

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

**May 5, 1980**

The Assembly met at 2 p.m.

On the Orders of the Day

**WELCOME TO STUDENTS**

**MR. P.P. MOSTOWAY (Saskatoon Centre):** — Mr. Speaker, I would like to introduce to the House, through you, 53 students from St. James and St. Philip Schools in Saskatoon. These students are in Grades 7 and 8. I might add that I do this on behalf of the Hon. Herman Rolfes, Minister of Health, who is also the MLA for Saskatoon Buena Vista. I should add that these students are accompanied by teachers Ron Fisher, Albert Brown, and Dennis Tourigny. I believe that they have visited certain places in Regina this morning, or up to this time, and I presume that they have enjoyed themselves. It's my hope that you will find this question period beneficial, and that you will see how some of the legislators and the legislature operates in this province. Later on I will be meeting with the group. While I'm on my feet, may I just say I hope you have a very enjoyable day, and a very safe and pleasant journey home.

**HON. MEMBERS:** — Hear, hear!

**QUESTIONS**

**Removal of Homemaker by Family Service Bureau**

**MR. P. ROUSSEAU (Regina South):** — Thank you, Mr. Speaker. Question to the Minister of Social Services. Mr. Minister, last week on May 1, your department, or at least the Family Service Bureau, removed the homemaker from the home of Bill and Janice Mattichuk on Castle Road in the city of Regina. I think you know the case. The child, their daughter Bobbie Lee, has a disease called spina bifida, and they are certainly in need of this homemaker. Mr. Minister how do you justify this heartless move by your department to leave this family socially and economically defenceless at this time?

**MR. M.J. KOSKIE (Minister of Social Services):** — Mr. Speaker, I am aware in a general way in respect to the particular case. All I know is that in respect to the Department of Social Services, we have been providing some additional assistance — the maximum that we can in drugs, and transportation. I'm not aware of the specific mention of a homemaker being withdrawn. I can check into that. I'll take notice of it, and certainly contact the hon. member in respect to it. But I was not aware that anything of that nature had taken place.

**MR. ROUSSEAU:** — Mr. Speaker, just to provide the minister with the full information on it. This homemaker had been there for three weeks, and you suggested that your department was providing other assistance. I doubt that that happened. I was told it did not. I visited the family on Saturday. The Family Service Bureau at this point has refused to allow the homemaker to return. My question is, will you, Mr. Minister, see to it immediately today that some action is taken to see that this family is given some assistance. As you probably heard, the mother is also due for an operation for perforated ulcers and is at home now to look after the child. That homemaker is desperately needed. Will you intervene today, Mr. Minister?

**MR. KOSKIE:** — You refer to the Family Service Bureau, and to my knowledge that is under the jurisdiction of the city, and it is not run by the Department of Social Services per se. It may in fact be funded but we do not direct as to whom they are going to deliver services. We have certain guidelines under which they are funded but whether or not they provide the particular homemaker is their decision, and to that extent we don't have direct control over them.

### **Water Temperature at Boundary Dam**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the Minister of Tourism and Renewable Resources, and I have a supplementary I would like to ask the Premier. Mr. Minister, as you know there has been no run off in the Boundary Dam lake this year. There was very little snow and very little rain, and as a result the lake is much lower than normal. There is some concern with the No. 6 unit operating and Boundary Dam supplying 60 per cent of the power in Saskatchewan, that for the fish (you have spent thousands of dollars over the years in stocking that lake), this water is not going to be cool enough. Can you elaborate on that a little?

**HON. R.J. GROSS (Minister of Tourism and Renewable Resource):** — Well, Mr. Chairman, I have no control over the environment and what happens in regard to run off or rainfall. I can assure the member of the fact. In regard to the Boundary Dam and the reservoir and whether or not the water will be cold enough and whether or not the fish will survive, I am not aware of any problem related down there at this point. However, I can check into the matter and I will respond at a later date to the minister.

**MR. LARTER:** — A supplementary to the minister. Mr. Minister, has you department, in any of the lakes where you have stocked fish, thought at all about cooling towers? Has this come up in your research on looking after fish?

**MR. GROSS:** — No, we haven't looked at anything like cooling towers. I can assure the member that I am aware of them. We have done experimental work in regard to ice when we have situations where lakes are iced over and we have problem with oxygen levels. We have done a fair amount of research into opening up those lakes and having air circulating into them. We have not been successful with any of that experimental work. A great deal of money has been put into it to try to find out if we can pump oxygen into winter lakes but none to my knowledge in regard to summer.

**MR. LARTER:** — A supplementary to the Premier in absence of the minister in charge of SPC. Mr. Premier, could you tell us if there is any concern at the present time with SPC with capacity they have for cooling with all of these units running at full blast? Say we were to get another dry winter this winter or low snowfall, and what is happening to that lake?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I have not heard any concern expressed in the capacity of that reservoir to provide cooling capacity for the Boundary Dam plant operating at full capacity. I would hesitate to say that there may not be concern in some circles and accordingly I'll ask my colleague, the minister in charge, to take note of the question and reply more fully.

### **Late Pay Cheques for Some Government Employees**

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — Mr. Speaker, the question is to the Minister of Municipal Affairs (Urban). Mr. Minister, it was brought to my attention that a

number of your employees in the Saskatoon office didn't receive their pay cheques on Friday. Would you explain why this took place?

**HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)):** — I don't know; it's news to me. If they haven't received them it could be because of the mail service or whatever it may be. We haven't cut them off pay.

**MR. TAYLOR:** — Supplementary. I can tell you that it did happen. Many of these people had mortgages. Some of them were in the position of moving from one residence to another and needed money to transact this move. Would you not agree that this is rather a shabby way to be treating employees and does very little to foster good morale within your newly-created department?

**MR. SMISHEK:** — Mr. Speaker, we treat our employees fairly and well, and that is acknowledged. There may be some particular error or incident that might have occurred. I am sure that the employees know where to go to correct their grievance without the assistance of the hon. member.

**MR. E.A. BERNTSON (Leader of the Opposition):** — Mr. Speaker, I would direct this question to the Minister of Finance but since he is not in his chair I'll direct it to the Minister of Municipal Affairs (Urban). I wonder if he would check with the Minister of Finance to find out why his department told these employees one of the reasons their cheques didn't get out was because interim supply wasn't granted in the House. And it had been last Wednesday!

**MR. SMISHEK:** — Saskatchewan I will take the matter as notice and have the Hon. Minister of Finance check the matter.

### **Percentage Increase for Special-Care Homes**

**MR. H.J. SWAN (Rosetown-Elrose):** — A question to the Minister of Social Services. In the Star-Phoenix on May 2 you are quoted as saying (and I would like to read one paragraph):

Allowances for residents of special-care homes will be increased by 22.5 per cent for the 1980-81 fiscal year. Social Services Minister Murray Koskie announced Thursday.

did you in fact announce an increase of 22.5 per cent for special care homes?

**MR. KOSKIE:** — I think I made it fairly clear to the hon. member in previous discussions we have had in the House. I have indicated to him that the overall increase was as he has indicated — level 3 from \$464 to \$497. That represent over 7 per cent. I did indicate to him when he was discussing the question that in the appropriation of the budget there represents from \$28 million to \$35 million, which represent about 22.5 per cent appropriated. I also went on to indicate to the hon. member that we were reviewing the system. So that's exactly where . . .

**AN HON. MEMBER:** — . . . misleading .

**MR. SWAN:** — A supplementary to the minister. I read an exact quote from the paper which stated (and it states quite clearly) that the allowance for residents of special-care homes was increased by that amount and in fact it was increased by 7.1 per cent. Are

May 5, 1980

you purposely trying to mislead the residents of these special-care homes and the people of the province by making releases of that type?

**MR. KOSKIE:** — Well if you are suggesting that, I would like to correct you. I spoke at the Saskatchewan convention and I clearly discussed the problem with them — not the problem, the whole financing structure. I take exception to any suggestion by you that I am misleading anyone. I don't care what is there. I didn't say it and in fact I put it as I indicated previously.

**MR. SWAN:** — I would like the minister to clarify whether or not he did make the statement. It states that it is your news release, made last Thursday, and that statement is listed as a 'statement by Murray Koskie, the Minister of Social Services.' I read it exactly as it is written. If you didn't say it, fine, then say that and have the news corrected.

**MR. KOSKIE:** — I just did.

**MR. SPEAKER:** — Order, order! I will take a new question.

**MR. J.G. LANE (Qu'Appelle):** — New question to the minister. Will you now come clean and tell the public that . . .

**MR. SPEAKER:** — Order, order! I am asking the member if he has a new question? Because if the member is on the same subject I am going to rule him out of order. I just want to warn the member.

**MR. LANE:** — Would the minister now make it quite clear to the public of Saskatchewan that the increase for the residents of special-care homes is in fact only 7 per cent, well below any inflationary costs, rather than the strange figure of 20 plus per cent which you announced . . .

**MR. SPEAKER:** — Order. I will take a new question.

### **Refusal of Supreme Court re SGEA Ruling**

**MR. R. KATZMAN (Rosthern):** — A question to the Premier. Today the Supreme Court of Canada refused a further appeal on the SGEA (Saskatchewan Government Employees Association) strike by upholding the Saskatchewan decision. You are on record as suggesting that no changes are needed in the act no matter how the result was. Are you still of the same belief?

**MR. BLAKENEY:** — Mr. Speaker, we are having difficulty with the record. I have no recollection of being on record (as the hon. member indicates) and it would not necessarily be my view.

### **Grants for Information Booths**

**MR. J. GARNER (Wilkie):** — Mr. Speaker, a question to the Minister of Tourism and Renewable Resources. Mr. Minister it has been brought to my attention that the grants from your department to help finance the information booths, throughout Saskatchewan have been cut off for this upcoming year. Have they or have they not been cut off?

**MR. GROSS:** — Mr. Chairman, I am not sure what grants the member is specifying. There are a number of grants in regard to tourist information and tourist promotion. If he could be more specific, I could maybe answer his question.

**MR. GARNER:** — Supplementary, Mr. Speaker. They are the grants for the information booths in the small towns and in the cities. The grants vary from \$300 to \$1,500 (\$300 for the small towns; \$1,500 for the cities). Now, Mr. Minister, do you not agree that this is a terrible time to cut this grant structure to the people of Saskatchewan in the year of Celebrate Saskatchewan? When people will be coming from other provinces to Saskatchewan. They will go to an information booth and with no funding from your department they won't get the information. Why have they been cut off, Mr. Minister?

**MR. GROSS:** — Mr. Speaker, to my knowledge the grants have not been cut off. I will confirm that and get back to you later in regard to the exact grant and the funding which is now available. That is my knowledge at this point, unless I am mistaken on the question the member is asking. I will get it confirmed and checked out.

### **Increase in Tourism in 1980**

**MR. TAYLOR:** — A question to the Minister of Tourism and Renewable Resources. I notice that your department is spending \$5 million in capital projects. As this is our province's 75th anniversary, would it be fair to conclude from these factors, along with the lower prices for gasoline and the difference in the Canadian-American dollar, that we can expect a strong demand upon our facilities this year and that the future for tourism in this province look quite bright?

**MR. GROSS:** — Mr. Speaker, I haven't heard the price of gasoline is going down. I think the price of gasoline is increasing. Yes, I think the member is very correct in his assumption that we will be having an increase in tourism. There is no doubt about it. We will be experiencing more at home travel, people staying home. They are not leaving the province; they are staying home. I think the answer is yes, there will be an increase in demand.

**MR. TAYLOR:** — Supplementary. Why then has this government allowed the tourism and renewable resources technology staff at Kelsey Institute to be cut by four instructors in the past two years and a maximum quota of only 27 students to be admitted in the fall term if the future is so great?

**AN HON. MEMBER:** — Why the cutback?

**MR. GROSS:** — Mr. Speaker, I am not aware of any cutback. You would have to ask the minister in charge of Kelsey Institute with regard to cutbacks or what might have happened up there. But I am not aware of any.

**MR. LANE:** — Supplementary to the minister. You were asked a question.

**MR. SPEAKER:** — Order, order. I'll take the member for Indian Head-Wolseley.

**MR. TAYLOR:** — Supplementary. Are you aware that tourism and renewable resources technology is a very popular course with a long waiting list of students? If the future is as bright as you have led us to believe, will you or the minister beside you take action to have this quota lifted so our young students can share in this bright future in tourism and renewable resources?

