to control and derive the benefit from the resources within their boundaries. That's, in our understanding, the letter and the spirit of the British North America Act. In our view it constitutes one of the fundamental tenets of our federal system. Indeed, in the perception of the Fathers of Confederations, provinces were likely to be financed by direct taxation and by resource revenues, and this is reinforced again in the resource transfer agreement of 1930 when Saskatchewan and Alberta obtained the right to have full control of their natural resources.

Now this principle which I've just enunciated has been challenged a number of times by means of court actions and by other means — other means such as the federal income tax disallowance of royalties as a deduction from corporate income tax, Mr. Speaker. I could list many other examples of similar difficulties. Many of these have been reported in documents such as the Report of the Western Premiers Task Force on Constitutional Trends. If one wishes to get some idea of some of the areas of friction between the federal government and the provincial governments in Canada set out in a relatively dispassionate way, you can look at the two or three annual reports of the Western Premiers Task Force on Constitutional Trends. I won't deal with them here. It simply indicates the areas which need to be dealt with in federal-provincial relations.

We have in the past year or two certainly not been idle in the area of constitutional negotiations. Hon. members will no doubt be familiar with the recent round of conferences in which the so-called, short list, of 14 items were debated by all 11 governments in Canada. These talks have resumed the constitutional review process which broke off in 1971, with failure to secure a unanimous agreement on the Victoria Charter. The members will recall that there were a series of negotiations leading up to the Victoria Charter of 1971, which charter did not receive the unanimous agreement of the provinces, primarily because the Government of Quebec was unable to agree with it. Following that, there was a period during which there wasn't much done in the field of constitutional negotiation. But in 1976, the Prime Minister indicated to the premiers that he would like to commence the process again by patriating the British North American Act. The premiers, in their response, expressed the view that patriation should not proceed without a consensus on a number of important substantive issues as well. And since that time, events have moved rapidly.

Last August, in Regina, at their annual conference, the premiers again affirmed their 1976 consensus on areas of concern and added a couple more. They also responded to certain elements contained in Bill C-60, the federal proposal for constitutional negotiation introduced about last July. Constitutional amendment is perhaps a better way to put it. The federal government constitutional amendment bill, Bill C-60, was introduced last July. The premiers concluded that all the constitutional issues would require careful and detailed discussion with the federal government.

A First Ministers Conference followed in October of last year and as a result, the Continuing Committee of Ministers on the Constitution was struck and these ministers together with their officials, conducted an exhaustive series of meetings involving extensive negotiations which were preliminary to the federal-provincial conference a couple of months ago — last February. I am pleased to report, Mr. Speaker, that good progress has been made in several of the 14 subject areas which were under discussion. We're close to an agreement on an amendment which would deal with the issues of resource taxation. There is a substantial measure of agreement with respect to communications, particularly cable television. In most of the other areas, we managed to reach varying degrees of consensus and in some pretty close to agreement. In fact,

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we had some areas of agreement provided the whole package was agreed to. We intend to continue the negotiations in these areas and to begin discussions on some entirely new subjects. The federal government has put forward a number of new subjects which they wish to have considered.

The process of constitutional review so far, has required considerable background work, Mr. Speaker, and we've barely progressed past the initial stages. If we're to make a worthwhile contribution to strengthening our country and if we're to ensure that Saskatchewan's case is put with all of the force that we can, then we must recognize that much needs to be done and we need to improve our capacity as a province to mount these arguments and to ensure the issues involved. This will mean, in our judgment, appropriate legislative authority and facilities and that's why we're proceeding today. It's a clear requirement that we develop and articulate the Saskatchewan position. These are complex issues, the complexities and the implications are profound and the process warrants more resources than we have been putting into it up to date. As I say, nothing much happened between 1971 and 1976 and it has rapidly escalated since that time.

This is a period of fundamental change in Canada's federal system. The respect of responsibilities of the two orders of government are being reviewed more intensively than at any time since confederation. There will be profound political and economic consequences for Saskatchewan if even some of these changes are proceeded with and we want to ensure that the changes, if made, are suitable to us, to the extent that we can. Obviously we can't have everything we want; that's not the nature of negotiations, but we certainly wish to arm ourselves with all the material we can.

There are, Mr. Speaker, besides the constitution, other important areas of government which have become the subject of intergovernmental negotiations during recent years. There has been an increase in the number of cost-sharing agreements, of federal-provincial overlap in environmental policy, in urban affairs and science policy. Of considerable long-term impact are the proposals for increased federal-provincial co-operation in economic policy making. There are also increasingly important developments in the international arena. Negotiations like the GATT negotiations, the general agreement on trade and tariffs, while certainly they are a federal responsibility, require some attention by provincial governments to put forward our points of view to see that they at least get to the bargaining table.

This has all meant a greatly increased workload. Until now, we relied upon a small staff of six or seven persons. They've been helping us to articulate the provincial position on constitutional matters, assisting in the formulation of provincial policy in areas of overlap and interface with the federal government, and co-ordinating the provincial contributions for major intergovernmental conferences and meetings, which I may say are becoming very, very numerous. Practically another major industry in Canada is interprovincial meetings.

And there have been a number of other matters, particularly arising out of the operations of the Department of Regional Economic Expansion. There are a good number of DREE agreements which involve relatively complicated federal-provincial agreements.

We also need to maintain a bit of an overview on international matters which might affect Saskatchewan, particularly tariff and trade matters which might affect our ability

to market our products. The difficulty, Mr. Speaker, is that we have not been able to do all of that with six or seven people and we need to expand our capacity.

Turning to specifics. I think it's worthwhile to compare our proposal with the situation in other provinces. The province of Newfoundland as an intergovernmental affairs office with 24 people on staff and a budget of just over \$600,000. In Ontario they have 56 persons on staff and a budget of \$2.5 million. Alberta has 60 people and \$2.7 million. Quebec's department, and of course it's another thing there, has 288 people and \$36 million.

We are proposing 18 people up from our 7, and we'll build up to that, (we don't necessarily hire them all at once) and a budget of about \$600,000. But I think in the circumstances that is not unreasonable. We need to equip ourselves at last as well as Newfoundland in the negotiations which are emerging.

I know that members opposite do not dispute the basic proposition which I put forward. Indeed the member for Thunder Creek (Mr. Thatcher), speaking in the Assembly in 1978, asked if we were in fact going to set up a department of intergovernmental affairs.

Mr. Speaker, I have been addressing my remarks to the reasons for bringing forward the legislation. I now turn to the provisions of the bill and I will go through a few of the details.

In broad terms the bill provides for a minister of intergovernmental affairs who will have authority to co-ordinate and review policies and programs concerning governments outside of Saskatchewan.

**AN HON. MEMBER:** — Who will that be?

**MR. BLAKENEY:** — Who will the minister be? We haven't made a choice there. It's unlikely to be the Premier on a long-term basis. One of the purposes of the bill quite frankly is to make it a little easier to have a person other than the Premier.

The department will also be permitted to take necessary action to establish and monitor intergovernmental contracts. It will be largely a co-ordinating role. It's not intended to be a department which involves itself in all the substantive areas of policy development. The line departments will still have their primary responsibility. It's not intended to be a super-ministry and not particularly a watchdog agency, but in fact, we do have a good number of areas where we simply need a co-ordinating force and it could be intergovernmental.

On the details of the legislation, section 3 and 4 establish the new department and provide for its minister, etc. Section 5 provides for the acts to be administered by the minister of intergovernmental affairs and these sections follow the normal form for acts establishing departments. Section 6 sets out the powers and duties of the minister of intergovernmental affairs. First under clause (a) the minister is responsible for the co-ordination of governmental policy programs and activities of an intergovernmental nature, to make recommendations to cabinet; second, clause (b) empowers the minister to conduct a continuing review of intergovernmental agreements; third, the minister may be a party to the negotiation of intergovernmental agreements.

Intergovernmental agreements is defined and includes not only agreements between

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Saskatchewan and the federal government, but agreements between Saskatchewan and other provincial governments in Canada and elsewhere.

The minister is empowered to take steps to initiate and maintain intergovernmental co-operation and to establish and maintain offices outside of Saskatchewan. We have in mind really that he would take over the office of the Agent General in London. If that office is maintained (and we now propose to maintain it), that's our current thinking.

The hon. member suggests it should be re-assessed and I acknowledge that that office is marginal in some ways. We have reduced its staff complement a bit. I think it still probably has a valuable role to play. But I admit that that's not free from debate. At one point, we had decided we would like one in the far east in Japan but the costs of operating anything in Japan are so very large that we drew back and said we can probably do it cheaper by having a few trips over there and using the Canadian embassy basically.

**MR. THATCHER:** — Have you looked at China?

**MR. BLAKENEY:** — Well, we have not thought of putting any office in China since one deals with the Chinese government and not a wide range of people like one does in Japan or Korea or Hong Kong.

