

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 9, 1980

The Assembly met at 10 a.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. D. LINGENFELTER (Shaunavon): — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to members of the Assembly, a group of 12 high school students from the town of Consul. They are accompanied by their teacher Don Riddols, and the bus driver David Nelson. They are seated in the Speaker's gallery. I am sure all members will want to join with me in wishing them an enjoyable time here in the House today and a safe return to Consul this evening.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Dairy Producers' Strike

MR. D.G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, my question is to the Attorney General. As you well know, everyone in Saskatchewan is very concerned about the present milk strike. Could you inform the House if negotiations are taking place at this time?

MR. R. ROMANOW (Attorney General): — Yes.

MR. TAYLOR: — Supplementary question. I have received many phone calls, as have other members of this Chamber, indicating that many of the stores in our constituencies, at present, are out of milk. Will you give me your assurance that negotiations will continue throughout this weekend to settle this problem? If the strike isn't settled what contingency plans do you have to supply the people of this province with milk?

MR. ROMANOW: — Mr. Speaker, negotiations will continue as long as they are productive and useful. At the present time, while there are some shortages developing we do not see any major problem occurring.

MR. J.G. LANE (Qu'Appelle): — Supplementary to the minister. There is starting, I believe late yesterday near Saskatoon, some dumping of milk. I understand this morning that there will be dumping at Wakaw, Prud'homme and other parts of the province. Over the weekend, we expect major dumping in . . .

MR. SPEAKER: — Does the member have a supplementary?

MR. LANE: — My supplementary question to the minister is, at what point this weekend, if negotiations continue to be stalled which we are advised they are at this point, are you prepared to bring forward legislation for either a cooling-off period or back to work legislation while negotiations continue?

MR. ROMANOW: — Mr. Speaker, the hon. member says he is advised that the

negotiations are stalled. I don't know by whom he is advised that they are stalled. Negotiations are continuing. If they were stalled, there would not be any meetings.

MR. LANE: — New question to the minister.

MR. SPEAKER: — I'll take the member for Nipawin.

MR. R.L. COLLVER (Nipawin): — Thank you, Mr. Speaker. My question is to the Attorney General as well. In light of yesterday's debate which did not come to any conclusion, and in light of the comments by the Minister of Labour that proper steps would be taken before any massive dumping of milk (and since dumping of milk is occurring today) would the Attorney General give us his assurance that this House will sit until that strike is settled?

MR. ROMANOW: — Mr. Speaker, I note the kind offer by the member for Nipawin and the members opposite for the House to sit if necessary, beyond the normal adjournment time. I repeat again, at the present time discussions and negotiations, if I may describe it that way, are going on. I would urge the members to allow that process to continue, certainly we intend to, before making any announcements or decisions.

MR. COLLVER: — Supplementary question, Mr. Speaker. Does the Attorney General have in his possession now, prepared legislation to end this strike?

MR. ROMANOW: — Mr. Speaker, again, my only answer can be the one which I have given. The government believes in the process of free collective bargaining. Free collective bargaining is going on at this moment. Legislation, the policy of the government, takes effect or would be thought of if collective bargaining breaks down.

MR. COLLVER: — Final supplementary, Mr. Speaker. Since dumping of milk is occurring now, since the problem is extreme in terms of producers in Saskatchewan, would the Attorney General give this House his assurance that no delays of any kind whatsoever, be they from the clerk's department to his own lawyers in the preparation of this legislation, will occur when it becomes necessary to bring back-to-work legislation to this Assembly?

MR. ROMANOW: — Mr. Speaker, the hon. member predicates his question on the word when. I simply choose to interpret that question in terms of 'if' and on that basis it's presumptuous and hypothetical.

Weekend Sitting

MR. J.H. LANE (Qu'Appelle): — Question to the Attorney General. Is your government prepared to sit over the weekend, if need be, to deal with this crisis? Are you stating that only the opposition is prepared and that the government isn't, or are you prepared to commit that your people are prepared to sit over the weekend?