May 5, 1980

**MR. GROSS:** — Mr. Speaker, I am not aware of any cutbacks as I said earlier in regard to the Kelsey Institute. I will take the member's question under advisement and will confer with the Minister of Continuing Education.

**MR. LANE:** — I would like to ask the minister, on such an important component of tourism development in this province, why you aren't aware of the cutbacks and why your department has failed to inform you or why you have failed to inform yourself? Can you justify to this Assembly why you come in here so ill-prepared you are unable to answer question as to your department?

**MR. SPEAKER:** — Order, order, order!

### **Bankruptcy of Manor House**

**MR. BERNTSON:** — A question, Mr. Speaker, to the minister responsible for SGI. I raised this question last week with the minister responsible for Sask. Housing. It has to do with the 18-unit project contracted by Manor Homes in Oxbow two years ago. Two years ago on December 10 the project was halted and in the intervening period Manor Homes went in receivership. SGI is the bondholder and there seems to be some quarrel between CMHC (Central Mortgage and Housing Corporation) and SGI. My question is, when will this thing be resolved and why is it that similar projects with Manor Homes in town such as Wadena and Lampman have already been resolved and in other town have not been resolved? It's obviously part of the same ball game.

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services):** — Mr. Speaker, the member is correct that there were a number of problems with regard to housing in a number of towns in Saskatchewan related to Manor Homes going into bankruptcy. SGI is the bondholder in this particular instance and it's necessary for them to secure reputable, capable contractors to finish the job. This they have been doing as rapidly as they can. My understanding is that in most of the areas they have completed these. I'll take notice with respect to the one at Oxbow and talk to the officials and come back with more information for you.

### **Increased Fees for Pastures**

**MR. R.H. PICKERING (Bengough-Milestone):** — Mr. Speaker, a question to the Minister of Agriculture. The patrons of numerous community and co-op pastures throughout the province must have applied for their grazing allocations by December 15 in 1979. Since the time of their application, the rate of 13 cents per cow-day has increased to 19 cent per cow-day and they were advised of this on April 15. Do you feel it is fair to the livestock producers to increase rates after the pasture allocations have been made?

**HON. G. MacMURCHY (Minister of Agriculture):** — Mr. Speaker, in terms of the increase in pasture fees and community pasture fees and so on, it's a normal procedure for the increases to be made as part of the budgetary operation of the government. It's been a practice that they come forward at budget time, as in the case the hon. member points out, rather than in the fall.

**MR. PICKERING:** — Supplementary, Mr. Speaker. Mr. Minister, in the last two years the pasture rates have increased some 300 per cent. Do you have no regard for the plight of the farmers and livestock producers during this period of high inflation and high interest rates when the price of the livestock producers' product is going down?

**MR. MacMURCHY:** — Mr. Speaker, I think it's a fact that we have a great deal of regard for the livestock industry, the cattle producers. The facts are that for two years, as I recall, prior to last year's and this year's increases, there were no increases at all. Therefore there was a need to bring about some increases to attempt to break even in our community pastures operation when cattle prices are in fact significantly better than they were for a period of time prior to a year ago.

**MR. PICKERING:** — Final supplementary, Mr. Speaker. Mr. Minister, that increase from 13 cents to 19 cents per day is an increase of some 46 per cent. And you don't seem to think this is a very serious situation. I suggest that probably you should make representation to the co-op pastures and to the federal government to lower this rate immediately.

**MR. MacMURCHY:** — Well, Mr. Speaker, I don't view any increase in pasture fees without some seriousness. I think we are aware of the problems of the cattle industry; we have been for some time. By increasing last year and this year we are trying to bring our fees in line with our operations.

### **Community Pasture Fees — Statement by Former Minister**

**MR. KATZMAN:** — Mr. Minister of Agriculture, over the past few years, as cattle prices were up, the former minister of agriculture indicated he would raise the pasture fees while things were good and lower them while things are not going very well. Today the prices are coming down. Are you going to follow your predecessor's statement that if prices go down, the prices of rental will go down?

**MR. MacMURCHY:** — Mr. Speaker, in so far as next year's budget is concerned we certainly will be considering cattle prices in relationship to pasture fees.

### **Repayment of FarmStart Loans**

**MR. BERTSON:** — A question to the Minister of Agriculture. In line with the question of the member for Rosthern, you have also with your Farm Start program in the past, allowed for reduced or flexible repayment when times are tough. We note right now that net farm incomes are down right across the Prairies. Could you indicate why you are insisting on 160 per cent of normal payment this year on your FarmStart livestock loans?

**MR. MacMURCHY:** — Mr. Speaker, I will have to check for the hon. member with respect to FarmStart. I recall last fall when there was a drought situation, particularly in the eastern side of the province, and a frost situation in the northeastern side of the province, there was a flexible payment program in place. To my knowledge that program has not ceased. However, I will check for the hon. member and confirm that for him.

**MR. GARNER:** — Supplementary, Mr. Speaker, to the Minister of Agriculture. You have not stated, Mr. Minister, that cattle prices were higher this year than last year. They were not. In light of the fact that cattle prices are lower this year by at least 5 to 10 cents a pound, and you have raised the pasture rates by 46 per cent, up 6 cents, do you not think it unfair and that you are not giving the cattlemen of Saskatchewan a break, but causing them a hardship?

**MR. MacMURCHY:** — If the hon. member checks the record he will find that I did not say cattle prices this year were higher than they were one year ago. I think the hon. member will know with respect to pasture fees that there is a formula which applies. I pointed out to the hon. member for Bengough-Milestone that there was a two-year period where we did not apply the formula at all. We are trying now to get things into line. That is the reason for the increase last year and again this year. I indicated to the hon. member for Rosthern that we would be reviewing your situation next year, relating the issue of cattle prices to the issue of pasture fees.

### **Employment in Northern Saskatchewan**

**MR. G.M. McLEOD (Meadow Lake):** — Mr. Speaker, a question to the Minister of Northern Saskatchewan. The Premier, in answer to a question on April 29 (or last week in any case) regarding the potential and actual layoffs of people working in the lumber industry in places such as Meadow Lake, Big River, Carrot River, Hudson Bay and so on expressed the hope that some of these, who would be laid off or could be laid off, would be able to find employment in northern Saskatchewan — in the development which will be taking place in northern Saskatchewan this summer and the ongoing development in the North. My question is, Mr. Minister does this indicate a change in your policy in northern Saskatchewan regarding the northern residency clauses in your employment policies, whereby people who live just immediately south of that jack pine curtain you have there and who consider themselves northern residents and have always considered themselves northern residents, will now be eligible for employment in the North as northern residents?

**HON. J.A. HAMMERSMITH (Minister of Northern Saskatchewan):** — Mr. Speaker, I am not sure just which clauses the member refers to. People south of the northern administration district boundary, which has been in place since 1946, will be eligible this year, as they have been in past years, for employment in northern Saskatchewan with no change.

**MR. McLEOD:** — Supplementary question. Is it not true, Mr. Minister that you have a regulation in northern Saskatchewan whereby, in your definition of what a northern resident is when it comes to employment in the North, they must live half their lives in the North — and North meaning within the northern administration district lines? Live half their lives or 15 years; is that a policy?

**MR. HAMMERSMITH:** — No, that is not true.

### **Cause of Forest Fire**

**MR. LANE:** — I would like to direct a question to the Minister of Northern Saskatchewan. An official of the Department of Northern Saskatchewan is quoted as stating that one of the reasons for one of the major fires was testing by the Canadian Armed Forces in the testing range at Cold Lake. That has been unequivocally denied by spokesmen for the Canadian Armed Forces' base. Could you advise this Assembly why the rather unfair and inopportune statement was made by the official and what action you've taken to clarify and rectify the record?

**MR. HAMMERSMITH:** — Mr. Speaker, my information is that officials by the Department of Northern Saskatchewan suggested that was one possibility as to the cause of the fire very shortly after it had broken out. The information I have from the department is that



they do agree with the Department of National Defence that that was not the cause of the fire.

### **Point of Order re Question Period**

**MR. J.G. LANE (Qu'Appelle):** — Would Mr. Speaker mind explaining why I was cut off on questioning the Minister of Social Services on what I felt to be a rather important issue, that being a press release which had rather misleading information being given by the government?

**MR. SPEAKER:** — The member for Rosetown-Elrose had already asked the question and in essence had repeated it on the supplementary and had repeated it again on a second supplementary. I was not prepared to allow a further supplementary which the member for Qu'Appelle attempted to ask. The member for Qu'Appelle said, new question (I believe), and I warned the member for Qu'Appelle that I didn't want a repeat of the other one because the rules with regard to the question period are quite clear. Beauchesne's, Fourth Edition, citation 171(c), says that a member may not 'multiply, with slight variations, a similar question on the same point.' That's the reason that I called the member out of order.

### **SECOND READINGS**

**HON. G.T. SNYDER (Minister of Labour)** moved second reading of Bill No. 92 — **An Act to amend The Labour Standards Act.**

He said: Mr. Speaker, I am pleased to move second reading of a bill designed to upgrade the Labour Standards Act, one of the cornerstones of the government's commitment to provide the conditions of work conducive to a secure and productive labor force. The intent of The Labour Standards act, Mr. Speaker, is to provide acceptable minimum standards concerning wages, hours of work, vacations and generally all matters pertaining to conditions of work. In so doing, the act implicitly recognizes the contribution of working people in the development of our province. Our government intends to maintain these minimum standards at a level that has made this province a leader in the field of labour standards legislation. I think it's worthwhile to remember that when the CCF took government in 1944, the post-war industrial boom was in its infancy. The government recognized that the provincial economy was becoming more industrialized and less dependent upon agriculture and that it was essential to develop legislation to promote the rational and humane implementation of industrialization.

This was the philosophy behind the comprehensive program of innovative legislation introduced between 1944 and 1964 that is now the foundation of one of the best systems of labour standards in Canada. Unfortunately, Mr. Speaker, between 1964 and 1971, the province's ranking in the labour standards field had dropped almost to the bottom. The Liberal regime of this period ignored the rights of working people and in some instances enacted what had to be regarded as regressive legislation. With the election of the NDP in 1971, that negative trend, I suggest, was reversed and the government immediately set to work improving the old legislation and strengthening the regulations.

For example, Mr. Speaker, in August of 1971, Saskatchewan became the first province in the country to introduce a universal 40-hour week. Saskatchewan led the way once again when in 1974 it became mandatory for employers to provide workers with three

May 5, 1980

weeks paid vacation after one year of service and four weeks after 10 years of service. In addition, further improvements were made relating to vacation leave, equal pay provisions and maternity leave. Employees were given the right to take a leave of absence to run as candidates and serve in a public office and the right to refuse to carry out what had to be regarded as unusually dangerous work under certain circumstances. Further protection was provided to the worker by preventing the loss of wages when an employer failed financially and by prohibiting the firing of an employee merely due to garnishment of wages. As well, in 1975 Saskatchewan Day was proclaimed in honor of our pioneers, providing workers with an extra long weekend during our beautiful but all-too-short summer.

Eventually, Mr. Speaker, the province's rapidly changing economic situation and the needs of an increasingly sophisticated work force produced the need for a new act. Therefore, in 1977 a new labor standards act was proclaimed. This act was not just a consolidation of the previous legislation and amendments, Mr. Speaker, but it contained several provisions which extended considerably the scope of protection to workers. Voluntary overtime, maternity leave, equal pay, out-of-province wage adjustments and changes in administration and enforcement were some of the subjects dealt with under the new act in a new or improved form.

Let me speak for a minute about the most basic of all labor standards, the minimum wage. Under the terms of The Labour Standards Act, one of the responsibilities of the minimum wage board is to monitor wages so as to guarantee that working people in the province receive at least a minimum return for the wealth they help to create. Since 1971 the board has raised the minimum wage ten times and in so doing has helped the unorganized worker maintain his or her standard of living during a period of national and international inflation. The most recent increase in the minimum wage took effect in October 1979, followed by a further increase on May 1 which raised it from \$3.50 to \$3.65 per hour.

The bill which is before the House today is an effort to extend additional protection to the labor force by amending the act, thereby making it more effective and more consistent with current trends. Let me then take just a moment or two, Mr. Speaker, to briefly outline the amendments to The Labour Standards Act.