There are a good number of other obvious powers that the department will have similar to other departments. I would mention just as an example, one of the things which needs to be done, something like the Qu'Appelle Implementation Agreement. It involves perhaps two federal departments and four or five provincial departments and they are all negotiating this way and that way and someone has to ride herd over it. It can be, let's say, the budget bureau but intergovernmental works just as well.

Section 8 provides for grants.

Section 9 permits the minister to engage advisers. One the latter point, there may be times that when we will want to hire constitutional lawyers or the like.

Section 10 gives the authority for entry into agreements for the purposes of the act and the regulations.

It is clear, I think, from these and other sections, all of which I won't detail, that the matters are designed to equip us to deal with, firstly constitutional matters of great importance to Saskatchewan and, secondly, the increasing range of contacts between the Government of Saskatchewan and other provincial governments and the federal government which result in formal agreements.

We need to see that we can make our organization work effectively to handle these tasks. I do not think this bill would have emerged if we had not been entering into these crucial areas of constitutional negotiations. It is clear, I think that we need, in Canada, to develop a renewed constitution which will recognize the special needs and aspirations of the various regions of Canada and that this will not be done easily. What is required of us is a contribution that will accord to the people of this province and of every province their fair entitlement to the economic and other benefits of being Canadians. I know that all hon. members will agree with the basic objections of this bill and I suspect most hon. members will agree with the basic method of establishing a department of intergovernmental affairs and if there are questions or queries with

respect to the details, I know they will arise in committee.

With those remarks, Mr. Speaker, it gives me a good deal of pleasure to move second reading of this bill.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, Mr. Premier, I find myself slightly torn with the activities with regard to this department. I have, as the Premier well knows, urged in the past that we establish such a department. I think that the Premier was perhaps digressing slightly from his prepared remarks when he indicated one of the uses of the department would be . . . he used the example Qu'Appelle Valley Implementation. Now if this department is going to be a department that is going to get involved in all intergovernmental relationships, of course the Premier knows that this is far afield from what the original intent was, and I don't think it was what he intended. I think of agriculture with the jurisdiction, federal and provincial for agriculture and whether we need an intergovernmental affairs department imposing itself on that; I think it would cause more problems than it would solve. So I see the Premier perhaps agreeing with me as to that not being the intent of the department.

I would like to say generally that a department such as this is necessary, but I think that the Premier and the government opposite didn't do themselves a service by making the deputy minister a political appointment. You know, there's an awful lot of skepticism in the public right now over our constitutional process, and there's more scepticism in the public over the way we're handling our constitutional and intergovernmental debates on a national level. I don't think that the activities of the government opposite . . . when during one of the constitutional conferences, half the activities of the Premier are being filmed for his TV for the upcoming election. I think that these constitutional conferences have become a great big political circus for the performance of the players to try to get some political benefit in their particular jurisdiction. I think the people of this country are starting to demand some performance from the leaders of the various jurisdictions in Canada. I believe there's a campaign slogan somewhere that it's time for performance and not promises, and that is all we have seen on the constitutional activities to date. I think we would be better served, quite frankly, for the next two years, and that's a debatable time, if every constitutional conference held in Canada be in camera, so that the leaders can get to work instead of performing for the cameras and performing merely for votes back home and I say accomplishing very little other than an increase in scepticism in their constitutional debates.

I think as well, that this department is missing what I believe to be a fundamental part of the constitutional debate. I have a belief that, in order for Saskatchewan to be able to assume a deserved role in the constitutional debate, it should get its own house in order.

I go back and I look at the Premier's debates and his speech back in 1972, when he announced the new government economic strategy for Saskatchewan and how it was no longer going to be based on the rude resource policy; that, in fact, it was not going to be a development strategy based solely on big resource-based industry; that they were going to promote manufacturing of goods in the prairie basin; that our resource industries no longer needed the mass of public subsidy. In fact, we have seen a total failure strategy set out by the Premier in 1972 in the actions of the government opposite when its whole budget depends on this crude resource policy that he so criticized in the past; that he has failed and failed miserably to implement that

part of his economic strategy, which was a manufacturing base to serve the so-called prairie basin.

The very fact that you have directed your efforts in your taxation policies to resources, and have become so dependent on the resources that 70 per cent or 80 per cent of the resource revenues have to go into general revenues, indicates I think, as well, a failure of the economic strategy set out in 1972. I suggest that this department regrettably will not direct itself to an approach which would assure or lead us to the direction in Saskatchewan of an (and I very carefully say) economically independent or self-sufficient Saskatchewan based on a broad base of manufacturing resources and agriculture.

I say that as long as we are going to have a boom and bust approach, as the government opposite has married us to with its total dependence on risky resource ventures, then we do not have, I suggest, the moral right to be taking a position at the constitutional levels demanding great wealth and political power moving west. I suggest that in fact if we took a different approach in Saskatchewan which is, our efforts over the immediate term are going to be to establish an economic independence and self-sufficiency as much as possible, that we could then approach the constitutional argument saying look, we want to make this thing work. We're not crying just for more power to get more tax revenue (which is what we've been doing). In fact, we've got a contribution. We made sure that our province could stand on its own two feet, look after itself, now we want to show some leadership to the rest of the country so that other regions can be in the same position. I say that we have failed to do that. I say that we've failed miserably and I say that this department, regrettably, will not — from the remarks of the Premier — direct itself to what I perceive to be a very vital direction in future development of the province.

The Premier has indicated as well that we need a new constitution. Let me tell you what a new constitution will do. A new constitution will, perhaps, redirect the political powers east and west. I know that's the intention. But let's assume 15 years down the road that as we suspect, and I think it's been made clear, that the uranium markets are not there and our uranium revenues are not as great as the government opposite has led us to believe. Let's assume that 15 years down the road that great investment in potash is risky, and in fact we are back taking moneys from the federal purse. In fact at that point the cries will come out of Western Canada, the cries will come out of Saskatchewan, we're not being treated fairly. The federal government isn't doing us any favours, and we'll be right back to where we are today. I say that until this country, and until the political leaders of this country decide, and in each region and in each province to attempt to get themselves, their economic houses in order, I don't think that it's going to serve any purpose other than, perhaps, ease some short term public concerns. As I say, I was torn because at the outset — I shouldn't say at the outset — I have been urging an intergovernmental affairs department. I don't for a moment suggest that that is the reason that the government set one up, but I don't think you did yourself a service by making such a partisan political appointment as to the deputy. Although we will be supporting the establishment of this department, it is on the understanding that we reserve the right to criticize the political activities of this department, should they arise, and the partisan political activities which we suspect will arise as a result of the efforts of the activities you've embarked on to date was such a partisan, political appointment as deputy. I don't think you did yourself and the province of Saskatchewan any great service with that approach. I think there was an opportunity there to get someone with a little more independence and perhaps, more qualifications other than loyalty of service to the party opposite.



Mr. Speaker, I have some more comments to make and I beg leave to adjourn debate.

Debate adjourned.

**HON. R.J. ROMANOW (Attorney General)** moved second reading of Bill No. 68 — **An Act respecting the Possession and Distribution of Property Between Spouses.**

He said: Mr. Speaker, this legislation is the result of the commitment of this government to reform the laws relating to matrimonial property.

When we introduced the amendments to The Married Persons' Property Act in 1974, the government explained at that time that they were an interim measure until we had the opportunity to thoroughly study this whole area of the law, and to come forward with some comprehensive proposals. Since that time, the Law Reform Commission has released three reports on matrimonial property. People all over Saskatchewan have been given the opportunity to react to these proposals and to put forward their suggestions for reform. The comments and suggestions have been seriously considered and in many instances, incorporated into the bill that we have before us today. I do not know of another area of the law in the last little while where there has been as much input by the public at large.

We have come a long way, Mr. Speaker, from the day when married women were not permitted to own property. However, we all know the unsatisfactory state of the common law, which developed after the enactment of the married women's property legislation in the late 18th century. The Rathwell and Murdock cases demonstrated how unfair it was that property must belong to the spouse in whose name it was registered, unless a financial contribution could be clearly established. It became apparent that the law no longer corresponded to the way people actually lived their lives.

In 1974, the government brought forward an amendment to The Married Person's Property Act. Under that amendment, the new section 22, a judge was given the authority to divide the property of spouses in any way he thought appropriate. The legislation specifically directed the judge to consider contributions from either spouse, whether in the form of money, services, prudent management or caring for the home and the family — this to get around the effects of Rathwell and Murdock.

Most people today consider marriage to be an equal partnership in which each spouse assumes whatever duties and responsibilities mutually are agreed upon. It is only logical, therefore, in a great majority of marriages, that whatever is acquired by either spouse during the marriage period ought to be shared equally, especially if the marriage breaks down. That is the purpose of this legislation and I would direct all members to the legislation and the intent of it.