MR. ROMANOW: — Mr. Speaker, this side is prepared to do whatever is necessary in the public interest at whatever time. I don't mean to single out this matter on a political basis when I pointed to the Unionist Party and to the Conservative Party. I simply indicate that they had indicated publicly, both today and yesterday and I appreciate that, but as far as we're concerned on the government side we're prepared to do public business whenever it is necessary.

MR. LANE: — Supplementary. I assume that the whips can then meet later this morning and agree to stop the clock at one o'clock. We can all advise the whips where the members will be over the weekend for recall on very short notice. I assume the Attorney General will agree with that suggestion. My second question is does the government have plans, and would you detail them at this time, to provide either compensation for those producers who have already had to dump milk, or will in the immediate future, and, secondly, are you prepared . . .

MR. SPEAKER: — Order. The member's question was about the House sitting on the weekend and he's asking a supplementary now. The supplementary must pertain to the question. If he wants a new question he should say new question, but he should not move in with a new question under the guise of a supplementary.

MR. LANE: — Well, the Attorney General get the drift of the urgency of the particular issue with regard to the two areas that I've raised on the ships agreement to sit, and secondly, the question now on compensation and waiver of FarmStart loan payments to those who have had to dump.

MR. ROMANOW: — Well, Mr. Speaker, in respect to the second part of the question, or the second question, I can only say that the government will have to assess the extent and the scope of the damage and loss and determine its position at that time.

Feed and Water Shortage

MRS. J.H. DUNCAN (Maple Creek): — A question to the Deputy Premier. Due to present drought conditions and the less than normal spring run-off, particularly in the southern portions of the province, ranchers and farmers today face a very serious feed and water shortage. Does your government have any contingency plans formulated to assist these operations should present conditions continue?

MR. ROMANOW: — Mr. Speaker, I will have to take notice of that question. The Minister of Agriculture, all the members will know, is not with us this morning for obvious reasons. I don't know specifically what the Department of Agriculture has in this regard or how serious the problem is. My general impression is that it's certainly a growing concern. I don't know whether agriculturalists are advising us that it is at such a stage that we need to have contingency plans in effect escalated to public presentation. That I'll have to take advice on.

MRS. DUNCAN: — Supplementary. While you're taking notice, Mr. Deputy Premier, would you also perhaps look into the feasibility of making available equipment or funds so that deeper wells could be dug, or perhaps assist those ranchers and farmers who very shortly will have to begin to move cattle, haul water, and things like that?

MR. ROMANOW: — Mr. Speaker, I'm sure that there are plans available. Again I don't have the up-to-date information on this but the hon. member will know this is a situation which in Saskatchewan unfortunately we have to live with on more or less regular basis. If my memory does serve me correctly, a couple of years ago we also experienced the similar dangers or threats early in the spring and summer season, and there were a number of contingency plans for the finding of new water supplies and the like. I am sure that those are available. I can assure the hon. member that I will pass on her concerns to the appropriate ministers.

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, a question to the

Deputy Premier. A couple of years ago there was also a drought committee set up for your department and I would ask firstly, are you prepared to set that drought committee up again? The problem is serious. There are cows with calves being marketed right now because there's nothing left for them to eat in the Southwest. My question, Mr. Speaker, is, in North Dakota right now there are five counties actively considering cloud seeding to release the drought conditions. Would your government consider similar action in Saskatchewan to relieve drought conditions, particularly in the South?

MR. ROMANOW: — Well, Mr. Speaker, it would not be a prudent thing for me to reject any viable and reasonable suggestion to try to aid mother nature or others with respect to the current weather conditions. Whether or not cloud seeding is such a viable and reasonable solution, I think we have to leave to those who are more knowledgeable than we in the House. As to the first part of the question, namely the re-establishment of the drought committee, that I think is a suggestion which we will have to take under advisement. My impression is that the government's general view is that this needs a little more careful attention in the next several days ahead. Who know? I don't want to put too much hope on mother nature, but she has come through before in Saskatchewan life and maybe she will do so again.