It will be remembered that in the 1979 municipal elections the majority of burgesses voting in Regina and Saskatoon voted in favour of extending shopping hours. By-laws were subsequently enacted in both cities permitting stores to remain open a full six days a week. The provision is of concern to workers in the retail sector as it poses a threat to the situation where employees generally enjoy two consecutive days off work in a week. In this regard the United Food and Commercial Workers, the Retail, Wholesale and Department Store Union and large numbers of unorganized employees have requested the enactment of legislation allowing two consecutive days of rest, one of them being a Sunday.

Extended shopping hours are also a source of concern for owners of small business, Mr. Speaker. Not having the flexibility in staff to enable them to rotate their employees as is possible in the large stores, some small establishments face competitive disadvantages. Earlier this year the retail merchants' association sent out a questionnaire to some 3,500 retailers. Of this number, 550 were members of the retail merchants' association and the remainder were businesses maintained by the retail merchants' association on their mailing list. Three questions were contained in the questionnaire, one of which was, do you feel there is a need for a statutory guarantee of

two consecutive days of rest for employees? The response was almost evenly divided; however, I think the most revealing statistic is that there were only 40 responses received on the question. I think it is safe from that to assume a much higher response would have been anticipated if legislation requiring two consecutive days off were perceived to be any kind of threat to small business. Clearly small retailers do not then have a serious objection to the implementation of such legislation.

The Labour Standards Act presently stipulates that all employees who work more than five hours a day are entitled to one day off each week, subject to exemptions. Of course the majority of unionized workers in Saskatchewan already enjoy two consecutive days of rest. Such however is not the case, Mr. Speaker, in the retail sector. May agreements in this area allow for two consecutive days off wherever possible the new by-laws have rendered the phrase wherever possible far too vague in the interpretation for any consistent application and thus represent a source of potential conflict.

Accordingly, an amendment has been drafted setting more definitive legislative guidelines concerning the subject of two consecutive days off, in the context of standard shopping hours. The amendment guarantees to all employees in establishments of 11 or more employees, two consecutive days of rest, stipulating that one of these be a Sunday wherever possible.

Flexibility in the application is ensured by permitting exemptions in establishments which will be specified by schedule — an appendage to the regulations — in cases where a severe hardship would be imposed on a business, or a group of businesses. In instances where both the employer and the employee agree to an alternate arrangement, we would be providing an exemption.

The amendment, I think guarantees a significant benefit to a large number of employees, both unionized and non-unionized. It acknowledges the special situation of small businesses; it provides flexibility in application to prevent undue hardship, and provides for the inclusion of a schedule in the regulations, exempting certain classes of establishments from the provisions of this section.

The schedule to give an offhanded judgment, Mr. Speaker, might include such establishments as hospitals, nursing homes, fire departments, police departments, electrical power generating plants in refineries, and probably some other 7 days a week, 24-hour operations which would have, I think, some major difficulty including Sunday in the two consecutive days off provision.

As previously noted, the present act provides for one day off in seven for employees normally working more than five hours per day. To make this benefit available to more part-time workers, it is proposed that one day off in seven applies to those employees usually working 20 hours or more in a week. This definition of part-time is consistent with that employed by the unemployment insurance commission, and was drafted with that idea in mind.

Employees who take time off to be with a newly adopted child, at the present time have no right to leave and no protection from dismissal or discipline. It is clearly an inequitable situation and it has been eloquently pointed out by a number of women's groups in the province of Saskatchewan. It is proposed, therefore, that unpaid adoption leave of up to 6 weeks (a maximum of 6 weeks) be provided for in the amendment to The Labour Standards Act.

May 5, 1980

It should be pointed out that the provision for various forms of unpaid adoption leave is becoming a great deal more common in recent years in a number of collective agreements. In 1978 there were only 22 collective agreements covering about 6,000 employees with adoption leave provisions in them. In 1979 there were, by that time, 31 agreements covering over 15,000 employees. Unpaid adoption leave then, Mr. Speaker, will not result in any direct cost to employers.

At the present time a father wishing to take off time during the birth of his child, or in the period immediately following the birth, has no right to such leave. This leaves the father open to dismissal or a disciplinary action if time off is taken. In recognition of the increasingly important role of the father in the early life of the child, it is proposed that unpaid paternity leave up to a maximum of six weeks, be added to the terms of the act, and once again I suggest there are no direct costs accruing to the employer.

Employees who take time off to attend the funeral of a close relative have no protection from dismissal or discipline under the present act. As such, an amendment is proposed to allow for unpaid bereavement leave of up to five days. This provision again, does not result in any direct cost increase to employers.

Another amendment, and probably the most significant part of the amendments which are before us today, deals with graduated notice of termination, taking into consideration the number of years of service with a particular employer. If an employee is employed continuously for three months or more, the employer cannot discharge the employee except for just cause, other than shortage of work or layoff, without giving the employee at least one week's notice if the period of employment is less than one year; four weeks written notice if the period of employment is one year or more but less than five; six weeks written notice if the period of employment is five years or more, but less than ten; and finally, eight weeks written notice if the period of employment is ten years or more.

I think this amendment, as I've outlined, updates our legislation and makes it consistent with current employment practices. Similar legislation has been adopted in a particular instance in Alberta and Nova Scotia legislation, and this puts Saskatchewan legislation basically abreast of those two provincial statutes. Mr. Speaker, the foregoing then represents the major amendments to The Labour Standards Act.

The remaining amendments are primarily of a housekeeping nature. It will be known that the former labour standards branch has been amalgamated with the former apprenticeship and standards branch to form the apprenticeship and standards division. This has necessitated a number of minor wording changes in the applicable sections of the act. In unionized situations, Mr. Speaker, the issue of an averaging permit placed on a written agreement between the two parties has been required and has been nothing more than a mere formality. It's proposed that this unnecessary administrative burden be eliminated.

In addition, Mr. Speaker, the wording of section 26 and 72 has caused some confusion to employers and employees. Wording revisions are proposed to rectify the problem. The present wording of section 26 seems to suggest that an employee could continue to accrue benefits while on maternity leave. This of course was not the intention of the act. The wording of the proposed new section makes the foregoing clear. Section 72 does not now specify that a regulation made under The Labour Standards Act supersedes any agreement entered into by an employee that is less

favourable to him. The proposed rewording of this section would give the regulations the same power of supersedence as the act.

Mr. Speaker, in Saskatchewan working conditions have been constantly improving since 1971 and remain among the best in the country. Our minimum-wage is one of the highest in the country. Our unemployment is one of the lowest despite an ever-increasing labor force. Work, I think, has to be thought of as an integral part of the life of each individual. Work conditions to a large extent determine the quality of that life. It's the continuing duty of this government, we believe, to provide the conditions of work that are conducive to a prosperous and a productive work force. This bill before the House today provides the legal framework to help fulfil this goal. Accordingly, Mr. Speaker, I take a great deal of pride in moving second reading of this bill.

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, first of all I'll pick up on the last comment made by the minister. His final comment was re changing of number 72 to allow the action to supersede. I think the minister and I have had a running argument for two or three years now, about a labor case where it was agreed, in the courts that agreements between an employer and an employee, where the employee thought he was getting a better arrangement, superseded anything the department wanted to do. I refer to a case that was tested in courts and ended up being awarded that the individual in the case was allowed to make her own choice if she thought the conditions offered to her by her employer were better than those offered and then when she didn't want to go to court and take that employer to court the government tried to. They lost the court case. I assume what the government is trying to do here is cover up a mistake and slide it in with the act. When I say that, I'm concerned. To me that has always been the individual's loophole, if he thought he was making a better deal with his employee and he was benefiting (for reasons known to him only). Yet there is no fuss or anything about this particular comment. He is sliding this one through as far as I am concerned, or attempting to try to slide it through.

In many ways I like that loophole there as it allows an individual who had certain problems (maybe he had to work opposite hours to his wife because they were trying to get ahead) to be able to arrange that with an employer. He could arrange a 10-hour day or 12-hour day and split days off, because it was better for him and his situation. It seems to indicate that's not the case.

Going back to the start of this particular bill, certain portions of course are universally required, the minister suggests, and are for the benefit of the employee. He suggests now you don't need permission for 10-hour days anymore and I think that's the coming thing — people wanting time off, days en route. But, Mr. Minister, as we go to page 2 of your draft when you refer to days off in a row, you refer to Sunday wherever possible. Coming from an industry myself where Sunday was a working day for the majority of the staff (with the city of Saskatoon) but who were not 24-hour employees by what I believe is the minister's definition, I see a problem. Fortunately, they are very big words — 'wherever possible.' Those two words — you could drive a semi-truck through that loophole.

Basically it means forget about it, you can give them Tuesday-Wednesday or Thursday-Friday; it doesn't matter — whichever you feel. I think it should be whatever you can negotiate with your employee, wherever possible. I think those are the key words — negotiate with your employees, wherever possible; in other words, a joint agreement by both the employer and the employee.

May 5, 1980

This whole bit is geared strictly to the employee. There are no benefits, no sense of responsibility to the employer. You are going to give all the benefits to the employee with no responsibility. That's what bothers me.

In a free country when you accept a privilege you accept responsibility. Here you are going to be giving privileges — two days off in a row which has not been normal, several of the longer periods of dismissal, and so forth. But there is nothing coming back to the employer.

I sit here and think about an employee who for some reason decides that he has worked for 10 years, he is ready to change his ways and find a new job. Maybe he is going to go into business for himself. He has two choices. He can become a very lax employee, sort of lie back and be useless to his employer. The employer says, I can't keep you if you are not going to do any work; he says, well, give me notice. So he takes eight weeks pay and fools around for eight weeks while the employer pays him. Mr. Minister, that is going to happen. And fortunately, it will be the exception rather than the rule, I hope. People are going to take advantage of situations because they are open to them.

For example, I use sick leave — and I only use it as a comparison. If you talk to employers who have sick leave benefits built into their plans, whereby a fellow gets a day a month but is allowed to accrue them to a maximum, and you find that the employees don't misuse sick leave. They build it up for when something major happens. If you find another employer who allows 12 days a year and one must take them within the year, you discover the absentee rate in November and December seems to get a little higher (or in July and August if they've built up 5 or 6 days already). They say, well, I don't really feel like driving back tonight so I won't go to work tomorrow.

And this particular section I'm afraid will cause abuse. The employer is tied down solid. The employee is not tied at all. I remember a line given to me the first time I came into labour negotiations by a gentleman whom I respect considerably at the bargaining table. It was a comment by Mr. Carl McLeod, the city commissioner of Saskatoon, who said prove it's fair and just and you can have it. And I remember the union rep who was there with me commenting to Mr. McLeod, yes, it is our responsibility to prove it's fair and just, otherwise we don't want to ask for it.

That's what I am concerned about in this — fair and just, privilege and responsibility. I don't see this as a two-way boll. I see this as a one-waybill which is all for the employee. What we're going to see is one of two things: either an employer putting up with an employee who wants to get eight weeks' pay and do nothing, or employers having to make cause for dismissal so they can dismiss them immediately. That's not a good thing to have happen. There was always a gentleman's agreement that if a fellow found a new job which was better for him and his family, then the former employer would make an arrangement to let him get away so he could better himself.

If the eight weeks (and it is not written here) were also notice for the employee, they wouldn't be as hesitant as I am. But it isn't. The eight weeks is only upon the employer and that bothers me.

Going back to the paternity leave — another section that bothers me. The principle is correct. Being a father of two children, certainly I would have loved to have five or six weeks at home. But in that principle it doesn't say anything about the problems the employer may go through if I walk out and leave him. It's interesting to note that in one

place it says I give notice, while the other one says if I don't give notice then after the child is born I can give notice and I can get my four weeks. But the key to the words is that there is nothing here which says if it puts an undue hardship on the employer, then he can say no. Maybe the employer would rather say, let's hire a girl, I'll pay for her. You stay at work and I'll pay for somebody to look after your children and home. Maybe the employer figures that would be better because this man is not replaceable. He's a key factor. Certainly there's the reversal where the family cannot find anybody to look after the children and the pressure is on the father. There's both sides.

But if an employer is willing to be fair and says, look, we can't do without you — let me use an example. This is seeding time. One, maybe two mechanics are at a local shop in some small town fixing machinery; one of them has to go away; it's seeding time. We all know how important seeding is. Harvest is an even more important time to be short these men. It might be better for the employer to say, hey, we'll pay for a girl to go look after your children during the day while you are at work if you want but I can't let you go. Mr. Minister, you say from your seat, what happens? That can happen here. Mr. Minister, the employee has the right to say I'm going. That's the end of it.