Now, Mr. Speaker, I would like to say a few words about the specific aspects of the bill.

First of all, the basic scheme. Under this bill the court must distribute all property of the spouses, except prior acquired property and awards of damages or insurance proceeds, equally between the spouses, unless it would be unfair to do so. When the court considers it unfair to make an order for equal distribution, it can make whatever order it thinks fair. A lengthy list of matters the court should consider in deciding whether or not it is fair to distribute the property equally is set out in section 22 of the

bill.

In addition to the distribution of property the court has jurisdiction to grant the spouse exclusive possession of the matrimonial home and household goods. That property is subject to the scheme. All property owned by one or both spouses or in which one or both spouses have an interest will be subject to the scheme. This includes appreciation and income on prior acquired property. Basically all prior acquired property, awards of damages and property acquired after decree nisi of divorce, a declaration of nullity or a judgment of judicial separation, is made exempt from distribution unless the court thinks it unfair to exempt such property and in that case it can make an order that it thinks just and fair. The value of property situated outside of Saskatchewan must be considered by the court in making a division of property. The property itself does not have to be distributed. The court can divide the value of the property instead.

Will there be judicial discretion? Mr. Speaker, the scheme is subject to a certain measure of judicial discretion. However, it operates from the assumption that all matrimonial property except for most prior acquired property and the awards of damages, shall be shared equally. Judicial discretion can vary the share up or down from the 50 per cent. Presently the courts start from the assumption that any property owned by the husband belongs to him and then they determine how much the wife shall be entitled to. On the average this has worked out to splits which have not been equivalent to 50/50.

Value of property. The value of the property that will be taken into consideration by the court is the value at the time the application is made to the court or at the time of the adjudication, whatever the court thinks fair.

What is the matrimonial home? For the purposes of an order granting exclusive possession the matrimonial home is defined as follows:

1. Any home or suite that is owned or leased by one or both the spouses or in which one or both the spouses have an interest and that is or has been or was intended to be occupied by one or both the spouses as their family home.
2. Up to 160 acres appertaining to the home.
3. Mobile homes, a part of business premises and condominiums.

For the purposes of distribution of the matrimonial home, the matrimonial home is the same as the above except homes or suites merely leased would not be included unless a proprietary interest could be established. When more than one home comes into the definition of a matrimonial home, the spouse applying for distribution must designate one of the homes as a matrimonial home.

The matrimonial home is a subject of special treatment. Subject to a valid and binding interspousal contract, a matrimonial home is entitled to what I may describe as special treatment. It is never exempt from distribution even though it may be prior acquired property. It is always shared equally under this bill unless the court considers that to do so would be grossly unfair or unduly harsh to the parent having custody of the children. In such cases the court can make whatever distribution it considers fair, including granting the entire matrimonial home to one spouse.

Household goods, special treatment. Subject to a valid and binding interspousal contract, household goods are never exempt even if they are prior acquired property.

from distribution under the bill. However, they do not carry the same strong presumption of equal sharing that the matrimonial home (as I described just a minute ago) does, rather they carry the presumption of equal sharing all other property carries.

What to do about debts and liabilities. In making a distribution the court must take into consideration any debts existing or that existed during the course of the marriage and any liabilities of one or both spouses. In making an order granting exclusive possession the court must take into consideration any liabilities that may rise out of the occupation of the matrimonial home or the use of the household goods and the court must fix the responsibility for such liabilities.

Role of children. Children are only mentioned in this bill insofar as the needs of any children residing in the matrimonial home are to be considered or an application for possession of the home. Maintenance payments being made to a child and any contributions made by a child on behalf of the spouse to property are factors which must be taken into consideration in making a distribution of the property under the bill.

What of conduct on the part of one of the partners or matrimonial fault? Immoral and improper conduct is not to be taken into consideration by the court under this bill unless it results in the financial standing of one or both spouses being detrimentally affected.

Length of marriage? The duration of the marriage or separation is one of the factors to be taken into consideration in making a distribution of the property.

Common-law relationships, do they apply? The act does not apply to such relationships.

Retroactivity. The act applies to all married persons in Saskatchewan and to all property regardless of whether it was acquired before the act comes into force. It also applies to any proceeding that has already been commenced but not concluded before the act comes into force. There is provision for the courts to vary a prior court order under exceptional circumstances if the spouses are still married.

Contracting out? Yes, the spouses may contract out of the scheme by an agreement in writing acknowledged by each of them before separate lawyers. They may do so prior to or during their marriage. This contract may deal with ownership, division and possession of property during marriage and upon termination. If the spouses enter into a valid and binding interspousal contract, all property dealt with in that contract is exempt from the provisions of this act. Any other written agreement may be taken into consideration in the courts but does not carry with it the presumption that the property covered by it is exempt.

Agreements, such as separation agreements entered into with respect to matrimonial property, before the coming into force of the act shall and any proceeding under the new legislation be given the same consideration by the courts that they would have been given in a similar action before the bill was passed.

On death, does the bill apply to the estate? A surviving spouse has six months after grants of letters probate or administration to make an application under the proposed bill. If an action was commenced but not concluded before the death of the deceased spouse, the spouse or the estate of the spouse may continue the application. Benefits

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received as a result of the death must be taken into consideration by the court in making the division, except for benefits received under The Intestate Succession Act. The surviving spouse is not precluded from also applying under The Dependent's Relief Act. If an action has not already been commenced before the death of the deceased spouse, the estate may not make a claim under the bill.

Restraint of dispositions. During the marriage, spouses may continue to deal with their property as if the act had not been passed; however, a large gift or transfer to a third party may be a factor to be considered on distribution. Where a spouse has made a gift or transfer with the obvious intent of defeating this bill, or the claim of the other spouse, clearly the latter may then apply to the court for relief.

Where a spouse suspects that the other intends to make a large gift or transfer which might defeat a claim under the bill, the court may restrain the gift or transfer, even while spouses are living together.

If an order for exclusive possession of the matrimonial home is made, the other spouse may only dispose of or encumber his interest in the home with the consent of the spouse in possession, or under court order.

Once proceedings have been commenced under the act, no one may dispose of or encumber any household goods or even remove them from the matrimonial home without a court order or the consent of both spouses.

Where there is a valid and binding inter-spousal contract, the spouses shall be bound by that contract when dealing with their assets.

What's the procedure for application? The application in this proposed bill must be made in accordance with the rules of court, and the right to make an application expires on a decree absolute being granted.

An application may be made, notwithstanding the fact that spouses are not separated and there is no marriage breakdown. (This is the case now under section 22 of our Married Persons' Property Act.)

If an application is made, each spouse must file and serve on the other, a sworn statement disclosing all of his or her property. There is provision for the court to hold in-camera proceedings where necessary. If it's desirable to protect against the consequences of a possible disclosure of financial or highly personal matters.

That is the procedure before this bill is passed and proclaimed but, Mr. Speaker, this act, we hope, will come into force on a day to be proclaimed by the Lieutenant-Governor in Council.

My department is preparing to take a number of steps to insure that the general public and members of the accounting and legal professions are thoroughly acquainted with the terms of the act before actual proclamation.

Finally, Mr. Speaker, we in Saskatchewan, in my judgment, by passing this bill, have an opportunity to review matrimonial property and to update it in a positive way. In preparing this bill my department has had, as I said at the beginning, the chance to consult with a number of people in the community and also the opportunity to review other matrimonial legislation existing in other provinces.

I believe that we will have one of the best matrimonial property acts in all of Canada once we enact this bill. I'm therefore proud to be able to stand before the members of this House and put forward this legislation which I think will ensure equity and fairness in the distribution of matrimonial property, consistent with the attitudes and the mores of today's world.

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

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J.G. LANE (Qu'Appelle):** — We're waiting for the controversial legislation from the Attorney General. We would like to indicate to the Attorney General that we will be supporting this bill. The Conservative Party endorses in Saskatchewan the concept of judicial discretion in a situation such as this. We have discussed it, of course, with members of the judiciary and the feeling is that they don't see a change in the existing law. I think that's perhaps correct, the way it has in fact developed in Saskatchewan. When I say that, I say that that is not necessarily a bad thing. I think our courts in Saskatchewan have in fact administered or decided the law today in a fairly responsible and concerned manner. But I just don't see — and I gather some of the judiciary is of the same view — much of a change with this act.

There will be, I suspect, some problems if the Attorney General would hear me out. I suspect some problems if you proceed with your court amalgamation this year, as a new group of judges will basically have to get into the swing of things so that some body of precedent is built up. I suggest to the Attorney General that given that, and given the importance of this particular bill, he may wish to leave the amalgamation for six or eight months. Let's get things established and rolling under this in case problems do develop. Again I don't think that that's going to be an earth-shaking matter, but I think given the seriousness of the problem, as the Attorney General accepts, then perhaps that might be a suggestion.