SFPC Sawmill at Big River

MR. J.W.A. GARNER (Wilkie): — Mr. Speaker, my question is to the Attorney General in the absence of the minister in charge of Saskatchewan Forest Products Corporation. Mr. Attorney General, it has been brought to my attention and that the sawmill owned by SFPC at Big River is going to go into a shut-down on June 13 for two weeks of maintenance. After that it will be a complete shut-down. The yard up there is full of logs. If these logs aren't processed, the worms will eat them and there will be lost revenue and lost timber. But my question to you and my concern, Mr. Attorney General, is that there are about 100 people employed in SFPC's mill and 100 more directly employed in the bush. If this mill is completely shut down, this is going to paralyze the town of Big River. What is SFPC going to do about trying to keep this mill open, one; secondly, about trying to retain some kinds of jobs or getting the lumber processed in the North?

MR. ROMANOW: — Well, Mr. Speaker, I would have to check my facts to make sure they coincide with the hon. member's, particularly with respect to the observation he makes that after the maintenance period is complete the sawmill is to be shutdown with a loss of 100 jobs. I do not believe that to be the situation. I stand to be corrected if I am advised by SFPC officials to the contrary. I think accordingly, since we seem to have a small disagreement at least for the time being as to the facts, the rest of the question that flows is hypothetical.

MR. GARNER: — Supplementary, Mr. Speaker. There was a notice posted at the mill site that the shut-down would take place, Mr. Attorney General. That is not hypothetical. What is your government going to do? There is also about \$15 million worth of equipment that will be sitting idle; it is refinanced on a short-term basis. This town will be crippled. We will have at least 200 people out of jobs. My question to you is, Mr. Attorney General, will you ask the minister in charge to intervene to see that something is done to save the town of Big River?

MR. ROMANOW: — Mr. Speaker, I will certainly raise this with the appropriate officials. I could do no less. The member says the notice of a shut-down has been given. I accept

that. But he, in his own question, indicated that there may be two possibilities of shut-down, one being maintenance for a two-week period, and then he implied or specifically suggested a longer period of shut-down on a permanent basis thereafter. It's the second area about which I am uncertain and I do not accept the facts of the hon. member. Accordingly, if it's a two-week shut-down, all members would agree that the question takes on a different flavor. I will certainly communicate the concerns and ask the hon. Minister in charge to be ready to respond at the appropriate time.

MR. LANE: — Supplementary to the Attorney General. Two years ago Mr. John Twigg, writing in the Leader-Post, indicated one of the great advantages of Crown corporations was that in an economic slowdown they kept their employees on, rather than letting them go, as the private sector does. I wonder if Mr. Attorney General would not instruct information services, in its legitimate role as disseminator of correct information, to advise Mr. Twigg that he was erroneous in his understanding, based on the track record that we see with Sask Forest Products?

MR. ROMANOW: — Well, Mr. Speaker, first of all I happen to agree with all due respect, with the assessment by Mr. Twigg. I believe that Crown corporations have proven to be more sensitive to public interest and public policy, keeping in mind financial considerations, than any private enterprise. And that is a fact of life wherever it exists, whether in Saskatchewan or outside. Secondly, far be it for me to instruct any member of the press with respect to certain facts, because the hon. member opposite would be the first to accuse me of being a paranoiac or trying to attack the press. And of course, everybody knows that I do not want to do that.

Possible Strike in Construction Industry

MR. R.L. ANDREW (Kindersley): — A question to the Attorney General. There is some concern about now as to a potential strike in the construction industry and I think you would agree that that industry is already with high interest rates, etc., somewhat troubled. Has the government taken any steps to try to keep the parties bargaining and away from the strike situation?

MR. ROMANOW: — Well, Mr. Speaker, again with respect to that dispute, the Department of Labour has kept fully abreast of developments and I am also advised that a full range of conciliation, mediation and other services are available to the participants.