I don't care about your business and 25 years of your family working to develop that business. I don't care about those farmers out there who need repairs for their parts. I don't care that the Minister of Consumer Affairs will come after my employee because there is nobody there to fix his tractor and he has to have it fixed. You don't cover for those things. You just take a blind approach here and say that the boys want it so we are going to give it to them.

What about the ramifications and the responsibility? In this country we have freedom. With that freedom we have the responsibility of protecting it. I suggest to the minister before I adjourn debate that he go back and think about that particular comment. With privilege goes responsibility. All this bill is privilege and no responsibility. And that's my concern. I fee for the worker who wants to be home when he has a specific problem. But let's deal with the specific problem, not make blanket laws that can be misused. Maybe there should be an appeal to the minister or the deputy minister or someone for special cases but don't write blanket laws that can be misused, and that's the reason I am very concerned.

Mr. Minister, I have more and obviously this bill bothers me, and it was just introduced the other day surprisingly. The number of phone calls that I received on the weekend was rather outstanding. I'm referring to people from within the trade union movement and small business. Therefore . . . (inaudible interjections) . . . yes, I could name some if you like. Mr. Minister, I would like to leave this bill out there in this position for a short while.

In fact I'm not even sure if this bill should maybe wait, before it goes any farther, to the next fall sitting so that there is time, as you suggest, when you brings bills in that are controversial. When we come in the fall, the fall sessions is for controversial bills. You bring them in there and give people time over Christmas and January to think about them before they go ahead for changes. That's where I think this bill should be left, Mr. Minister. It should die on the order paper this session and come back again next year with changes and maybe changes in line with responsibility as well as having privilege.

Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

May 5, 1980

**HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban))** — moved second reading of Bill No. 93  
— **An Act to establish The Department of Urban Affairs.**

He said: Mr. Speaker, the introduction of this bill to establish a new Department of Urban Affairs reflects in part the growing importance of urban government in our society. Mr. Speaker, looking after the interests and needs of urban government has evolved into a full-time job. The very magnitude and importance of urban issues demands the full-time attention of a separate minister and department.

The Department of Municipal Affairs was originally established in 1908, a time when the province was primarily rural in nature. Well, Mr. Speaker, times have changed during the past few decades and the division of Department of Municipal Affairs into two separate departments is simply a recognition of the fact that both urban and rural municipalities are coming of age, a recognition that the needs of both rural and urban interests can no longer be met by one department.

With the passing of this bill, the new Department of Urban Affairs will be responsible for all matters related to the development of the province's urban municipalities. In that sense the department will continue to carry on the services and functions of the present urban affairs division of the Department of Municipal Affairs.

The second aspect of the department's responsibility deals with matters of an intermunicipal nature. Those matters that affect both rural and urban municipalities and that are not by law assigned to another department, will become the responsibility of the Department of Urban Affairs. In particular, the Department of Urban Affairs will be responsible for community planning in urban municipalities; regional planning, particularly as it relates to the issues concerning the growth of our larger urban centres; urban development issues, including water and sewer and urban transit; financial and technical support services; and a wide range of grants to urban municipalities including business improvement development. This would include urban revenue sharing and the new unconditional capital grants, the new program community capital fund 2.

Mr. Speaker, I am pleased to say that in the past few years our government has made tremendous progress and advances in the area of provincial municipal relations and maintaining a good working relationship with the municipalities has always been one of this government's high priorities. I believe this bill represents an acknowledgement of both the stature of urban government and need to give full consideration to the concerns of our urban municipalities.

Mr. Speaker, with those few words I urge all members of this Assembly to support the bill.

**MR. R.L. ANDREW (Kindersley):** — A few comments, Mr. Deputy Speaker, before I adjourn debate on this. I was away for most of Friday. I do wish to contact, and have sent the bill to, a few of the urban municipal governments. I think it is important for them to comment with regard to the bill. Certainly to the fact that the urban and rural municipalities have been severed, I think their reaction has been by and large favorable, especially about the department of rural Saskatchewan. I think time will tell whether or not that was in fact a proper move. I think the urbans are going to have probably the bulk (and maybe well they should) of the employees working in the Department of Urban Affairs. We will see whether they in fact get the just reward they perhaps deserve. Over



time we're going to see that. Those are just my concerns now.

I think there are people on both sides. We will see if rural affairs is developed, and has fewer people, has perhaps less sophisticated programs, etc., whether in the end they are going to suffer because of that.

Prior to any further comment on The Department of Urban Affairs Act I beg leave to adjourn debate and perhaps it will be back at the end of the week.

Debate adjourned.

**HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban))** moved second reading of Bill No. 94 — **An Act respecting the Provision of Financial and Other Assistance to Urban Municipalities for Capital Work Projects.**

He said: Mr. Speaker, I am indeed pleased to give second reading to this particular bill. The introduction of this bill clearly illustrates a number of things about our government: firstly, that we keep our election promises; secondly, that this government effectively manages the economy of this province. In times when other governments are slashing useful programs, Saskatchewan is introducing a new capital program which will provide \$66.6 million for worthwhile projects. Mr. Speaker, the program is funded by the heritage fund and would not have been possible without effective management of our resource revenues. Resource dollars will stay in Saskatchewan to help build rinks, roads and water project, rather than leaving the province and the country as windfall profits to multinational resource companies.

Mr. Speaker, as importantly this bill illustrates that we have faith in local government. We do not need to tell them what types of projects to undertake or when and how to spend their grants. We believe that strong, independent and responsible local government is essential in our society. We back our beliefs with unconditional financial support to our local governments both by way of operating grants and capital grants. This one deals specifically with capital grants.

Further, it illustrates our desire to preserve and upgrade the quality of life in our province. This program will help communities to provide the infrastructure necessary to accommodate growth encouraged by policies and developments of this government.

Unlike the community services program introduced just a couple of years ago by the federal government which provides absolutely no money for communities with a population under 1,000, our government makes grants available to every hamlet, village, town and city in the province regardless of their size. The federal government may not care about small-town Saskatchewan, but our government is dedicated to its preservation.

Mr. Speaker, I can say without fear of contradiction that the community capital fund No. 1 was one of the most popular programs ever introduced by this or any other government. It was popular not only because it was generous but also because it involved a minimum of red tape. Municipalities knew what they were entitled to and when they would get it. It was popular because it implemented our belief in local government autonomy.

The community capital fund No. 2 is a new program introduced because we realize

May 5, 1980

legitimate capital projects remain to be completed. We as a government do not want our municipalities and our people to go without these projects, or to be crippled by onerous debt burdens if left to complete them without the assistance of the province. The community capital fund will continue all of the good features of the old program and will introduce some improvements. There will be more money available in this program, up to \$66.6 million as opposed to \$47 million in the community capital fund No. 1.

Application forms and procedures will be greatly simplified and streamlined, making the program easier to administer and deal with. Fewer staff in urban affairs will be required to administer the new program.

Mr. Speaker, in the last few years we have seen tremendous advances in the area of provincial-municipal relations. We have seen huge increases in grant funding, reductions in the administrative procedures and advances in local autonomy. Mr. Speaker, assistance to municipal government has been and remains a high priority of our government. I believe this bill represents another step forward to our pursuit of stronger and responsible local government, another step toward making Saskatchewan a better place to live.

Mr. Speaker, I urge all members of this Assembly to support the bill. I know it has the support of hundreds of our communities throughout the province. It will make it possible for them to do the things they are not able to do alone. It will provide capital funds to make their communities a better place and a more beautiful place. It gives them leeway and flexibility. It is a program which continues to be unique. As our revenue sharing continues to be unique and innovative, this capital program is equally unique to Saskatchewan. It is not duplicated by other provinces.

It is true, from time to time some of the provinces feel they can afford on a single-shot basis to provide some money for the local governments. They do so but to have an ongoing capital fund, for the last five years and for the next five years, is indeed new to the province and this country. I can tell you, Mr. Speaker, we continue to receive visitors from every province to see how we are administering the revenue sharing formula as well as the community capital fund. Certainly the other municipal governments, and particularly urban governments, throughout the length and breadth of this country are coming to take a look and are urging upon their governments to repeat and duplicate what we have done here. It is a program which I am indeed proud to introduce, Mr. Speaker.

I must also give credit to my predecessor, the Minister of Agriculture, who brought in the first program, community capital fund 1 and for innovating the revenue sharing. True, the local governments would always like to have more money. They would like to have the funds larger. But I can tell you, talking to individual communities as I have in the last few months, they are indeed pleased and grateful with what we have done and look forward to the introduction of the community capital fund 2 (abbreviated it is CCF 2). It is a program which I know will have the support of our communities. I trust we will have the unanimous support of this legislature. Mr. Speaker, I move second reading.

**MR. ANDREW:** — The minister speaks about the great things that he has done and his predecessors have done for urban municipalities in Saskatchewan. Any contribution is certainly welcome to the local governments in this province and our party has been on record for some time — in fact, the basis of our operation is that local government become a more viable force in the governing of the people of Saskatchewan. The

minister speaks about how great everything is in urban affairs, but the bottom line, Mr. Minister, is that mill rates in lots of the towns and the cities of Saskatchewan are going up at a fairly high rate and at an alarming rate a lot of times.

Mr. Minister, you can give \$100 per capita (and I say we welcome that) but by the same token the mill rates are going up in the small towns and why? The mill rate is going up because there is not enough money there to run a hospital in the proper way. Therefore they have to go to the property taxpayers to raise some money to further support the hospital, to further provide the services to the hospitals in Saskatchewan. So you give out with one hand and you take away with the next hand — and not just the hospitals.

The same thing applies in the school in the education program. The education programs are being cut back because of a decrease in the number of students. Therefore, there are fewer dollars to provide the services. Therefore, the local governments have one or two options. They can cut our programs, or go to the taxpayer again for more money. Unfortunately the taxpayers that are always being faced with that are the property owners. So I can say, Mr. Minister, we will be supporting the program because it does provide this money.

I sometimes wonder if other government programs shouldn't look at things in a five-year manner instead of simply one-year piecemeal type of thing. Perhaps in the fifth or four year of this program, depending on inflation, we'll see whether or not they are satisfied with the program as well. But all I do say, Mr. Minister, is this in supporting this program (because I do support money going to the local government) you have to shoot out at both sides.

It was you last year, Mr. Minister, as Minister of Finance, who said, sure, we could balance the budget. There's no problems in balancing the budget, but if we did we would have to do it on the backs of the property taxpayers. Well, it looks like since you left the department, the person who has replaced you has in fact followed the advice that you sort of suggested we shouldn't do. What is happening is that as those costs escalate in the urban municipalities of this province, we're going to find more and more pressure on the property owner.

I think it was you, Mr. Minister, that on several other occasions suggested that income tax is by far a fairer tax than property tax. I think most people would agree with that. The property tax very often can be distorted. The business tax very often can be distorted. In a sense a person with a large area does not necessarily make a lot of money, where a person, perhaps a professional person, using a smaller area does. It seems to me what you're doing is casting that burden so the taxpayer is the property tax payer of Saskatchewan and not the income tax payer so much. So as I say, I'm going to support this but I certainly in supporting it do not throw you a bouquet for what you've done for the urban municipalities in Saskatchewan.

**MR. SPEAKER:** — Mr. Speaker, in closing debate on this bill I want to make reply briefly to the remarks of the previous speaker. The hon. member might have done well to inform himself of what has really been happening in this province in the last few years with mill rates. The hon. member may not be aware but let me tell him what happened in the city of Regina as an example. Since 1978 mill rates have gone up by 11 per cent. At the same time the province has increased its funding to the city by 67 per

May 5, 1980

cent. Mr. Speaker, that same story can be stated and restated as it applies to every community in this province.

One can go back, Mr. Speaker, to see what this government has done to help local governments. You know when we took office in 1971 urban government received a mere \$900,000 for operating grants, and a mere \$2.5 million for capital grants. Mr. Speaker, this year we will be providing \$97 million for operating purposes on an unconditional basis. We will be providing \$35 million for capital projects, Mr. Speaker, under the community capital fund and other programs. Mr. Speaker, I invite the hon. members to check with municipal councils, particularly those councillors and mayors who have been in office the last 10 years or so (and there are many of them who are doing a tremendous job for the communities in Saskatchewan). They will tell you that never in their fondest dreams have they ever thought they would get that kind of assistance. For example, a city like Saskatoon, in unconditional grants received a mere pittance nine years ago. This year it received over \$11 million. I invite you to check with the councillors and administrators; they will concede this government has done well, has treated them fairly, has shared its revenue with them, more than they ever had expected.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SMISHEK:** — Mr. Speaker, I am proud of what this government has done to help local governments. Not only that, but by way of housing, hospitals and all kind of services we have helped to provide, we have helped make our towns, our villages, our cities better places for the people of Saskatchewan to live.