There will be a couple of minor suggestions. Our position basically (favoring the principle of judicial discretion as we do) is let's get the bill operating and the sooner the courts can commence to make the ruling, so much the better. I question the necessity any more of The Homesteads Act, given this particular bill. Perhaps the Attorney General would have his officials direct their minds to that. It has, frankly, become I think more of an irritant as more people and more women are aware of their rights. Secondly, if you accept the principle of The Homesteads Act as being maintained, then I suggest it follows logically that on the death of the spouse some notice should be sent when letters probate are issued to a surviving spouse; you have in fact six months to exercise your rights under this particular act. If we're going to have it on the one, then it seems that flagging that advice may also be in order. However, I suggest that to the Attorney General. Again, our position favoring judicial discretion, we support the bill and are prepared to vote second reading today.

Motion agreed to and bill read a second time.

**HON. R.J. ROMANOW (Attorney General)** moved second reading of Bill No. 70 — **An Act to amend The Mechanics' Lien Act.**

He said: Mr. Speaker, in the fall of 1977 the Saskatchewan Construction Association submitted a brief requesting the repeal of The Public Works Creditors'

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Payment Act and amendments to The Mechanics' Lien Act to make it generally applicable to the Crown.

After reviewing the matter raised in the submission it was decided by the government that subject to the exception recognized by the association that no lien could be allowed against public lands, there is no reason for distinguishing between the statutory protection that should be afforded the subcontractors, material men and laborers under contracts, whether they be in the private or the public sector.

Accordingly, this legislation, together with the companion bill to follow, which repeals The Public Works Creditors' Payment Act will make the provisions of The Mechanics' Lien Act applicable to the provincial Crown, school boards and other similar public bodies. The act will then generally apply to construction contracts entered into with such public bodies after the amendments come into force, subject to the main basis exemption, as I say, that no liens will be allowed as charges against Crown lands.

These amendments will expand the protection provided to subcontractors, material men and laborers involved in public works projects. They do not only continue the applicability of trust provisions similar to those presently contained in The Public Works Creditors' Payment Act, but also will make applicable to public works contracts the statutory holdback requirements of The Mechanics' Lien Act and the right of claimants to recourse against such holdbacks and certain other amounts which may be owing to the contractor. These amendments also provide an easy means of giving notice of claim of lien in respect of public works against the present provisions of the act requiring registration of the liens against the land occupied by the improvement would not be applicable.

In addition to providing additional protection to subcontractors, material men and laborers on public works projects, the amendments should standardize and simplify the procedure for such persons to make claims in respect of public works projects by making it more consistent with the practice applicable to the private sector.

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

Motion agreed to and bill read a second time.

**HON. R.J. ROMANOW (Attorney General)** moved second reading of Bill No. 71 — **An Act to repeal The Public Works Creditors' Payment Act.**

He said: Mr. Speaker, as I said, this is a companion bill for the reasons that I have articulated the first one.

I move second reading of Bill No. 71 — An Act to repeal The Public Works Creditors' Payment Act as a part of government deregulation and government's getting out of legislation.

Motion agreed to and bill read a second time.

**HON. R.J. ROMANOW (Attorney General)** moved second reading of Bill No. 72 — **An Act respecting The Revised Statutes of Saskatchewan, 1978.**

He said: Mr. Speaker, I don't think I need to make any speech on this particular bill. This deals with the ratification and consolidation of the revision which has just recently.

been completed. I think it is a pretty good revision — slight changes in the indexing which are confusing at first, in some areas, but I think are an improvement on the old system. I think the bill is routine but necessary.

I move second reading of Bill No. 72.

Motion agreed to and bill read a second time.

**HON. R.J. ROMANOW (Attorney General)** moved second reading of Bill No. 78 — **An Act to amend The Community Legal Services (Saskatchewan) Act.**

He said: Mr. Speaker, it is my privilege to rise, today, to move second reading of a bill to amend The Community Legal Services (Saskatchewan) Act.

When I introduced The Community Legal Services (Saskatchewan) Act in 1974, I indicated that the objectives of the bill were threefold.

1. To ensure that all members of Saskatchewan society had equal ability to enforce their rights;
2. To develop methods of informing citizens as to their legal rights and obligations; and
3. To develop programs designed to prevent legal problems.

These were solid objectives in 1974 and, Mr. Speaker, these are still objectives, which are just as valid today, in 1979.

You may recall, sir, that the legal aid plan in Saskatchewan experienced a number of problems in the past year and that I appointed Judge R.H. McClelland of the district court to undertake a comprehensive review of the legal aid plan and to make recommendations to me regarding the future direction of it.

In his report to me which was made public, Judge McClelland noted the extent to which the concept of local area involvement in the Saskatchewan Legal Aid Plan had taken effect. The major thrust of his report supports this concept of local area involvement. He suggest a system managed and directed by a strong central commission, a system which allows area boards, at the same to participate in the policy and decision-making process and in the budgetary process and a system which provides for strong lines of communication with the government.

The major portion of the recommendations made by His Honour Judge McClelland, attempt to address the issue of greater participation by area boards in the developmental aspects of the plan. His Honour's recommendations included both amendments to the act and recommendations respecting the administrative policies and practices of the commission.

Mr. Speaker, Judge McClelland made the following recommendations, which could be accommodated only through amendments which are embodied in this bill.

1. That the act be amended to remove the commission's power to revoke the certification of an area board without a hearing and instead the commission chairman or designate be given the power to suspend an area board's right to operate a clinic

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until such time as the area board has had a full opportunity to be heard before the commission.

This recommendation has been accommodated by the amendment to section 14 of the bill.

2. That a section be introduced into the act to acknowledge that area boards hold in trust for the commission, all assets, office supplies and leasehold premises acquired through funds provided by the commission.

Mr. Speaker, subsection 3 of section 15, amends the bill to accommodate this recommendation.

3. That the composition of the central commission be altered by removing the provincial director from the commission, appointing a fourth area board chairman and appointing a representative of the Attorney General's department.

When I introduced this legislation in 1974, I stated then that with the exception of financial accountability, it was important that the provincial legal aid program be independent of any group or organization, including the government. While I agree with Judge McClelland's recommendation concerning the greater involvement of local area boards in shaping the nature and future of the plan, in considering the membership or the composition of the commission, I have had to weigh our sympathy with this objective against the principle of the plan's independence from any one group or organization. At the same time, I agree with Judge McClelland's recommendation that one of the members of the commission should be a member of the Department of the Attorney General.

This bill amends section 4, subsection 2 therefore, in two weeks.

(a) It removes the provincial director and replaces him with an employee of the department on the commission; and

(b) By broadening the scope of selection of area board representatives to include not only chairmen, but the directors of area boards as well.

This latter recommendation came about as a direct result of discussions which were held with the Association of Area Boards and with the union, CUPE (Canadian Union of Public Employees).

4. That the act be amended to remove the requirement that the provincial director be a solicitor.

Mr. Speaker, the bill before you amends section 7 to accommodate this recommendation.

5. That in order to exercise financial control and to establish an increasingly competent body of clinical legal aid solicitors, the act be amended by repealing clause B of section 21, so as to reduce the number of referrals to the private bar.

There is no question in my mind, Mr. Speaker, that this recommendation is a very important one. In my discussions with the Law Society of Saskatchewan concerning amendments to the bill, concerns have been expressed by them about restricting a



client's freedom of choice of counsel, and the government's position respecting the involvement of the private bar in Saskatchewan's legal aid plan.

I should like to point out, Mr. Speaker, that the acceptance of this recommendation, 21 B, and the consequent amendment to section 21, is not as restrictive as the current federal-provincial agreement regarding the cost sharing of legal aid with respect to criminal matters. Under that agreement, freedom of choice of counsel is restricted to those offences under the Criminal Code or other acts of parliament, the minimum penalty for which is life imprisonment.

If we were to apply that to the Saskatchewan plan, only those clients charged with first and second degree murder would be eligible to choose from the provincial panel of private lawyers.

6. Mr. Speaker, I would also like to say that there is a sixth provision of Judge McClelland's report which has been implemented. That sixth recommendation is that as an incentive to the collection of accounts payable, the commission employ area clinics for this task. We are doing this by sections 24 and 25 to achieve this objective.

In conclusion, Mr. Speaker, these amendments incorporate the legislative amendments recommended to me by Judge McClelland. In addition, we have taken the opportunity to build on the recommendations and to introduce other amendments which instil a great sense of management responsibility and financial accountability at both the commission and area board levels and further enhance area board participation in the particular plan.