Emergency Supplies of Milk

MR. D.M. HAM (Swift Current): — A question to the Minister of Health. In view of the fact that your government is refusing to bring in emergency legislation to allow a 90-day cooling-off period with respect to the dairy strike, has our department made available emergency supplies of milk to hospitals and other such institutions?

HON. H.H. ROLFES (Minister of Health): — Mr. Speaker, I think the Attorney General has indicated the negotiations are presently continuing. We do not feel there is an emergency situation in Saskatchewan at this time and it's my understanding that the unions have indicated that they will supply milk to the hospitals.

MR. HAM: — Supplementary, Mr. Speaker. Can the minister indicate where the unions intend to find this milk?

MR. ROLFES: — No, Mr. Speaker, but I have the assurance that milk supplies will be available.

MR. COLLVER: — Final supplementary. Would the minister please indicate to this Assembly where the unions or the government expects to get the milk that they are going to supply to the hospitals?

AN HON. MEMBER: — From cows.

MR. ROLFES: — Mr. Speaker, I think the member has given the answer as to where it will be originally found, but my understanding is that there still are some producers who are in operation at this time. They're not all shut down. I would expect that they would be a source of supply and I have been given the assurance that the hospitals will be adequately supplied while the negotiations are continuing.

Oil Pricing Agreement

MR. ANDREW: — A question to the Attorney General. Mr. Attorney General, Mr. Lalonde, the federal Minister of Energy, Mines and Resources is in town today, and I understand that he indicated on a radio show this morning that he saw no problem arriving at an oil-pricing agreement except with the province of Alberta. It would appear to me that he is attempting to polarize the energy debate between Alberta on the one hand, and the rest of the provinces and the federal government on the other hand. This would seem to indicate to me that your government once again does not seem to want to stand with Alberta on this particular issue. What indications has your government given Mr. Lalonde that makes him to optimistic that he'll have no problem arriving at an oil price agreement with Saskatchewan but will have with the province of Alberta?

MR. ROMANOW: — Mr. Speaker, I have a difficult enough time on occasion explaining my own statements and the policies of our government without trying to explain the statements of another government and of another minister. The hon. member says Mr. Lalonde says, and therefore the conclusion is somehow that Saskatchewan is sanding apart from Alberta. I simply want to tell the hon. member, with all due respect, that if he has any questions as to what Mr. Lalonde intended by those statements or what his information was, he should ask Mr. Lalonde. Mr. Lalonde is in Regina this very moment. He's meeting with responsible ministers this morning. I met with him this morning. I think we simply have to hear what he has to say and analyze it before responding as a government. I can't be responsible for my statements and Mr. Lalonde's.

MR. ANDREW: — Supplementary. I believe Mr. Lalonde has said, Mr. Attorney General, that he intends to make public the basis of his negotiating position to parliament, to the people of Canada, prior to coming to an agreement so people know what that agreement is. Can I ask the Attorney General, is the Government of Saskatchewan going to make public its position in the negotiations prior to the negotiations being completed, if they in fact are?

MR. ROMANOW: — Well, Mr. Speaker, well see. I think the hon. member would agree with me (at least I hope he would agree with me) that these are not only very important negotiations but also very complex negotiations. I'm certainly no expert in this area by a long shot but I've been around the federal-provincial negotiating table long enough to know how difficult it is. I don't know whether it does serve the attainment of an agreement to have all the details of negotiations public. However, we'll have to see what

happens. We'll have to see the nature of Mr. Lalonde's revelation of policy and negotiating stance, if and when that happens, and determine our posture at that time.

MR. LANE: — I'd like to direct a question to the Attorney General. Have you a tacit or an actual agreement accepting an agreement with Mr. Lalonde on oil pricing?

MR. ROMANOW: — No.