Mr. Speaker, with those remarks I close second reading.

**SOME HON. MEMBERS:** — Hear, hear!

Motion agreed to and bill read a second time.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Shillington (Minister of Culture and Youth) that Bill No. 59 — **An Act to amend The Public Libraries Act (No. 2)** be now read a second time.

**MR. G.M. McLEOD (Meadow Lake):** — Mr. Deputy Speaker, in speaking to the bill I would first like to congratulate the Provincial Library and the dedicated and industrious librarians of the province who have worked so hard to create the excellent library system we have.

Through the network of the Provincial Library, the two major municipal libraries in Regina and Saskatoon and the seven regional libraries, the citizens of the province have been provided with an essential link to the knowledge of the world . . . (inaudible interjection) . . . You wait till the last part of the speech.

At present, we are in the midst of a revolution in information systems produced by the advances in telecommunications and computer technology. Saskatchewan has long been overdue in developing an automated data recovery system. However, we must not

be so concerned with catching up (and I repeat, catching up) to the other provinces that we proceed in a reckless manner. On April 14, in debate on this bill, Mr. Deputy Speaker, the minister agreed that the report entitled *The Automation of Saskatchewan Public Library Systems* by Mr. A.J.S. Ball was the basis for the automation program soon to be introduced in the province and that the recommendation from that report recommended that the use of the non-profit corporation we are now discussing. The entire automation process will take three years.

During that time terminals will be installed, personnel trained, the central catalogue of the Provincial Library systems convenient to machine-readable form and the UTLAS system will be made fully operational. It is incumbent on me to mention that there is only one provision for an assessment of this program after two years. Surely such a new innovation as this requires more frequent evaluation. Mr. Deputy Speaker, you may not be aware (and the minister has certainly not announced) that an in-house review of Mr. Ball's recommendations by SaskComp and the bureau of management improvement of the Department of Finance concluded it would be doubtful the system presently outlined in the report would operate effectively, if at all.

Another study by an independent and impartial consultant has been conducted in the past few years. I would like to ask the minister if that investigation has been concluded? What recommendations have been made? Surely the minister would not be so silent had the results been favorable to this cause.

The minister responsible for the Provincial Library is well aware of the first report on automation, completed for the Provincial Library in 1976 by Richard Smith, then a program analyst with SaskComp. At that time, Mr. Smith visited libraries across Canada to study the various methods used by the University of Toronto, the University of British Columbia, the North York Public Library in Ontario, and the National Library in Ottawa to automate their catalogues. He recommended that the provincial union catalogues in the Saskatchewan library system be converted into machine-readable form, and I quote from his recommendations:

. . . to take advantage of and be compatible with the national library network and to begin an automated circulation system.

This study was done from the perspective of how the library functioned both as a user of outside sources and as a provider of information to the public. That 1976 study laid the groundwork for the automation system.

Why, Mr. Minister were the recommendations of this report not acted upon? Why were no funds allocated at that time for the project? We are all well aware that the subject of automation is not a new one in library circles in the province. It is hard to understand therefore, why the government has such a sense of urgency now, when we have had a viable report available to for the past four years. Or is it again a case of requesting permission after the fact? Is it not true that on February 8 of this year, a new publication, *Countdown*, a bulletin of the Saskatchewan library automated project appeared in circulation? The first issue was number 25 — and counting. It seems that the minister has set July 24, 1980 as the foundation date of his new corporation.

For the moment I would like to dwell on the automation area of this project. Mr. Ball's report mentioned that the implementation of the system could not proceed until Sask Tel instituted its mini-datapac network service. This, by virtue of its nature hinges on yet another bill before this Assembly, namely Bill No. 13, *An Act to amend The*

May 5, 1980

Saskatchewan Telecommunications Act. The amendments to section 9 of that bill would allow the manufacture, distribution and leasing of all telecommunication equipment or attachments. The new section 43 gives Sask Tel the freedom to finance and enter into joint ventures or contracts to accomplish this end.

In addition, section 44 of Bill No. 13 prohibits any unauthorized attachments, competitive products, or even advertisement of them. This provides Sask Tel with such wide-ranging powers that there is no provision for appeal in the event of a denial of access for any reason, or even public disclosure of these reasons. Sask Tel will then have a virtual monopoly on all the automated functions of the library.

This issue raises many basic concerns. I would like to quote from a letter received from the Saskatchewan Library Association, Mr. Deputy Speaker.

The Saskatchewan Library Association is a non-profit organization whose members represent a wide spectrum of library workers in Saskatchewan.

The primary purpose of the institutions for which our members work is to provide information to their patrons, or to provide access to information stored in other locations. Many of these institutions are public libraries whose primary goal is to provide information to the general public as a free service, free not only in the monetary sense, but free from political, religious, cultural or other biases.

It is very important to our membership that information be freely available to all those who seek it. Any attempt to restrict access to information by censoring the knowledge base or by restricting or monopolizing communications channels is against the interest of our members, and very definitely against the interests of the clientele we serve. Library patrons come from all walks of life, and all parts of the political spectrum.

It is incumbent on this government to resolve this situation, for we are not only dealing with a piece of legislation here, but with the restriction of one of our basic freedoms.

Earlier, Mr. Deputy Speaker, I spoke about the great haste that seems to be accompanying the passing of this legislation and the implementation of Mr. Ball's recommendations. I would like to turn to yet another study released in February 1980. It is the report of the project director for automation of Saskatchewan public libraries by Keith Turnbull, then the assistant provincial librarian.

Mr. Turnbull was appointed project director by the provincial librarian, Don Meadows. In light of what has transpired, Mr. Speaker, I am most concerned with the issues raised by Mr. Turnbull. He stated that the basic requirements of libraries have not been identified; this is imperative before any long-range plans are put forth. There must be a continuous line of communication set up among the Provincial Library, the two major municipal and the regional libraries. Until this is completed, little of a truly comprehensive nature can take place.

Municipalities have recently been exercising their right to opt out of the regional library system. They seem to feel they have little or no voice in the major decisions that concern them — especially automation where they will be forced to contribute large sums of money, difficult to obtain from their municipal councils.

I must disagree with the minister when he states that the sole reason for opting out is to bring pressure on the regional library board to reduce its assessments. However, I do agree that a new method of assessment is necessary to enable these regional libraries to not only remain but grow within the system.

Mr. Speaker, it is unthinkable that the rural areas of this province might well be without the service of a local library. It is unimaginable that the outside knowledge available to rural children will be limited to the inadequate facilities of the school library or to television. No complete analysis was made of the strengths and weaknesses of the two methods of automation, UTLAS (University of Toronto Library Automation System) and DOBIS (Dortmunder Bibliothekssystem).

Mr. Ball is currently pushing UTLAS, a commercial system used by the University of Toronto and apparently disliked by Mr. Ball when he worked at the University of Regina.

DOBIS, a German library system, is now under review by the National Library in Ottawa. Earlier I mentioned the time frame we have been given for the implementation of the system. Frankly, it is impractical. Instead of proceeding in a systematic series of stages, the report recommends the automation of the entire catalogues of the Provincial Library to be completed at one time. No provision has been made to test or evaluate the system, much less train personnel.

Mr. Speaker, I urge the minister to take into consideration the establishment of a pilot project, whereby at least the UTLAS would be used within the Provincial Library and at least one other public library system. This project would then provide the possibility of evaluating the system, training and providing experience to personnel. All problems inherent in implementing such a new system could be identified and corrected before expanding to encompass the entire province.

One important aspect that has not been touched is funding. bill No. 59 called for the creation of a non-profit corporation. The corporation would include the largest users as members on the board of directors; all other subscribers would not have a vote unless they purchased sufficient services (\$20,000 worth) from the central agency. The Provincial Library, Regina and Saskatoon public libraries would all have a vote, the regional libraries would not.

I have already mentioned the feelings of the regional libraries in being excluded from decision-making. We see here yet another example of their concerns in having to pay for services without a corresponding input. The idea of a non-profit corporation is to provide service at the lowest possible cost to users. I do not see any specific provision for this in either The Public Libraries Act, Bill No. 59 or Mr. Ball's report.

Mr. Speaker, last month the Minister of Culture and Youth outlined four membership classes in this non-profit organization. The first is a principal membership with an annual fee of \$20,000. The Provincial Library, Regina and Saskatoon are the initial members. The regional libraries may join at a later date.

The second class, participating members, would also pay an annual fee of \$20,000; 90 per cent of which would be used to purchase books and services for all members. The consortium membership is for a number of libraries that might join to purchase a participating membership. The fourth class would be a various membership, someone desiring an association with the library.

May 5, 1980

Mr. Speaker, I would like the minister to explain where these provisions are set down, for surely this seems to be a part of the mandate of the new corporation, which members I daresay, on either side of the House, have not yet been informed of.

Mr. Speaker, where is the necessary funding for this operation? Looking at the estimates for 1980-81 I have not noticed a provision for this project. Last year the provincial Library was given on a one-time basis a grant of \$100,000. This project, however, is slated to need a cash flow of at least \$2 million over five years. It is unthinkable to embark on such a long-term project without a firm commitment by the provincial government to continued funding of at least \$100,000 annually for the next five years. Libraries would not be able to proceed simply by diverting funds from their operating expenses to continue the automation process.

Mr. Speaker, I strongly urge the minister to begin a pilot project using the Provincial Library and one other municipal system. This project should then be used to identify costs, learn procedures and gain experience in library automation. A more realistic analysis of the needs of Saskatchewan libraries could then be identified.

I suggest this would also help alleviate one of the concerns of the staff of the Provincial Library relating to job tenure. It is absurd to think that a policy of attrition would deal with staff reduction. It would amount to replacing a secretary with a librarian or vice versa.

Before concluding my remarks I would like to bring up one very important issue: staff relations at the Provincial Library. It is well known that Mr. Keith Turnbull was fired by what seems to have been an indiscretion soon after he completed his study commenting on Mr. Ball's report. The integrity and intelligence of Mr. Turnbull is well known and many people in the library are quite concerned and upset over the matter. Was there reasonable justification to demand his resignation? I feel this whole incident must be brought into the open to satisfy the principals and to clear the air of any remaining resentment in the library system.

Mr. Speaker, with those comments I will conclude my remarks on second reading and await answers from the minister to the several questions I have raised as he closes debate on this bill.

**HON. E.B. SHILLINGTON (Minister of Culture and Youth):** — Mr. Speaker, I wasn't able to write fast enough to make a note of all of the comments made by the member for Meadow Lake. I will not, therefore, be responding to each and every question he asked.

In any event I would think the appropriate place to deal with that is in committee of the whole and we will probably get to that next week or later this week.

Let me just make a few general comments though. First of all, I may have been in error in giving the second reading speech and getting into the question of a non-profit corporation. The act does not set up any such non-profit corporation. What the act does, Mr. Speaker, is permit the Provincial Library to be a member of a non-profit corporation. While admitting to the member for Meadow Lake that the primary incentive for the bill was a desire to be a member of the non-profit automation corporation (if I might call it that, or whatever it is called), nevertheless I say to him that even if we were to scrub the whole automation project or to scrub the idea of a non-profit corporation as a vehicle for delivering that service, we would probably still want



the amendment because there are other non-profit corporations which we want to belong to The Canadian Library Association is just one. We should have it in any event. I admit to the member for Meadow Lake that a desire to be a member of the Canadian Library Association (which we already are) was not the incentive for this bill. This bill was brought forward as part of an effort to bring automation to bear on provincial libraries.

I think the member for Meadow Lake would admit to himself and to this House that we are not talking about automation itself, but the vehicle for delivering it. I don't think anyone questions the need for automation. I am told (and I believe) that libraries throughout North America are being automated at such a pace that manual cards will no longer be available in the space of a few years. I think that is admitted by all the reports and all of the regional people who are concerned about the non-profit corporation. They all admit we are facing automation as surely as the sun is going to rise in the sky tomorrow morning. So we are talking about, in fact, a vehicle and a concern over that vehicle.