Mr. Speaker, this bill would come into force on a date to be fixed by proclamation by the Lieutenant-Governor in Council. I conclude, sir, by saying the Government of Saskatchewan considers the legal aid plan as a very important plan. In fact, Mr. Speaker, putting it as seriously as I can, I think it is the best legal aid plan in Canada with the proposed amendments that are before us.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — These amendments and this bill before you continues that confidence by this government in the partnership of legal aid which exists now for all of our citizens. By passing this bill, we hope to create a legislative environment in which this partnership can work co-operatively and productively for quality legal aid services for all Saskatchewan.

Mr. Speaker, I move second reading of Bill No. 78.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, I had no intention of participating in this debate until I heard one of the strangest lines and that is that we have one of the best, if not the best legal aid system. In fact, if the legal aid system was in good shape, we wouldn't need this bill; we wouldn't have needed the study that was done because of the problems in the legal aid plan. In fact, we may have one of the worst-run legal aid plans in Canada. It's a bureaucratic boondoggle out there.

You have area boards on top of chairman or commissions and they can't make up their

minds with each other. You have a whole bunch of young lawyers running around because they can go into the legal aid plan and make more money and get their training at the government's expense before they go into private practice. The fact is that it is a poorly-run plan. You have too many levels of administration. I don't think the goals have been well set out and I don't think the goals are being attained. In fact, I don't think that the changes that you've made are going to solve the problem. I'll venture to guess that after the next provincial election, there will be another review of the legal aid plan as the problems continue. We are going to oppose the bill on division because we don't think it's going to solve the problem.

Motion agreed to on division and bill read a second time.

## **COMMITTEE OF FINANCE — MINERAL RESOURCES — VOTE 23**

### **ITEM 1 continued**

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Chairman, as we closed down shop the last time in mineral resources, the minister indicated under questioning that last year (that's the fiscal year that closed March 31, 1978) his department had budgeted for about \$108 million. When the actual revenues were in, the figure turned out to be about very close to \$114 million, if memory serves me correctly. Now for this year, into the heritage fund, it's his department (I assume your department would provide these figures for the Department of Revenue), we're talking about \$113 million. As the minister indicated acknowledged, this is less than what was actually received the year previously.

Mr. Minister, before I go on perhaps I could ask you a similar question about oil. Now last year you budgeted that you would receive about \$349 million, a little over \$349 million. This year you are budgeting or at least the Department of Revenue people are budgeting — I'll qualify that. It's anticipated that a little over \$385 million will come in. Would the minister indicate to us what the actual figure was for the '78-79 period, and perhaps explain why the figure you are coming up with this year is only about 10 per cent (roughly 10 per cent) over and above what was anticipated to be derived the previous year?

Mr. Minister, at various times in the course of the year we notice great flowery press releases from your department informing us of the additional activity that's taking place in the field of oil development — oil rigs coming in, drilling everywhere, find, etc. — and if one listened to these press releases and took them seriously we might actually think that something of a consequential nature was happening.

Mr. Minister, from your numbers it doesn't appear that a great deal is happening. The figure from one year to the next is going up 10 per cent. Now, may I suggest to you that that doesn't even cover the rate of inflation. It certainly doesn't even cover the price increases in oil itself. Well, perhaps, I'll leave it to you, Mr. Minister. Just tell us what's going on in relation to these figures (bearing in mind we'd like to be out of here by five, of course).

**HON. J.R. MESSER (Minister of Mineral Resources):** — Well, the member asked, I think a couple of questions. One was the actual 1978-79 revenues. The estimate was \$349 million and the actual was \$349.9 million, so in that instance it was almost virtually right on target.

He goes on to ask a second question as to why we might only expect something modestly over a 10 per cent increase in revenues for this fiscal year, and he goes on to assume that figure should be substantially higher because of the purported activity that the government says is in process in the province as far as oil is concerned. He's right that there is very much more activity in the province as far as oil is concerned. He's right that there is very much more activity in the province, but I think that he assumes that the activity will bring immediate revenues, and I'm sure that, if he stops and thinks for a moment, he'll realize that the activity is primarily in the heavy oil area where they are experimenting (I think that is a correct and proper word to use) in extracting greater volumes of oil than up to this point in time they have been able to acquire, and also exploring for new pools of heavy oil. I think that those returns will not significantly affect the provincial government's revenues until a year or two has passed. That is certainly one reason.

The second reason is that the price increases the member talks about have not really come into place. We will recollect that the federal government has denied some of those price increases to take place, so that some of the assumptions that we may have had some months ago with regard to the orderly increase of oil pricing in Canada, it's reaching something closer to the world price of oil, is not in fact coming into place as one could have assumed in 1978. That also has an effect on it.

I might also say that as far as new oil is concerned, we announced, not recently but quite some time ago, that our policy would be a lower royalty as an incentive to develop that new oil, keeping mindful that new oil is much more costly to develop and that the royalty therefore should not be as high as for old oil.

So even though there's new production coming on, the province is recognizing that the cost of bringing that production in place is much more significant than it was in the past for the old oil that's producing.

I think that those three factors combined contribute to answering the member's question.

**MR. THATCHER:** — Mr. Minister, might I say very respectfully, and in a very noninflammatory fashion, that your government's policy in the field of resources is a dismal failure. It is a dismal failure and it is reflected right here in these numbers.

Mr. Minister, I think your department typifies the most insidious fashion of government that you conceive in the George Orwell fashion. We go back to the old days of Bill 42 and the potash expropriation. Exactly what have you done in the field of natural resources? How does your government operate? Number one, you decide there's got to be a problem, and you find, or you create, a problem. In this fashion, it was in the field of natural resources. You started a fight; you started one with the oil companies; you started one with the potash companies. In the case of potash, you said if you don't do it our way, we're going to nationalize you. We took you to court; you said if you're going to take us to court, we're going to do this. So you threatened to nationalize the potash industry. You made some overtures of a similar nature in the oil industry, and then you passed legislation which enabled you to do it, you further threatened them.

Under expropriation legislation, you gave your department extraordinary powers. And that's another question I'd like to ask you before we're done. How many vesting orders did you issue last year? Perhaps your people could start digging that out. Mr. Minister, you threatened them. You threatened to nationalize them, and then under the threat of

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nationalization, you bought half the industry. Many of these companies were quite happy to get their dollar and get out of here and invest it elsewhere. In fact, I've heard it cynically suggested by some of the remaining members of the industry that the unfortunate ones are those of us that weren't offered a chance to sell out and get out of here.

Then, Mr. Minister, you had 50 per cent of the potash industry; you had your own puppet corporation in operation. Once the dollars started coming in, (and, Mr. Minister, you're very fond of using the term the bottom line), and when the bottom line was out, when the bottom line was there, and there was a comparison factor between the entrance of PCS (Potash Corporation of Saskatchewan) into the market and when they were not there, the numbers didn't jive. Your comments in the oil industry today reflect a similar happening.

After you had threatened, cajoled, threatened to nationalize, bought in, fouled up the market, fouled up the climate, you suddenly found that you had a problem. You found that it wasn't working out quite the way you thought it would in the potash industry and that even though it's taken a while for you to acknowledge it, it wasn't working out in the oil industry either. So then, Mr. Minister, you did what you have accused us of wanting to do for years, and the extinct Liberal Party in a like fashion. You did what you have always accused them of doing. You went to the multinationals and you made an under-the-table deal. You said to them, we've fouled it up. You didn't say, we've fouled it up, but you said, we want you to clean it up. It was a mess that had to be cleaned up, and so you did what you have accused us of doing, what you have accused what used to be the Liberal Party here of doing. You called them in and you made an under-the-table deal. That's reflected in these numbers. It was reflected last week when you indicated . . . (inaudible interjection) . . . yes, it was indeed true — you would anticipate less revenue from the potash industry this year because of reduced royalties. You acknowledged that there was a problem in the area and you acknowledged it was necessary to reduce the royalty rates. Mr. Minister, you acknowledged that you made a deal with the hated multinationals. Those multinationals you have extolled so many times that have us in their hip pockets, whom the Attorney General on countless occasions has referred to as the dominant forces that control the Conservatives and the Liberals and pull the strings so that we would make all these under-the-table deals. You did every insidious thing you have accused us of doing; you did it also.

You did the same thing with the oil industry. You have acknowledged today that you have had to reduce the rate for the oil industry. You have acknowledged you are not getting the increased production that you need. Obviously, you can't get it from SaskOil. Obviously, you don't think SaskOil can do the job and you're right. You're right because if you thought they could they would be in here and you'd have them doing it. And from that, Mr. Minister, I acknowledge you are smarter than many of your other colleagues, because I think you, from the start, knew that PCS (Potash Corporation of Saskatchewan) was going to be a turkey. At least you are shrewd enough to keep SaskOil where it belongs, closeted in some nondescript office in Calgary. I acknowledge you are shrewd enough not to allow SaskOil to come in here . . . (inaudible interjection) . . . no, I'm not going to start the jack for the Premier's bandwagon — but at least you're smart enough to keep SaskOil far in the background, keep them closeted where they belong.