Increasing the Price of Oil

MR. ANDREW: — Question to the Attorney General. I take it negotiations have been going on privately between Mr. Lalonde and the Government of Saskatchewan and other governments. Has Mr. Lalonde indicated any movement on the part of the federal government toward increasing the price of oil at least sufficiently to spur further exploration to try to meet a target of oil self-sufficiency in this country by at least 1990?

MR. ROMANOW: — Mr. Speaker, I want to make it clear that it is only Mr. Lalonde's second visit to Regina. He was here about four weeks ago and there was a very general and preliminary discussion, very exploratory in nature. The second meeting has only been going since 9 o'clock. I've not been able to attend all of it for obvious reasons as well. Let me say, I think it's public knowledge (and I here and now do not attribute anything that was said by Mr. Lalonde to the government in private discussions) that since the election of the new Trudeau administration there have been statements made publicly by members of that government that there has to be some increase in the price of oil toward oil prices for whatever the reason. I may not quite agree with the member's reasons but he stated that publicly. So I think that is in fact in the public domain.

Fees Charged Taxicab Companies

MR. P. ROUSSEAU (Regina South): — Mr. Speaker, I have a question for the Minister of Finance. I've been informed by your department, Mr. Minister, that you are now and have been for years collecting certain fees from taxicab companies in the cities of Regina and Saskatoon for the right to pick up passengers at the bus depots without authority or regulations of any kind to do so. I have two questions. The first one is, how long do you intend to do that? And, secondly, do you have any other fees or licences such as this you are collecting within the province illegally?

HON. E.L. TCHORZEWSKI (Minister of Finance): — Mr. Speaker, first of all I don't accept the premises on which the member bases his question that some fees are being collected illegally. I am not knowledgeable about the specific situation which he speaks of. I will take notice and I will speak to my officials and respond to him when I have the answer.

Care for the Elderly Patients of Grenfell Hospital

MR. G.T. TAYLOR (Indian Head-Wolseley): — A question to the Minister of Health. Mr. Minister, I have been informed that three 80-year-old patients have been given notice that they must vacate the Grenfell hospital as of May 20, and, Mr. Speaker, I would like to outline briefly the dire situation of one of these cases, with your permission.

In this case, Mr. Minister, the husband is 82 years old; his wife is completely senile, and they have no other place to go. My question to you is this: where, in this supposedly

great system of Blakeney medicare and care for our senior citizens, are these people going to go to receive care? Does she have to go home to her 82-year-old husband?

MR. ROLFES: — Mr. Speaker, I am not aware of the particular incident or the particular circumstances which the member describes, but first of all, I do not give those instructions. The hospital gives the instructions as to whether or not some one needs medical care or the type which is required in the hospital. A doctor of the medical profession in this province makes that decision. I don't.

Secondly, Mr. Speaker, as has often been indicated we have the highest number of levels 1, 2, and 3 beds of almost anywhere in Canada. We will continue to look at pockets in Saskatchewan where we may be somewhat weak, and where we may need additional beds. We established just a year ago, Mr. Speaker, a home-care program — one of the finest in the country again. We have a very good housing program, and I think generally speaking when you take all of our programs into consideration, the senior citizens and the residents of Saskatchewan are better served than probably anywhere in Canada.

MR. TAYLOR: — A supplementary. Does your department not consider senility a criteria for a person to be designated at level 4, and will you, Mr. Minister, give me your assurance that you will look into this dire situation in Grenfell where three of them have to get out on May 20?

MR. ROLFES: — Mr. Speaker, senility could be used as a measurement. If it was, I think those people over there would be in.

Answer to Question re Grants to Texaco Canada

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, on Wednesday last, May 7, the Attorney General took notice of a question which was asked by the member for Swift Current which reads:

Can you explain why your government, through the Department of Industry and Commerce, granted money to Texaco Canada this past year, in the amount of \$69,670?

The reply to that is very simple — that this payment was made under the gasoline compensation assistance grant program. This program provides grants to Saskatchewan fuel dealers located near the Alberta border to assist them in facing the competition from Alberta dealers who do not charge provincial tax on their fuel products.