I'd be the first person to admit there is concern over it. The members opposite criticize us for rushing into this thing. That's scarcely a fair criticism. This thing may well have been studied almost to death. If the members opposite criticize us for failing to communicate with regional library boards and regional librarians, that may be a fair question. It may be we have not done as good a job of that as I wished.

I admit there are many concerns out in the country. I was down yesterday afternoon to a tea for the Mayor of Weyburn who won the Order of Canada award. It was awarded to Isabelle Butters. Whom should I run into but the regional librarian who wanted to talk to me about the automation project. You guessed it. So I know the concerns are out there.

I wasn't aware and am in no sense suggesting the member has been dishonest with the House or with anyone else, that the bureau of management improvement had recommended against the project. I'd be surprised if that were the case, actually. I may have misunderstood the member for Meadow Lake. I'd be very surprised to hear that the bureau of management improvement recommended against what we're doing. If that weren't the case, I'd be surprised if we would be doing it. After all, we do have to get our funds from treasury board for it. I'd be surprised if that's correct.

I'm not sure what study he's referring to when he says there's not a study under way and do you have it and what does it say? The study which was under way, the one I'm familiar with was done by Allan Ball. We of course have that. It's that report that we're proceeding to implement. It's his report which is causing these concerns out in radio-land.

The member got into Bill No. 13. I'm going to resist the temptation to get into Bill No. 13. I'd love to because I would just simply say to the members opposite that we are establishing a monopoly. That's the basis of Sask Tel. We believe that's how Sask Tel ought to operate. We've always done that. When I was minister in charge of communications someone recommended for my reading, and I recommend it for the reading of the member opposite, a speech given by one Walter Scott, a local newspaper who did well in this province earlier on. He became premier . . . (inaudible interjection) . . . That's right. You call him Sir when you address Walter Scott.

The telephone company was set up in 1908 by those wild socialist of the day. Why did

May 5, 1980

they set it up? They set it up as a monopoly because they didn't believe, I think very correctly, that the private industry would ever bring telephone service to rural areas. They wanted to be able to cross-subsidize. They wanted to be able to charge more in the cities and so bring it to the rural areas. It is that very philosophy which we are continuing. We want Sask Tel to have a monopoly on all aspects of communications so they may use the profit which is legitimately theirs from data processing.

**MR. SPEAKER:** — I am going to resist the temptation for the minister to get into the discussion on Bill No. 13 as well. I was out when the discussion began on this, when the discussion resumed on this bill and I'm not sure how far the Deputy Speaker allowed the member to go talking about Bill No. 13. If you can relate it immediately to this bill, I'll allow the minister to continue, otherwise, not.

**MR. SHILLINGTON:** — I was about to call the member for Meadow Lake to order. Then he did read a letter from a librarian somewhere or other who wrote in concerned that Bill No. 13 would not allow or let the automated system to go forward. So there is a relationship, however tenuous. But with Mr. Speaker's blessing, I'll resist the temptation to continue with Bill No. 13.

I don't want to say anything about Keith Turnbull. I think that's not fair to Keith Turnbull. I feel like saying to the hon. member that I'll answer any questions about Keith Turnbull that you have Keith Turnbull's permission to ask. I think it is just not fair to someone who doesn't have a voice and doesn't have a platform from which to speak and is in no position to speak. I think the guy is looking for a bit of solitude, not particularly debate.

I think it will suffice to say that I am obviously familiar with the document you read from, which Keith Turnbull offered. I don't agree with the contents of it. That is all I will say about Keith Turnbull.

I want to mention the various computer programming systems. We are using the UTLAS. We are doing that because I am told by the officials that they reviewed each of the various systems and one was as good as the other and the UTLAS was the one Canadian system. They use the UTLAS because it was as good as the others, no better and no worse, and it is Canadian.

I understand as well, an additional reason is that it is used by the universities in the province. I think the day will come when there will be much closer integration between the university libraries and the Provincial Library system. When that day comes it will be a lot easier to do if we are both using the same computer system.

The member for Meadow Lake mentioned a pilot project. In theory that might not have been a bad idea, except that this project does not lend itself to a pilot project. The very nature of a pilot project suggest you are going to bring it in, in one corner of the province and not the others. If it doesn't work in this corner of the province, you scrub it and try something else in some other corner of the province. The very nature of the Provincial Library system in which each of the regions exists out around and the Provincial Library sits in the centre and links each of the regions and itself, makes it impossible to automate the Provincial Library system as a pilot project. If you automate the Provincial Library and the municipalities, you have in fact automated the entire system, because they exist getting stuff out and in, and in and out of the Provincial Library. The very nature of the project makes a pilot project impossible.

The member mentioned funding. Again, I think the proper place to pull each other's hair

out over that subject is in estimates. No doubt we'll have that opportunity. Suffice it to say the funding is in place for the next fiscal year. It's not in the budget. It doesn't appear as an item in the estimates, because we decided on this project after the books had been printed, then it was too late to put it in. It will be dealt with, as any such project is dealt with, by virement or by special warrant. The member knows the mechanisms for dealing with projects which come along after we print the budget and the estimates.

As for the regional funding, that is still some time off. We don't anticipate they will be part of the automated system for three years. We think it will take that long for the municipal libraries in Regina and Saskatoon and the Provincial Library to automate their systems. As I say, once that is done there will be very little left for the regions to do because they just get stuff in and out of the city libraries and the Provincial Library. That is three years off.

There will be a cost attached to it. We will have to meet that cost. We now pick up 80 per cent of the funding for libraries in this province. The additional cost to the regions is going to be largely ours. We admit that. We don't expect them to shake the money out of some tree in the backyard of the library. The money has to come mostly from the province, partially from the municipality. As I say, 80 per cent of the money they spend is ours. It is not a problem we expect to avoid. We just don't have to deal with it for the next two or three fiscal years.

The member mentioned the problem of staff morale. I admitted, when I was speaking on second reading, I had some concern about the concerns of the staff. I think a lot of it has to do with the threat of jobs and the feeling that their jobs may not be secure. I think it is larger than that though. I think that is not being entirely fair to them. I think they share some of the concerns of the region that the system may not operate in the best interests of the regions out there.

I said in the opening, and I'll say in closing, Mr. Speaker, that the bill doesn't set up a non-profit corporation. It allows us to be a member of one. We need the power anyway. I'm not introducing a red herring. I'm admitting that isn't the primary incentive for it. I do say to the member for Meadow Lake and to members of the House that in an effort to resolve some of the concerns about automation, I am setting up a committee on which the preponderance of votes will belong to the regions. I am asking them for their recommendations on how to introduce automation. I have met with any number of them.

I've yet to meet any who suggest to me we shouldn't automate. We have to. It's the vehicle that's causing the concern. We've got some who want to go it with a Crown corporation. That wouldn't have taken any legislation. We've got some who want us to do it out of an advance account in the Provincial Library. That wouldn't take any legislation. We happened to choose the one method which required legislation. As I say we need the bill anyway. It's the government's intention, barring some unexplained filibuster by your people, to pass the bill in any event. We need it. It's not precluding the discussion.

I do intend to set up a committee (and I told the regional library people this) in which Regina and Saskatoon will be represented but so will each of the regions. I will be asking them to make recommendations to myself on the form in which we ought to deliver automation. I think once we get that under way, it will resolve a lot of these problems. We may well make some changes in what we intended to do. It may appear to the regions that some of their concerns were not as serious as they had thought. So I

May 5, 1980

expect this mechanism of a committee to resolve the problems we have with automation. With that I'll just sit down, move second reading of the bill, and suggest to the member that we can pick it up again in committee of the whole when it's dealt with.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. W.E. Smishek (Minister of Municipal Affairs (Urban)) that Bill No. 66 — **An Act to amend The Planning and Development Act** be now read a second time.

Motion agreed to and bill read a second time.

## **COMMITTEE OF THE WHOLE**

### **Bill No. 61 — An Act to amend The Public Works Act**

#### **Section 1**

**MR. R. KATZMAN (Rosthern):** — Mr. Chairman, I would thank the minister for the amendments he has brought forward and which he will be amending (the copy which I have here) to the original printed bill. They resolves some of my concerns and those of my colleagues. Therefore our opinion is that we will be voting with the government on this bill in third reading.

Section 1 agreed.

Sections 2 and 3 agreed.

Section 4 as amended agreed.

Section 5 agreed.

Section 6 as amended agreed.

Section 7 agreed.

The committee agreed to report the bill as amended.

### **Bill No. 21 — An Act to amend The Saskatchewan Computer Utility Corporation Act.**

Sections 1 to 3 agreed.

#### **Section 4**

**MR. KATZMAN:** — Mr. Chairman, I wasn't as fortunate with this one in having the minister give me the amendment ahead of time so I could check its ramifications (as I was able to do in the last amendment). I am going to need a moment or two. If it is agreeable to the minister, we could go to the next bill and come back to this one immediately after I have had time to check this one. Is that O.K. with you, Paul?

Mr. Chairman, if it is agreeable by the House, I would make the motion that we stand this bill and come back to it after the next bill on the list.

**MR. CHAIRMAN:** — Is that agreed?

**SOME HON. MEMBERS:** — Agreed.

**Bill No. 67 — An Act to amend The education and Health Tax Act.**

Section 1 to 5 previously agreed.

**Section 6**

**MR. CHAIRMAN:** — Would you like me to read the amendment to refresh our memories? O.K.

That Bill No. 67 be amended by adding the clause after subsection 8(1)(qq) of The Education and Health Tax Act, as being enacted by section 6 of the bill:

(rr) babies' clothing and footwear.

Amendment negatived.

**MR. P. ROUSSEAU (Regina South):** — Mr. Chairman, I would like to amend section 6 to read:

That Bill No. 67 be amended by adding the clause after subsection 8(1)(qq) of The Education and Health Tax Act, as being enacted by section 6 of the bill:

(rr) babies' clothing, bottles, diapers, babies' blankets and all infant supplies such as cribs, walkers, etc.

**MR. CHAIRMAN:** — The question before the Assembly is section 6 to which an amendment has been offered by the hon. member for Regina South.

We have some problem with the word 'etc.' I can't ever recall reading an act with etc.

**MR. ROUSSEAU:** — Drop the word etc.

**MR. CHAIRMAN:** — Could we just take that out? O.K. I find the amendment in order.

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services):** — Mr. Chairman, obviously the member for Regina South and the members opposite will say that I am against babies now if I argue against the B B B B amendment (bottles, booties, blankets, I don't know what the fourth one was.

I think, first of all, you must realize when we begin putting amendments like this in, we inevitably involve ourselves in some very difficult administrative detail. This is a very difficult act to administer. I think the members really understand that I am not sure. I think there are about 15,000 to 16,000 children born in the province per year. If I remember the vital statistics it is within that range. I don't know what the total cost would be for booties, blankets, bottles and what was the fourth one?

**AN HON. MEMBER:** — Diapers, but that doesn't start with B.

**MR. ROBBINS:** — I suppose if you assume the cost per infant was \$100 you would be saving \$5 per family. That would not (in my view) be much of a saving in terms of the individual family; it would be a real administrative nightmare for the officials who administer E & H tax. Frankly, if we are going to do anything in relation to these kinds of sections of the . . . (inaudible interjection) . . . if the member would cease speaking from his seat — your kind of help I don't need.

The fact of the matter, I think, is it is not practical to look at taking bits and pieces out. I think one of the members, the other day, made the remark that if we were going to exempt anything, it should be perhaps a general line like shoes. Now of course you're into difficulties even there. We must also look at the revenue loss that occurs. We cannot ignore the fact there is some revenue loss and we cannot ignore the fact there are administrative problems. So I would urge the members of the Assembly to defeat the amendment.

**MR. ROUSSEAU:** — Mr. Chairman, obviously the minister is living in the past; it seems it is many, many years since he has had to buy supplies for babies . . . (inaudible interjection) . . . Well, I don't know if you're buying them but if you are talking about \$100 per family, that might have been about 1910. The diapers alone (my colleague tells me) about \$2,000 per child (I don't know if that is right or not) for pampers. So as I say, you are obviously not up to date with the cost of raising children particularly at the infant age. You indicated you would find it a nightmare to administer. Why is it all the other provinces in Canada don't seem to have that problem?