Mr. Minister, the point of this whole thing is that you have done every insidious thing you have accused us of doing. You have made under the table separate deals with the multinationals. I want to hear you get up and deny that for your backbenchers who are

shaking their heads. I want you to deny that for the member for Melville (Mr. Kowalchuk) who has been catcalling me, that you would never do that. I want you to get up and deny it.

With that, Mr. Minister, I'll pause for a cup of coffee.

**MR. MESSER:** — Well, Mr. Chairman, I think the member should pause for a moment. I find him almost, in this particular instance, in a somewhat new character form to be as confusing as some of his other members when he talks about resource development. Obviously he has some difference in regard to the strategy of resource development for the province of Saskatchewan. The only, I think, really significant fact one should note in rebutting his remarks is that ours is working and his no one can really understand. I think as long as ours continues to work nobody is going to take very much time to try and understand it. And that not only goes for people here in Saskatchewan but it goes for the industry itself.

I find him confusing, Mr. Chairman, because he on the one hand says in the instance of potash, my goodness the companies you didn't buy are hurt. They say the only way of resolving their problems in Saskatchewan was to have been purchased by the government Potash Corporation of Saskatchewan because there is not future here. On the other hand he is saying now those companies have been asked to bail out the Government of Saskatchewan. I assume if that is correct that they are going to be getting some significant rewards in so doing. You can't have it both ways. If the companies in one instance are saying, my goodness it's so bad here in the future the only way we can resolve our problems is to have an opportunity to sell out to PCS (Potash Corporation of Saskatchewan), the Government of Saskatchewan or a Crown corporation of the Government of Saskatchewan.

You can't on the other hand say the government went to the private industry and asked them to bail out the Potash Corporation of Saskatchewan. The fact of matter, Mr. Chairman, is that neither one is correct. The companies which are here operating independently are now, I think, prepared to say that the climate in Saskatchewan is one which is attractive to them. In fact, they are talking about expansion of the industry in this province because of the circumstances they have here.

We have not asked them to clean up any problems which may exist in the potash industry. In fact PCS in the short period of time that it has been in operation has attained a very high level of respect from the wholesalers and retailers and consumers of potash, not only in the United States of America but also offshore. In fact publications — Greenbrier and some of the other sales publications of the potash industry in the United States of America — are saying that the Potash Corporation of Saskatchewan is the most reliable company providing potash of all of those in Canada. We have been able to improve the delivery of potash and the turnaround of cars. The sales operation of PCS has shown that it can be superior to any other which has been in the marketplace for a much greater period of time than PCS. So that we are not in trouble with PCS. I don't believe that the potash industry in Saskatchewan is in trouble.

The member, when he alludes to the increase in revenue to the province last year and that it is not significantly higher this year, forgets to include a \$27 million figure which was collected last year over and above what was estimated because of penalties and moneys payable to the Government of Saskatchewan and which became payable because of the purchase (\$27 million) of some companies that had been negligent in making those payments. That has increased the revenue for the last fiscal year which

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would have been paid in lesser amounts over a number of years previous. When we look at the estimate this year we're looking at a situation where all companies will be making their payments to the Government of Saskatchewan in an orderly fashion on a year-to-year basis.

The member also makes some comments about SaskOil — that it's hidden away in a closet somewhere (and he's happy that that is the case) and that it is not capable of improving the level of activity in the province of Saskatchewan. This is simply nonsense! It has a subsidiary in Alberta but it is very much present in Saskatchewan. It takes the entire 15th floor of the Chateau Towers. They are impressive to say the least. I don't think anyone should criticize them because they are there doing a job. They are growing. They are, in fact, establishing a catalyst for heavy oil development. I think one of the best examples is the farm in arrangement with Petro-Canada and Gulf. I think it has not only created an interest with the rest of the private industry to pay more particular attention to heavy oil in Saskatchewan but has shown there is a real economic potential to develop that over some of the other more costly ventures they may have turned their minds to in other jurisdictions, in particular, the province of Alberta.

I just want to close with a couple of brief statistics because they are current — a week or two ago, April 5, to be exact. I released the results of the last petroleum and natural gas rights sale. I'm sure the member read it; it may have slipped his mind, otherwise I'm sure he would have mentioned it in his remarks today. Just for the record so that he and I are both happy, I want to remind him that the sale totalled \$8.1 million. Even though it has been the smallest sale we have held for quite some time, it set records on a per acres basis. I think when he wants to talk about the bottom line, that's a bottom line figure because here are private companies in Saskatchewan willing to pay record prices in order to acquire some interest in oil and gas in the province of Saskatchewan.

One other statistic I think has some relevance. Because it is also current, I take the April 9 edition of Oil Week where (and I'm sure the member is fully aware) they have a little chart showing drilling at a glance in the various areas of interest in Canada and in Saskatchewan. We can take a look at the cumulative total of well completions up to the 31 of December, 1979. We see a figure of 221. If we compare that with the same period of 1978, we see a figure of 89, a very substantial increase in completed wells. I think if I went back to 1977, the 89 was a very significant increase. The members may say we had a depressed period of time because of a whole variety of circumstances. I won't argue that. They were not all instigated by the province of Saskatchewan; we went through that before. We had problems with the federal government, the barrier at the Canada-United States border, as far as heavy oil is concerned the non-deductibility of royalties paid — obviously those were hardships for the oil industry, as well as actions taken by the province of Saskatchewan. We make no apologies for that. We haven't changed substantially. The companies are back here; they're exploring; they're anxious; they're ambitious and they're optimistic about what they may be able to do in the province. They say that to me and I agree with them.

I could give some other statistics in regard to meters drilled; perhaps I should, it only takes a moment. Again, showing in metric the meters of wells drilled to March 31, 1979, there's 174,000, slightly higher. If I compare that with the same period last year, it's 79,000, again twice as much achieved. I just want to register these and convey them to the hon. member because it indicates there is an activity here. There is an activity here. I want to make that clear, not because we have capitulated in regard to the resource development policy and the taxation and royalty structure of Saskatchewan, but because we have stuck by our guns and talked to the people. They have, I think, seen

the merit of operating in Saskatchewan within that policy of development.

**MR. THATCHER:** — Mr. Minister, may I make a couple of other comments? Perhaps it should give your departmental people something to do while we exchange comments. Could they break down that figure of \$112,900,000 as to PCS (Potash Corporation of Saskatchewan) and others? If possible, I would like it company by company. If you don't care to give it out that way I am not going to argue. But I would like the private sector and the Crown corporation sector, while we are talking, if you don't mind.

Mr. Minister, I would like to say that we on this side of the House are very pleased that your extreme right-wing views within the New Democratic Party have prevailed in the area of resource development because, Mr. Minister, we are pleased that there is some degree of increased activity in Saskatchewan. But, Mr. Minister, at the same time, I notice you didn't accept my challenge to tell your backbenchers that you have not been having secret, insidious meetings with multinationals, with hated multinationals, making under the table deals for future tax rates.

Mr. Minister, I noted the look on the face of the member for Regina Wascana (Mr. White) as you were talking, pleadingly hopeful that you were going to deny it. I notice that you decided to deny that backbencher. I notice that you stayed away from that area significantly. I'm not particularly criticizing you with attempting to give incentives back to the private sector and I at least acknowledge that you have enough sense to know that to get the resource sector going again in Saskatchewan, when the windfalls have basically missed Saskatchewan and when they have virtually made other areas, it is necessary to go back to that age-old thing which usually gets the job done and that's that little thing known as the profit incentive. Say what you want about it, there has never been anything better than the prospect of a reasonable profit to get a job done. I am pleased to note that the minister is acknowledging that.

Well, Mr. Minister, you can talk about your publications which you have there and you can throw your numbers around.

**AN HON. MEMBER:** — It's not my publication.

**MR. THATCHER:** — All right, it really doesn't matter what they are, but let's talk about the bottom lines of your department. The bottom line says that the revenue from resource development for the current year will be just a little bit over 10 per cent from one year ago. Now, Mr. Minister, these figures are those of the Department of Revenue. I assume that the figures of the Department of Revenue probably come from your department. When you look at our resources as a whole — oil, natural gas, potash, uranium, sodium sulphate, coal, other — inflation alone is far over 10 per cent in this area.