These payments are intended to compensate Saskatchewan operators living in close proximity to the Alberta-Saskatchewan border, who might be adversely affected by the removal of gasoline tax in Alberta. In other words, Mr. Speaker, the rebate is being paid by the Department of Finance through the Department of Industry and Commerce which has the vehicle to do just that.

Safety of Rail Movement

MR. L.W. BIRKBECK (Moosomin): — Mr. Speaker, I would like to direct a question to the minister responsible for transportation, notwithstanding a motion put by the member for Moose Jaw North whereby he spoke at some length on the concern the government has for the safety of rail movement in the province of Saskatchewan, their employees

and, of course, the towns which are affected as the trains move through in the transportation system and possible spills and so on and so forth.

The question I would like to direct is, notwithstanding that concern which we share, why has your government not made a request to the federal government to assure that there are adequate railroad hotbox detectors in place in the province of Saskatchewan to maintain safety via the rails so that we will not see unnecessary derailments because of hot axles causing possible chemical spills?

HON. E. KRAMER (Minister of Highways and Transportation): — Mr. Attorney General, I think the member for Moosomin is addressing that question to me. If he is, the transportation agency (concerning railroads and so on) is still under the aegis of the Minister of Agriculture. We will take notice on that on behalf of the minister. I will take notice and see you get your answer. I think you might be a likely candidate for that job.

MR. SPEAKER: — Order, order, order.

STATEMENT BY MR. SPEAKER

Re Points of Order in Question Period

MR. SPEAKER: — The question was raised on a point of order on May 7 with regard to something which occurred in the question period. The member for Indian Head-Wolseley asked why a member was allowed a certain question in the question period. The comment of the member for Indian Head-Wolseley at the time was:

Mr. Speaker, before orders of the day. I noticed yesterday in question period my colleague for Arm River was cut off in his question when he referred to the cemeteries bill. Today the member for Swift Current was making reference to Bill No. 105, the Legislative Assembly bill, and he was allowed to ask his question. Can you explain what that ruling was made?

I have checked the record. On page 2710, the member for Swift Current did ask a question which had a preamble on it. I was unable to hear the question. I asked the Chamber to reduce the sound level so I could hear the question from the member for Swift Current. The member for Swift Current repeated the question. At the time I detected there was a discrepancy between the preamble and the question, although by that time the question was put. The Attorney General took notice of the question. Today the Minister of Industry and Commerce answered that question with regard to funds which were given to Texaco Company.

Another point of order was raised by the member for Qu'Appelle as follows:

Would Mr. Speaker mind advising me why I was ruled out of order when I attempted to ask the minister what would trigger back-to-work legislation, and what actions would cause back-to-work legislation to be brought in as it pertains to the dairy strike?

On checking the record on page 2708 I find the member for Qu'Appelle asked a question. The final part of his question was: 'I particularly ask you to answer whether or not the government has drafted back-to-work legislation?' The minister gave an answer. The member for Qu'Appelle asked a further supplementary and the last part of

his supplementary was: 'Am I to take by your avoidance of answering the question that the government has not drafted back-to-work legislation?' The minister responded. The member for Qu'Appelle rose with a further supplementary, the last part of which was: 'I come back and I ask you a very specific question, has the Government of Saskatchewan drafted back-to-work legislation?'

At that point I interrupted the member because, according to Beauchesne, Fourth Edition, citation 171(c) a member is not allowed to multiply with slight variations, a similar question on the same point. The member for Qu'Appelle stood on his feet and continued by saying: 'A new question.' And it began as follows: 'On the question of back-to-work legislation would you indicate with some . . . '

At that point I interrupted the member because I felt he was out of order. Now the member asks why I allowed the question later on in the same question period. As I checked down the record later on in the same question period, the member for Qu'Appelle rose and he said: 'A question to the minister. Would the minister indicate to the Assembly specifically what would trigger back-to-work legislation being introduced by the government?' And I permitted him to go ahead because from the form of the question it was clear to me at that time that it was a different question than the one the member was pursuing earlier, which was in contradiction to the rules. I hope that satisfies that point of order.