**AN HON. MEMBER:** — They do.

**MR. ROUSSEAU:** — No, they don't. They have exemptions in the children's supplies and bottles (I don't remember the four B's you referred to). I indicated in the first part of the debate, the other day, that the government taxing those babies or the families raising these kids is a little harsh, in fact, quite harsh, really senseless and of no value for as you indicated yourself — I can't remember the number of babies you said were born this year, but I think if you did a little calculation on it, it isn't going to break the government. I think this year you have indicated a little bit of a surplus in your budget, not very much I will admit, and bathe time you are finished this year it is probably going to be a deficit but that is beside the point. The point is I really find it difficult for the minister or for the government on the other side to insist that these items be taxed. I can't accept that. The people in this province won't be able to accept that you would turn down, that you would refuse an exemption of these items. You should remember, Mr. Minister, that those people are raising these youngsters at a time when they need every \$5 bill they can put their hands on. And a \$5 bill with a tax-paid dollar is more than \$5, as you will know, the earning power of that is higher. The earning value of that is higher.

But it's not \$5 we are talking about; it's probably more like \$50 to \$100 a year we're talking about in costs to this family. And if we are taking \$50 to \$100 in gross dollars it's again higher than that. I can't remember the number of children you said were born each year but if you multiply \$100 by that number, what are you really concerned about? The amount in your budget is really very negligible. I would ask the minister to reconsider the recommendation he has just made to the members opposite. Politically I would hope you would turn it down for our benefit because we ant you to approve this amendment. Mr. Minister, you can't give me one good reason why that amendment can't be an exemption of your sales tax. Other provinces administer it and they do not find that much difficulty in it; you are going to help those people who need that help today. I would ask you, Mr. Minister, to reconsider your recommendation.

**MR. ROBBINS:** — Mr. Chairman, the member for Regina South asked me if I could give one good reason. Yes, I can give more than one good reason. We do a great number of things for the children in this province such as free denticare for example, which costs a goodly sum of money. If the figures of the hon. member for Regina South are accurate and we take \$100 per family (that's what he's saying in terms of tax costs), then we are looking at \$1,600,000 in lost revenue. That wipes out the surplus, which you say is tiny anyway.

The fact of the matter is that we have universal medicare in this province without any premium paid by those families, no direct premiums at all; it's \$200 a year in Alberta, almost \$500 a year in Ontario. Sure Alberta doesn't have a sales tax but Ontario has a 7 per cent sales tax. If you go to some of the other provinces, Newfoundland for example has an 11 per cent sales tax. Obviously those are factors in the total scheme of things. We have free dental care for children up to age 13 or 14 now and that's a major factor in current costs. We have massive programs in education. We are spending some \$450 million a year on education in this province and it's growing very rapidly. I suggest that this is simply a political move by the members opposite. I know the Tories need all the help they can get but I urge the members to vote the amendment down.

**MR. ROUSSEAU:** — Mr. Chairman, the minister indicated that they are providing all this education. On a per capita basis you are still providing less than most other provinces in Canada. In health care you are providing on a per capita basis fewer services than the other provinces in Canada. Of all the western provinces by the way, we're at the bottom of the pile when you are talking about health care services or the dollars per capita that you're spending. It is less than British Columbia, less than Alberta, less than Manitoba. You're talking of \$1.6 million. Yes, wipe it out of that's what it is.

Let me suggest to you how you might recover some of that \$1.6 million in a sales tax. Why would you want to tax the babies of those families in this province who need it, and provide pornographic magazines without sales tax? Tax those and you'll recover a lot of the million dollars you're talking about. So where are your priorities, Mr. Minister? Are your priorities with pornography or with families?

**MR. ROBBINS:** — Mr. Chairman, I'm sure the member for Regina South should be aware of the fact that we can't tax magazines coming in by mail. That's a federal government approach. That's a fact of life.

In terms of exempting reading materials and books from tax, we've done that for year and years. All school textbooks are exempt from tax and have been for many, many years. You have a very difficult time trying to make a differentiation between one kind of printed material and another. I am no more for pornographic material than is the member for Regina South. We can't apply tax on it and make exemptions in relation to other reading material.

I think it's important for you to realize E&H tax has not applied to school textbooks in this province for the last 30 years. The members opposite would like to make people believe we're still applying sales tax on them. We're not. We apply the sales tax only on those kinds of things that are general, when you can't determine whether it's going to be used in the schools or outside of the schools. General purpose paper, writing materials, ball-point pens, pencils, memo pads, blank paper, scotch tape, ring-binders — you don't know whether they are going to be used in the schools or where they are going to be used. You would put a burden on the vendor for it is almost impossible for him to

May 5, 1980

determine where that product is going to be used.

Therefore, when you have a product that's going to be used in a general sense both in schools and outside of schools, you cannot make a differentiation of it any more than you can make a differentiation of reading material of any kind. That's why there is a tax exemption of all reading material.

If the members opposite want to buy pornographic material, that's up to them. We don't buy it on this side.

**MR. P.P. MOSTOWAY (Saskatoon Centre):** — Thank you for getting it right. Mr. Chairman, I just want to say a few words here in regard to pornographic material. We had a Tory federal government in for what was it — 200 inglorious days? It seemed like 200 years. But they had a perfect opportunity to ban the importation of pornographic material into Canada.

**MR. CHAIRMAN:** — Order, order, order! 'm having a lot of trouble trying to figure out what the relevancy of pornographic materials is, or the question of school textbooks is, to this particular amendment. I think members on both sides of the House have been out of order. I think if you're making passing references to things like this, that's O.K., but I don't think we should get into a long, drawn-out debate on pornographic material. The hon. member for Saskatoon Centre.

**MR. MOSTOWAY:** — It just goes to show that pornographic material can affect the mind . . . (inaudible interjection) . . . I see I'm not out of order right now, and I simply want to say, Mr. Chairman, that an opportunity was had to ban these being imported into Canada. No action was . . .

**MR. CHAIRMAN:** — Order, order. I've already said that your comments are out of order. Did you have any comments in order you wanted to make?

**MR. MOSTOWAY:** — Mr. Chairman, I just wanted to say I think you spoke with wisdom.

**MR. KATZMAN:** — I think I'd just like to counter one argument of the minister. It's not an administrative headache to worry about baby bottles, diapers and so forth. The retailers collect the tax and when they are punching the till they know baby bottles aren't taxable and they just push them by without tax.

**MR. ROBBINS:** — Mr. Chairman, it's a problem for the vendor obviously.

**MR. KATZMAN:** — As opposed to who's been a vendor, I totally disagree. It's no problem.

Amendment negative on the following recorded division.

#### YEAS — 12

Berntson  
Larter  
Taylor  
Rousseau

Swan  
Pickering  
Muirhead  
Katzman

Andrew  
McLeod  
Collver  
Ham



## NAYS — 23

Blakeney	McArthur	Byers
Pepper	Gross	Tchorzewski
Smishek	Shillington	Koskie
Snyder	MacMurchy	Johnson
Kramer	Mostoway	Nelson
Robbins	Kaeding	Thompson
Baker	Hammersmith	White
Skoberg	Feschuk	

**Section 6**

**MR. ROUSSEAU:** — I move, seconded by the member for Indian Head-Wolseley (Mr. Taylor) that Bill No. 67 be amended by adding the clauses following after clause 8.1 (qq) of The Education and Health Tax Act as being enacted by section 6 of the bill:

(rr) bedding, furniture and television sets used by hotels and motels.

Mr. Chairman, the reason I am on my feet to speak is that this tax on furniture is really not a legal tax, in my opinion. The fact of it is the tax has already been collected on it.

**MR. ROBBINS:** — Mr. Chairman, as you recall previously the member for Rosetown-Elrose raised this question in the House. Actually the situation is similar to tax that applies to cash registers or display counters or manufacturing equipment. In the eyes of the courts, firms buying such items are judged to be the consumers of tangible personal property. An individual does not buy the TV set in the room, the hotel or the motel buys it. The individual purchases the right to use the services of the hotel room for a specified period for time. The hotel operator decides what furnishings will be purchased in order to provide the service. He may not buy a TV set; he may make that choice. The E&H Education and Health Tax Act considers a room rental to be the purchase of a taxable service and imposes tax on the total service charge.

The main difference between this situation and the rental of a specific item of tangible personal property like a lawn mower or power tool is that in the case of the hotel room, an individual is purchasing the total package of services in the room for a night while in the case of a lawn mower the individual is renting the specific piece of equipment for his own use.

The actual purchaser of the TV set or the bedding or whatever in that hotel room is the hotel or motel owner. He actually pays the tax. What the person who stays in the hotel or motel is buying is a service for a specified period of time. Therefore I would urge the members to defeat the amendment.

**MR. H.J. SWAN (Rosetown-Elrose):** — When the minister speaks on this amendment, I think he's missing the main point. And the main point that the hotel owners are raising is you do charge education tax on the rent of the room and the price of the room changes with the number of items in that room. If there wasn't a television, then the room could rent cheaper. If they didn't have other items of furniture, then the room would go down more.

**AN HON. MEMBER:** — . . . didn't have towels, bedding.

**MR. SWAN:** — Well, if you go down to the United States and happen to stay in a Motel 6, you actually pay a certain amount extra for every item you get in one of those hotels. But these people are stating that . . . (inaudible interjection) . . . items of furniture I said now, careful. Listen to them over there.

I think these guys read a lot of that pornographic material, Mr. Chairman. The hotel owners, when I talked to them, feel that when they are upgrading their facilities by putting in television sets or whatever, they increase the value of that room per day. By doing that you collect more education and health tax on that room. In that way they feel you are charging double for the people renting the space. You're charging the cost when the hotel owner buys the television set. You're charging again because the room rental rate increases because the television is there. For that reason I would urge you to support the amendment.

**MR. ROBBINS:** — Mr. Chairman, the situation is actually no different than production equipment going into a building. We tax all Sask Tel's equipment that they buy. It's no different than this. The argument is that the hotel or motel owner is putting certain things in his motel or hotel on the basis that he wants to attract more customers. The customer is paying for the service he gets and paying a tax on that service. It's no different than Sask Tel paying E&H tax on its equipment and you pay for the service. You pay an E&H tax on the service rendered when you use long-distance telephone calls. It's no different at all. I urge members to defeat the amendment.

**MR. ROUSSEAU:** — Mr. Chairman, the minister is using comparisons which are really not relative. Let me make a comparison with you on exactly the rental of a motel room or unit, which is very similar to renting a motor home. A motor home is really a motel unit on wheels — that's what you're renting. In a motor home it could have an air condition unit; it could have a television set; it could have a radio; it could have a number of things. You do not tax the motor home or its accessories at the time it is placed in rental service. You tax it on rental service only. I submit to you that the amendment we have here on motels-hotels is very, very similar to a motor home rental. Mr. Minister, I know what I am talking about because I was in the business and I'm right.

**MR. ROBBINS:** — Mr. Chairman, I thank the member for the suggestion. We'll tax it next year perhaps.

**MR. ROUSSEAU:** — Are you suggesting now that you are going to tax the . . . Just a minute. If you are suggesting that you are going to tax motor homes next year, then you are going to look at the whole of rentals of cars and trucks and . . .

**MR. CHAIRMAN:** — Order. I don't think that is the item we are dealing with right at the moment.

Amendment negative on division.

### **Section 6 (continued)**

**MR. ROUSSEAU:** — Mr. Chairman, I move, seconded by the member for Indian Head-Wolseley (Mr. Taylor), that Bill No. 67 be amended by adding the clause, following after clause 8(1)(qq) of The Education and Health Tax Act as being enacted by section 6 of the bill:

8.1(rr) — school supplies.

**MR. CHAIRMAN:** — I will take your word for it that we haven't dealt with it before.

**MR. ROUSSEAU:** — I can tell you exactly what we had before. The first one was electricity for irrigation pumps and the other one was for children's clothing and footwear.

**MR. CHAIRMAN:** — I find the amendment in order.

**MR. ROBBINS:** — Mr. Chairman, this is a bit repetitious but I want to emphasize again that all school books have been exempt from education and health tax for more than 30 years. The only items of school supplies which have been and remain taxable are the general purpose paper and writing materials used by everyone in our society, ballpoint pens, pencils, memo pads, blank paper, scotch tape and ring-binders. Our difficulty is that such items are in fact used by everyone and to exempt them for use in schools would put an intolerable record-keeping burden on the business people in this province. In addition vendors would be required to pass judgment as to whether an adult purchasing such items was buying them for a student or for some other purpose.