We are talking bottom lines. What are the people of Saskatchewan getting out of it? Mr. Minister, it just simply isn't fair. You have moved further and further into the resource area and the numbers aren't coming out. Again, Mr. Minister, I want you to deny to your members that you haven't been talking to the big multinationals in the oil business, making separate tax deals with them to get them in here, to get them developing our oil. I want you to deny that! I want you to deny that you haven't been talking to the privately-owned potash mines. I want you to deny that you haven't been making deals with them for a reduced royalty in order to get increased production out of them. I want you to deny that you haven't been making the same deal with them that you have been accusing us of attempting to do for years . . . (inaudible interjection) . . . No, he hasn't done it. He skirted around the issue and talked about everything else except his dealings with

multinationals.

Once again, Mr. Minister, I'll ask you to get to your feet and deny those deals, everything the Attorney General has accused us of since 1975. I want you to deny that you and your department, with your extreme right wing views in socialist clothing, have been making those under the table deals.

If you have those numbers on potash I would appreciate them at any time.

**MR. MESSER:** — Mr. Chairman, let me start with the numbers on the potash. I think for the same reason we will not give the breakdown by company, private company, it would not be appropriate for us to give the breakdown of PCS (Potash Corporation of Saskatchewan). It if applies to one, it certainly applies to another.

**AN HON. MEMBER:** — Oh, come on, Jack.

**MR. MESSER:** — Oh, no. I would like to hear the member's argument as to why it should not apply to private companies if it applies to PCS. I think the annual report of PCS will show a sum of money. I think the annual report of PCS will show a sum of money paid to the province of Saskatchewan in the way of royalties and taxes. I think one can just relate to the total amount that has been paid and deduct that amount and he will know what the privates pay in total. You will know what PCS pays in total and I think he has the answer there anyway.

The member — and I want to first mention his comments on profit incentive on the bottom lines. He says where is the return to the Saskatchewan people? Well, Mr. Chairman, he knows, knows fully well that a few short years ago the resource take to the province of Saskatchewan was somewhere around \$30 million. The 1971 figures were \$30 million, \$35 million at a maximum. We are estimating something in excess of \$500 million this year. Now that surely cannot be sold to any one that stops and thinks for a moment as a dismal record of program from \$300 million to something in excess of \$1 billion or an increase of almost \$500 million. That is a story to be proud of.

I don't deny we leave room for incentive with the private industry here. I don't think the member can ever bring evidence to this legislature that I have said we should be putting into place a policy that denies all profit incentive to the private sector that is operating in the province of Saskatchewan, nothing of the kind. I have never said that. I have never believed that. And, certainly, there has to be some incentive there. I guess the key is how much incentive is required? I think, unfortunately, past governments have provided more incentive than was really needed and consequently, the companies got a free ride and the people of Saskatchewan had a resource developed not in their best interest but in many instances at a cost to them. That need not be the case and we have proven that it need not be the case.

I want to close my remarks to the member in answer to his allegations that I have had secret meetings with the oil companies and the potash companies, that I have met with these multinationals, as he keeps on talking about them. He almost spits the word out of his mouth. I think he's got a hate war on with the multinationals and I can't understand why, Mr. Chairman. Let me say that I make no apology whatsoever for meeting with multinational companies. I think it is only appropriate that as Minister of Mineral Resources, I should make myself available to those multinational companies as well as provincial and/or Canadian companies exclusively and I endeavour to do so. I do want to make it perfectly clear that the meetings are not secret and they certainly aren't meetings where I will propose to them insidiously and secretly. They are not, Mr.



Chairman, and I want the record to show that.

I also want the record to show, Mr. Chairman, that they are not the type of meetings that the member for Thunder Creek would want us to believe or would want the people of Saskatchewan to believe. That is that they are meeting one company at a time where we will wheel and deal (as he puts it) — a deal under the table in order to get some sort of satisfactory level of activity for the province of Saskatchewan. That is not the case at all. In fact, the instigation of meetings with oil companies and potash companies was done by sending invitation to all the companies involved for a meeting with myself so that we could talk about the policies and the future of resource development in the province of Saskatchewan. That may have brought about other private meetings and again, there is nothing wrong with that. But the discussions and the proposals that were put to them by myself and by the members of my department, the Department of Mineral Resources, were always consistent with the package that had been laid down to them as a group. So, yes, there have been meetings between myself and the industry as a whole. Yes, there have been meetings between myself and individual industries (multinationals included) and, yes, there have been meetings between them and the Department of Mineral Resources but always we have proposed and talked to them about the package that applied to each and every one of them. They are not separate and distinctly different arrangements or agreements that are being reached and I want to make that perfectly clear.

**MR. THATCHER:** — Mr. Minister, your refusal to break down the \$113 million in revenue that your department anticipates to receive from the potash industry is probably the most savage indictment that any of us could ever come up with against Crown involvement in a resource sector. Mr. Minister, your refusal to break down that figure says one thing clearly and concisely (far more clearly than I could ever say) and that is that PCS is no more putting forward its share of the revenue in terms of its productive capacity than fly to the moon. In fact, I suggest to you, Mr. Minister, that PCS's share of that \$113 million is an embarrassment to you because if it wasn't, you'd throw it out.

Let me tell you that if they had even close to half of that figure, you would be proudly extolling it from the rooftops here. The fact is, Mr. Minister, you're to put it forward. You're afraid to put that figure forward because that figure would be an indictment of the entire potash debate. It would clearly and concisely demonstrate the failure of Crown involvement into the potash industry.

I don't know just how bad that figure is. I don't know how bad it is. Mr. Minister, you skirted the number figure all afternoon, or at least all 20 minutes.

Mr. Minister, you cannot deny the figures in the estimate book. They're your numbers. You're afraid to break them down. You've admitted that you've had to reduce the royalty rates for the private sector in the potash industry in order for them to carry PCS in that insidious government circle that we talked about earlier. Create the problems, threaten to nationalize them, threaten to expropriate them, buy them out, get into the business, and follow it up! And how do we get out of it? We go back and make a deal with them to get our revenues up and straighten out the business.

But, Mr. Minister, in the potash industry alone — Now you can remember the potash filibuster; you can remember bills one and two from the 1976 legislature and the theoretical arguments that went on for days and days and days.

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Mr. Minister, every single one of those arguments that were against expropriation were borne out here this afternoon when you stood up and refused to break down the dollar split between private and PCS of \$113 million.

I say to you that you are afraid! I say to you that that figure is an embarrassment, and I challenge you to do it again! I challenge you. Give us that number!

**MR. MESSER:** — Mr. Chairman, the member's like a wrestler who has just been defeated and wants to make sure there's a crowd out for the next defeat, and I'm sure that's probably going to be the case whenever we get around to another election in this province.

He is somewhat misleading in his comments talking about the government expropriating the potash industry, and he knows fully well there was no expropriation of the potash industry. If one was to believe him, they're all sorry that they didn't all have an offer to purchase coming from the Potash Corporation of Saskatchewan. They were negotiated purchases in each and every instance. There was no expropriation and I want that to be clear.

The member continues to try to paint a case of failure for the Potash Corporation of Saskatchewan because we will not break down the take that the government receives from the private industry and the Potash Corporation of Saskatchewan. I'm telling him he can go to the annual reports from last year which show the amount of money paid and he can deduce from the mining operations in production that year their percentage of mining capacity, and he can come to the figure that he wants. If he wants to do that, that's the appropriate way of doing it because I don't believe it is within my rights to say that I should give the figures of the Potash Corporation of Saskatchewan, a company that is operating competitively in the potash business, but it is creditable and legitimate not to give the figures of the private companies who are also making payments to the province of Saskatchewan.

**MR. LANE:** — . . . (inaudible interjection) . . .

**MR. MESSER:** — We give an annual report and the information is in there. It is not up to me to answer for the Potash Corporation of Saskatchewan while I am here on mineral resource estimates. There is another more appropriate place to do that.

I will tell the member that if he cares to wait until next year and takes a look at the operation of the potash Corporation for this year, that if the revenue take to the province of Saskatchewan isn't within 10 per cent of its productive capacity in the province . . . If he would care to make a little wager, I would be prepared to do that, if it was in order, Mr. Speaker, I am sure.

**AN HON. MEMBER:** — Will you resign?

**MR. MESSER:** — Will I resign my seat if we are not within 10 percent? The answer to that is, yes, Mr. Chairman. The percentage of production will directly relate to the percentage of moneys paid to the province of Saskatchewan. Potash Corporation of Saskatchewan is not getting any favours and it is in fact doing a more creditable job in at least meeting its obligations, than some private companies have in the past. There is nothing to be ashamed of in the revenues that have been derived from PCS; in fact it is the opposite. Their production has expanded; their efficiencies on a per ton basis have

improved; their sales have escalated and the price for product has also gone up — a lot of that because of the PCS activity in the marketplace and in the production area.

We have nothing to be ashamed of, and if the hon. member wants to keep on tearing down the potash Corporation, I remind him that he will have to answer to that some time when he finds the rewards of the Corporation escalating and escalating very dramatically, to the people of Saskatchewan. It is his credibility that he puts on the line, not mine.