MR. D.G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, I didn't get the answer from you in view of the question I asked. Was the member for Swift Current out of order with his question?

MR. SPEAKER: — As happens with lots of questions there is quite often some discrepancy between the preamble and the question. I would say to that extent the member for Swift Current was out of order because I was not able to connect the preamble with the question, but the question itself was quite in order and it was the same question I identified when questioned about the matter at that time. Upon checking the record I have confirmed that.

SECOND READINGS

HON. E.L. COWLEY (Provincial Secretary) moved second reading of Bill No. 95 — **An Act to amend The Real Estate Brokers Act.**

He said: Mr. Speaker, the first real estate act in Saskatchewan was passed in 1953. The legislation was then requested by the real estate industry in an effort to ensure that disreputable persons would not be permitted to sell real estate. Such legislation was considered by the industry not only to be in the public interest but in the interest of the industry itself.

The first act applied only to persons residing in cities and towns and to persons trading in real estate located in cities and town. Also, the first act applied only to persons acting as agents. In 1968 the scope of the act was extended to person who traded in real estate as a principal, that is, in real estate owned by them or in which they had an ownership interest. Under existing legislation therefore any person trading in real estate, whether as agent or as principal, is subject to the act provided the real estate is located in a city or town, or the person resides in a city or a town.

The bill before us further extends the scope of the act to include all persons trading in

real estate in Saskatchewan, irrespective of the location of the real estate or the residence of the individual. This will provide the rural population with the same measure of protection as has been granted to city and town residents and will facilitate the enforcement of the legislation.

Further important change provided in this bill is the establishment of a real estate assurance fund to replace the present bonding system. The protection now afforded to the public through bonding is \$10,000 in Regina and Saskatoon, \$5,000 in other ones, and \$2,000 in other areas of the province. The fund, which will be administered by the Saskatchewan Real Estate Association, will consist of assessments levied against members of the industry. The fund should eventually provide the public with financial protection that will be substantially greater than that now available through the bonding system.

Before the section is proclaimed in force the Saskatchewan Real Estate Association proposes to make a substantial advance to the fund, which it may recover as the fund grows. When the fund reaches \$250,000 the investment incomes becomes the property of the association, which it may use to further its objectives. The intent is to use the investment income to further the education and training of licensees and applicants for licence. Because of unforeseen circumstances and inflation, provision is made for the amount of \$250,000 to be increased by regulation.

The Real Estate Council of Saskatchewan, which is an arm of the real estate association, has over the years developed extensive courses of study for real estate brokers and salesmen. It's a requirement for licence that an applicant take this training and obtain a pass mark. The course of training for a real estate broker is more extensive than that of a salesman. These training courses have provided better-qualified brokers and salesmen, and this appears to have reduced the numbers of claims by the public against the bonds of real estate brokers. Nevertheless there is always the possibility that a broker may default and the claims may be very large (having regard to the present value of real estate). In making the statement, I do not wish to single out the real estate industry as the possibility of fraud exists in any industry, profession, or financial institution. The purpose of a real estate assurance fund is to prepare for the possibility of making a fund available to reimburse the public for any large losses incurred.

Section 15 of the bill revises section 36 of the act. The need for revision arises because a real estate broker or salesman is, by reason of his position and expertise, an 'insider' who may unduly profit at the expense of the uninformed or inexperienced vendor. A licensee has a duty to advise as to the value of property being offered for sale. Conflict of interest may arise when the property is unknowingly underpriced by the vendor, and the licensee therefore buys it himself or sells it to a relative or a nominee. The proposed section requires greater disclosure than is now required to meet the deficiency we believe now exists.