Mr. Chairman, I would like to re-emphasize that reading material is exempt from E&H tax. This means that most of the items purchased for use by students in schools and universities are in fact tax exempt. I urge the members to defeat the amendment.

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — I just have one question for the minister. When you talk about ring-binders and scribblers and loose-leaf and you say they are used by the majority of the population, I would maintain the majority of usage (and you must agree, I think) is by children in schools.

**MR. ROBBINS:** — Offices use them generally all over.

Amendment negated on division.

**MR. ROUSSEAU:** — Mr. Chairman, I move, seconded by the member for Indian Head-Wolseley (Mr. Taylor) that Bill No. 67 be amended by adding the clause following clause 8(1)(qq) of The Education and Health Tax Act as being enacted by section 6 of the bill:

(rr) grain boxes for farm use.

Vote against that one gentlemen.

**MR. ROBBINS:** — Mr. Chairman, a brief comment. If anyone comes into a dealer and buys a truck with a grain box on it, how are you going to determine it is only for farm use?

**AN HON. MEMBER:** — You can tell by the plate on it which you also pay for.

**MR. ROBBINS:** — That is not necessarily true at all. It could be used in a commercial capacity quite easily. Therefore, because we cannot determine whether or not it is going to be used solely on a farm, we have to tax it. I urge the members to vote against the amendment.

**MR. KATZMAN:** — Mr. Minister, I think you are aware of their construction and where they are used. They are a large expense which is taxable under the present system. We, on this side, believe they shouldn't be. It is an additional cost for the farmers. We think

May 5, 1980

they should be exempt from the tax.

It is easy to identify them by one of two methods. One is the method of an end-user's certificate, if it must be. If you are giving the argument you are suggesting, we don't know if that is what is going to happen. You can work with that system if it is a must, if you are not going to trust the farmers when they say that grain box is for a farm at such and such a location.

You can also indicate that when a farmer buys one, he plates it with an R plate or a farm plate. The R plate, of course, is a little more difficult situation. Anybody else using it for commercial purposes will be buying a C or D plate. Therefore, that will indicate it is commercial, and therefore, taxable.

We're recommending that arm boxes for farm use should not be taxable. It is a very simple thing. It is not hard to manage, even if you had to go one step further to end-user's certificates. I use batteries as an example. I can buy a battery without sales tax on it for my farm. Now a battery can be used in my car or anything, and that is no problem. A grain box is easier, bigger to see and easier to look after.

**MR. ROBBINS:** — Mr. Chairman, just one brief comment. All transportation equipment brought by farmers is taxable and always has been. The argument that the fellow can buy a farm plate and therefore, he is not going to truck for his neighbors is not necessarily true at all. It often happens. I know a good deal about farmers too. I was putting in some crop over the weekend. I think it is fair to say many farmers will commercially haul for some other farmer. They make a deal between them and by some arrangements they are paid for it. I urge members to defeat the amendment.

Amendment negatived.

Sections 6 and 7 agreed.

## **Section 8**

**MR. CHAIRMAN:** — We have a House amendment for section 8, which reads as follows:

Strike out section 8 of the printed bill and substitute the following:

8. Sub-section 44(2) is amended:

(a) by repealing clause (h), and,

(b) by adding the following clause after 44(2)(j)

(k) enlarging and restricting the meaning of any word or expression used in subsection 8(1).

**AN HON. MEMBER:** — Why the amendment?

**MR. ROBBINS:** — It's just moving out of the bill into regulations, how to define the section of the act, that's all. It's related to the fact that there are 42 additional exemptions to farmers. These fellows are trying to tell us we are against farmers. We just added 42 exemptions for farmers.

Section 8 as amended agreed.

Section 9 agreed.

The committee agreed to report the bill as amended.

**Bill No. 21 — An Act to amend The Saskatchewan Computer Utility Corporation Act.**

Section 4 as amended agreed.

**Section 5**

**MR. KATZMAN:** — Mr. Minister during the second reading, I made comments about the portion of the bill and I'm concerned that as usual your government seems to be moving further and further into the area of private enterprise, either by legislation or by unfair competition, slowly talking over parts of the industry. The original idea of setting up the computer corporation to handle government affairs, Crown corporations and other government areas, was agreeable because of confidentiality and because it was important for the government to look after their own in-House activities. The University of Saskatoon and the Regina University, well you can understand that a little. But now, (even though the old bill said it, I realize that Mr. Minister) the fourth part is going to allow you to go into business for anybody at any place within the province or outside of the province which is . . . (inaudible interjection) . . . At the same time, as the member for Kindersley indicates, we have heard of governments going to the private firms now because of some of the work your department has done.

Mr. Minister, we're opposed to section 4 of this particular 7. I would request you to reconsider an amendment which would go along the lines of allowing you to service the government as the first 1, 2 and 3 indicate. But I do not believe you should be the first report. In other words, if we refer to SEDCO, they used to be the loaner of last resort. When you couldn't find anybody else you went to SEDCO. Unfortunately they have become the loaner of first resort and we have all the problems we have.

The government should be the last resort when private enterprise can't do the job and therefore, you should be available to assist. Unfortunately we can't seem to get an agreement from you to get this kind of amendment. It's an unfortunate situation and therefore we will be opposing this particular portion of the bill because of your inflexibility to allow yourselves . . . (inaudible) . . . government which it was originally intended for and the other last.

**MR. M.J. KOSKIE (Minister of Social Services):** — I just want to advise the member that in respect to the amendments of section 7, the old amendment, the provision he refers to which is of concern to them was in the previous bill . . . (inaudible interjection) . . . I realize that.

What I want to say is that, recognizing the overall rationalized position of the corporation, I want to say we have not entered in a large way into the private sector because a very, very small portion of our business in SaskComp is made up of private business. Nevertheless, I think this type of authority or provision is necessary because throughout Saskatchewan there are a number of small businesses.

It could reach the extent of farmers and small industries become involved in the use of computers. What we want to do is provide the service to the public if they wish to

May 5, 1980

come to receive it from us. There is no cross-subsidization which would put us in an unfair position with the private sector.

The user of course will have the option to go to the private individual or he will have the option to come to the government. I think one of the concerns that the government has in providing services to the private sector is that they will go into the area where there is a concentration of people. Therefore it is fairly lucrative serving that particular area. But if you get outside the high concentration areas sometimes the private sector will not provide that. More importantly what I'm saying is that essentially what we are doing in this bill is changing the need to go to the Lieutenant-Governor to ask for consent to perform exactly the same provisions as we did before.

The second thing was to incorporate the University of Regina campus as an entity.

**MR. KATZMAN:** — Mr. Chairman, I would like to correct one comment the minister made. I'm not sure if he was aware of it when he was a backbencher on the government side, but the computer utility has had some major subsidies from the government in the past. If you look back in your Crown corporations, they have had cash injections at times to get their books straightened out the same as the water supply board had at one time. They rewrote the system, they wrote the debts off and started fresh again.

So in case the minister isn't aware . . . I think his statement was incorrect. You have been bailed out; I think with that in mind you cannot say you have not been cross-financed because you have in the past. Therefore, that's what the concern is. We have to see you losing money out competing with the private sector, as you do every time you seem to get your nose too far out.

**MR. J.G. LANE (Qu'Appelle):** — I'd just like to ask the minister a question, if he would answer. Would you mind telling us the number of Crown corporations that have quit using the services of the computer corporation? I understand there's several that have pulled out in the last little while.

**MR. KOSKIE:** — I just want to advise you that to our knowledge there are no Crown corporations which have discontinued use of SaskComp . . . (inaudible interjection) . . . Oh, no. Sask Power uses our shared service and works with us.

Sections 5 and 6 agreed.

The committee agreed to report the bill.

**Bill No. 68 — An Act to amend The Vehicles Act (No. 2).**

Sections 1 to 3 agreed.

The committee agreed to report the bill.

**Bill No. 75 — An Act to amend The Senior Citizens School Tax Rebate Act.**

Sections 1 to 3 agreed.

**Section 4**

**MR. ROUSSEAU:** — Just one question very quickly on clause 4, section 9. Does that mean a citizen who doesn't have his health card in by May or something doesn't qualify?

**HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)):** — I don't think that's the case, Mr. Chairman. The hon. member is aware it's not a particularly new situation. As I understand it, this provision used to be in the former property improvement grant. For some reason a few years ago in making the changes that was not included and we are really making changes in several statutes. Remember that this is to apply to persons who are RCMP and who are people in the armed forces primarily; those people are not likely at this date 65 years of age. But because of changes that have taken place in retirement and retirement policies, we are making this change together with other legislation. I don't think this will affect anybody in the province.

**MR. ROUSSEAU:** — Well, Mr. Chairman, you're referring to the second part of it and I know what that is all about. I am referring to the first part. At the time he applies for the grant his name is listed on the valid Saskatchewan health services card. If he should lose out in that year because of it, I think it is discriminatory at that point. If he was in the house for six months, then he should have credit for the six months for that tax.

**MR. SMISHEK:** — Well, if that person was in Saskatchewan for a period of six months he would have a card, because on the third month they are required to have one under the Saskatchewan rule. I don't see how it could apply. Maybe I don't get the hon. member's question.

**MR. ROUSSEAU:** — Well, I'm not going to dwell on the question. I was only concerned that if an individual moved into the province for example in April and took up residence, he wouldn't have his card until July, in which case as I understand it he wouldn't get credit for the tax for the six months of that year (well actually more than that). He has been in a house for nine months and yet he wouldn't get any credit. So I think you're missing a few people who do move in at that point in time and who don't have that card until July — they are left out.

**MR. SMISHEK:** — But, Mr. Chairman, the person has to reside in the place of residence for a period of six months, so in that case a person wouldn't be able to apply until after October and he will then have a card.

**AN HON. MEMBER:** — He moved in, in April.

**MR. SMISHEK:** — That's fine. If he moved in, in April, he will get a card in July and he then has to live in the residence for a period of six months before he can apply. He can apply after October and then becomes qualified.

Section 4 agreed.

Section 5 agreed.

The committee agreed to report the bill.

**Bill No. 81 — An Act to amend The Renters Property Tax Rebate Act.**

Sections 1 to 3 agreed.

Section 4 as amended agreed.

May 5, 1980

Section 5 agreed.

The committee agreed to report the bill as amended.

**Bill No. 82 — An Act to amend The Property Improvement Grant Act.**

Sections 1 and 2 agreed.

**Section 3**

**MR. R.L. ANDREW (Kindersley):** — In section 3 with regard to the question of the hospital card, I think, Mr. Minister, last day I asked you with regard to regulations. I understood you indicated you would have draft proposals of the regulations that would exempt people who would qualify under this now.

**MR. SMISHEK:** — I'm not sure as the hon. member raised the broad question. I understood it. He certainly didn't ask specifically that the regulations be tabled today and I think I listened to the hon. member. I think if you are examined the transcript it's a broad question that you raised.

**MR. ANDREW:** — Do you have the regulations drafted at this point in time to indicate to the House what people you foresee as being covered by those regulations?

**MR. SMISHEK:** — No.

**MR. ANDREW:** — Have you any idea what people will be covered by the regulations.

**MR. SMISHEK:** — Mr. Chairman, as we see it at this stage, three groups, RCMP, armed forces and medical students or medical interns who may be away.

**MR. ANDREW:** — O.K. One further question, Mr. Minister, and it relates to a particular problem in my constituency. I'll be very brief with this. The problem is with a farmer in my constituency. He stays there six months of the year. He pays Saskatchewan income tax. He pays, of course, property taxes in Saskatchewan. Then he goes back to Alberta and lives in the winter months in Alberta. The requirement is that you cannot have a medical card in both the province of Saskatchewan and in the province of Alberta. Therefore he must choose one or the other. And in this particular case he chose Alberta. Because he doesn't have a Saskatchewan card, he doesn't qualify for the property improvement grant.

It seems like he's paying his taxes, including his income tax here. The reason for the medical card is because of the particular service as it relates to Medicine Hat. It strikes me that would be a logical one to also fit within this qualification?

**MR. SMISHEK:** — Mr. Chairman, as I understand it, I think we would have leeway to deal with that kind of a situation. I would like the hon. member to give me the particular case so we can investigate to see whether the person is being in any way discriminated against. I'd like to examine his particular case.

Section 3 agreed.

Sections 4 and 5 agreed.

The committee agreed to report the bill.

The committee recessed until 7 p.m.