**MR. THATCHER:** — Mr. Minister, allow me to get that (for the benefit of all concerned) very clear.

What you have indicated is that when your actual figures are in for this year, you are saying that when the total dollars are in — the total revenue from the potash is in to the treasury, in to the heritage fund — if the share that the Potash Corporation of Saskatchewan pays is not within 10 per cent of the productive capacity they have in the province, you will resign your constituency. Am I correct on that?

**MR. MESSER:** — I am saying that there has to be a percentage factors, a fluctuation. The member knows why I say that because PCS has newly acquired all of their mines and their depreciation rate will be somewhat higher than the established industry that is in place. They have taken advantage of that depreciation, and PCS will be taking advantage of \$0.5 billion of depreciation that they don't have.

If the member wants to compensate for that, I am saying yes. You take a look at the percentage of production that PCS has and it will relate, compensating for the depreciation, in a percentage way almost the same, to the total amount that the province of Saskatchewan takes from the potash industry in total.

**MR. THATCHER:** — The minister just hedged his bet.

**MR. MESSER:** — No, I didn't.

**MR. THATCHER:** — Yes, you just hedged your bet. You also just told us about a loss factor the people of Saskatchewan are taking. Because those mines were in place, those companies had already depreciated them down. Those dollars would be in the Department of Revenue had it not be for you people having to rebuy them, having them to redepiciate. Those are your words, not mine!

Mr. Minister, the bottom lines on these things, as you care to use them, indicate one thing for this year anyway, your actions in the field of resource development are a failure. The total revenues are up only a trifle over 10 per cent and you've asked the private sector to bail you out. You make a brave statement, I'll resign my seat, I'll resign my seat, if PCS doesn't carry its share of the load. Then you qualify it, qualify it after our government boys, after your auditors finish with all of their figures. After we get around to shifting everything around, we'll just see what they are. Take the depreciation that's already been taken many times but taken years ago. You took over existing mines; these aren't new mines being redepiciated. You covered yourself. Even at that, Mr. Minister, we'll just check them out a year hence.

**MR. R.A. LARTER (Estevan):** — Mr. Chairman and Mr. Minister, I would like to read a statement just to kind of back up the statement made by the member for Thunder Creek about SaskOil possibly not producing any new production in the oil fields or very little

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new production. It's all based on increased production, but very little exploratory work from the oil industry.

No Crown Corporation was ever truly formed because of a need to provide service, but primarily because governments and people have been falsely led to believe that a particular industry is making too much profit and let's get in on the gravy. They find out perhaps, it's not that easy and continue demanding more money from the taxpayers to stay alive. The railways and the airlines were prime examples of this until the potash arose. Then, the Saskatchewan government jumped in and got in on the potash earnings by buying potash with the carcasses of the oil companies.

This is followed by the 1973 Arab-generated oil price increase. Both the federal and the provincial governments formed Crown corporations — Petro-Can and SaskOil — by simply cannibalizing on good honest enterprises in the oil industry into huge conglomerates where the chief obsession appears to be trade for somebody else's oil, or to look for oil in somebody else's back yard as they do not have the know-how or expertise to do it at home where they should and must if they are going to hope to have self-sufficiency in oil.

In Saskatchewan, they have not independently conducted any significant deep exploration nor have they found any oil that was not known previously.

What would you say to that, Mr. Minister?

**MR. MESSER:** — Just a very brief response, Mr. Chairman. One thing about the Saskatchewan Conservatives, they certainly try to be different from all other Conservatives in Canada. They talk about the Government of Saskatchewan and its Crown corporation involvement as though it is the only area, the only jurisdiction in Canada that has anything to do with Crown corporations as far as resource development is concerned. The last I heard (if the Leader of the Conservative Party federally, Mr. Clark, isn't waffling), I think he is saying that he is going to keep Petro-Canada now. He started out by saying he was going to do away with it. But he is going to keep it.

I remind them of colleagues in Alberta, where they are very much in the business as a Crown corporation of flying people around with an airlines. There is the tar sands development, which is good; there is the Alberta Energy Corporation, which has probably got the largest profile in the development of that resource industry and I just don't believe that is a detriment to the people of Alberta or the people of Canada. If it applies in Alberta and it is correct there, I think it applies to Saskatchewan and it is correct here. I think the member can't afford to have it both ways. At some point in time he is going to have to make his mind up as to whether or not there is a legitimate and credible place for Crown corporations and the development of resources. We say there is; we take action to put that into place, as have a lot of other jurisdictions in Canada, including Conservative governments.

**MR. LARTER:** — Mr. Minister, I am talking about Saskatchewan. Really, it's no concern of mine what is going on in Alberta or Ontario or whatever.

I wonder if you would care to comment on this? In the November 16 Daily Oil Bulletin, Mr. Craig, the manager of SaskOil made the statement that there were not special

privileges for SaskOil. I would wonder about a special reserve of several townships in the Minton area with Dome, where there was no Crown sale, and special permits in the Athabasca sandstone basin, no Crown sale — special grant only — SaskOil. What about the outright gift of \$500,000 acres in west central Saskatchewan in the Lloydminster area to Gulf Canada, to Petro-Can and SaskOil? SaskOil was in on this. Would you not think those were special deals in SaskOil?

**MR. MESSER:** — Well, I think that is not unusual. The member makes some references to the Minton area and the Dome, SaskOil, the Athabasca — exclusively SaskOil. It's not uncommon for private companies to negotiate those kinds of arrangements. I can give him a list of other companies where similar arrangements have been negotiated. That is not new. The member knows that has always been the case in Saskatchewan, as it is in Alberta. Because of special circumstances the government believes it is in the best interest to negotiate such an arrangement rather than put it into a land sale. That has historically been the case. It continues to be the case. I do say, however, given that situation, SaskOil has no special consideration extended to it.

I do take exception to the outright giveaway which he talks about, the 500,000 acres for heavy oil development. He knows that there is \$100 million committed in that particular transaction and that there are two other companies, one another Crown corporation, Petro-Can, Crown Corporation of Canada and Gulf Oil. The only people, Mr. Chairman, that I have had criticize that transaction are sitting here to your left in this Legislative Assembly.

I've had considerable discussion with members of the oil industry (both small and large) and not one of them has conveyed to me a disappointment in that particular transaction. In fact, in some instances, this has been the contrary because they think that it has created an interest that might not have otherwise taken place and I think that that's what counts, not what some people may be saying here. The oil industry doesn't look on it, as any favoured deal and they're prepared to live with SaskOil and to joint venture with them.

**MR. LARTER:** — Mr. Minister, I wish you could look at some of these oil people who you're talking to and you'd find their tongues were in their cheeks when they were talking to you. These people have to do business with you and they are going to have to do business with you for at least another three and one-half to four years. I can assure you they're not going to display or convey to you their displeasure if they want any business at all, if they want to do any exploring in Saskatchewan.

I still insist that we called it a sweetheart deal on that 500,000 acres at Lloydminster and the people of Saskatchewan never will know how much money they lost or if it was a good deal. I wish you would table that agreement. Would you agree to table that agreement on that 500,000 acres, Mr. Minister?

**MR. MESSER:** — No, I think I've conveyed that to the member before. It wouldn't be in the best interest.

**MR. LARTER:** — Mr. Minister, I think you know that there are any number of companies that would have loved to have bid on that 500,000 acres in the Lloydminster field. You have stated many times that oil companies and other companies make deals from time to time with governments and it doesn't go to bid. I would like to know if this particular deal (you've talked around it) was offered to any other oil company at the time? This particular 500,000 acres at the time that it was let to Gulf Oil, was it offered to any other

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company right at that time?

**MR. MESSER:** — It's not a case of it having been offered. It's a case of companies approaching to put the proposal to the government. Certainly Gulf Oil and Petro-Canada weren't the only companies that were knowledgeable of our interest in such a transaction but it was ultimately Petro-Canada, Gulf Oil and SaskOil. Other companies have been extended an invitation for similar proposals and I believe that there have been some very cursory discussions in that regard with the department so that it's no exclusive transaction.

It could well be that similar arrangements could be made with Mobil or Imperial or whoever but it's on a case-by-case basis. I might also say that a large part of the contracted arrangement was made public, the amount of money, the references to the kind of activity that had to take place in the light; so that it's by no means secret.

I might also, for the benefit of the member, inform him that there wasn't a lot of interest in that 500,000 acres prior to and I think every after this deal was concluded. There may have been some small pockets there but by-and-large, it was a large tract of land that the oil industry had not indicated any real interest in. We felt that it had heavy oil potential. SaskOil felt that it had heavy oil potential. So did some others in the industry and the consequence of that was to farm in with the three companies involved.

The Assembly recessed from 5 until 7 p.m.