Section 16 of the bill introduces a new section requiring a broker to give the superintendent 30 days notice of intention to commence proceedings for commission or other remuneration. The provision will enable the superintendent to conduct an investigation before a writ is issued and the public is put to the expense and trouble of entering a statement of defence. The issuance of a writ is often a form of harassment which in some cases is sufficient to bring about payment of a doubtful claim. The provision does not prevent the broker from suing after the superintendent has had the required notice.

Section 17 of the bill introduces stricter control over foreign land sales in Saskatchewan but does not prohibit a licensed broker from selling property located outside Saskatchewan — say in Calgary — provided the sale is an isolated transaction.

Provision is made in the bill for protection of the superintendent and of persons who provide him with information against liability for defamation. This provision is to enable the superintendent to state the reasons for his decisions which otherwise he may not do. Also, it enables others to provide useful information which they have but which they might not otherwise provide.

In summary, Mr. Speaker, the bill:

- (a) Tidies up the wording of a number of provisions, and makes some provisions uniform with comparable provisions in more recent licensing acts;
- (b) Extends the scope of the act from cities and towns to the entire province;
- (c) Eliminates the provision which entitles the person to make five trades in a calendar year outside the scope of the act;
- (d) States that the exemption section does not apply to the licensee;
- (e) Introduces a new section 36 governing the purchase and sale of real estate by licensees who act on their own accounting rather than as agents.
- (f) Requires brokers to give 30 days notice to the superintendent before the issuance of a writ to collect commission;
- (g) Substitutes a real estate assurance fund for the present bonding system.
- (h) Provides further restriction on trading in Saskatchewan and subdivision property outside Canada by giving the Lieutenant-Governor in Council authority to direct the superintendent to refuse the offering where the superintendent so recommends;
- (i) Allows a licensed broker to sell out-of-province subdivision property in Saskatchewan in the case of an isolated trade. This is designed to assist a Saskatchewan resident who owns a parcel of land in an out-of-province subdivision.

Our department officials consulted with the Saskatchewan Real Estate Association in the preparation of this bill and it is my belief that the bill generally has the support of the industry. Mr. Speaker, I move second reading of An Act to amend The Real Estate Brokers Amendment Act.

MR. R.L. ANDREW (Kindersley): — Just a short comment, Mr. Speaker. We are still awaiting report back from certain people in the real estate industry. I understand, by and large, they are supportive of many of the proposals advanced, as the minister had outlined. For that reason, I do not wish to say a great deal more about the bill, other than to say that I think the minister is correct that in the past the real estate industry tended to be, as far as real estate dealers were concerned, centred in the major cities and some of the towns. I think it is spreading, certainly, into the agriculture field. I think it is something which is going to continue to spread in the agriculture field.

Having said that, I would ask for a bit of time to get the response back. I would ask

members to grant leave to adjourn debate on this matter.

Debate adjourned.

HON. E.L. TCHORZEWSKI (Minister of Finance) moved second reading of Bill No. 103 — **An Act to amend The Heritage Fund (Saskatchewan) Act, (No. 2).**

He said: Mr. Speaker, in my remarks which I will not spend too much time on, I want today to explain and move second reading of this bill.

In this year's budget, I announced the restructuring of the Saskatchewan Heritage Fund into three divisions: the energy security division, the environmental protection division, and the resources division. Prior to outlining the underlying rationale behind the creation of the divisions in the heritage fund, I would just like to take a few minutes to put into perspective the evolution of the heritage fund over the last several years.

The idea of Saskatchewan's heritage fund was born in 1974, when oil prices and oil revenues began to increase rapidly. The government adopted a policy of setting aside a portion of higher oil revenues to invest on behalf of future generations of Saskatchewan people. These moneys were deposited in the energy and resources development fund. On April 1, 1978, the Saskatchewan Heritage Fund replaced the energy and resource development fund. Beginning 1978-79, all non-renewable resource revenue, not just a portion of our oil revenue was deposited into the heritage fund. We wanted to apply the same principle we had established with oil to all our non-renewable resources. So the purpose of the fund was and continues to be as follows: to invest part of non-renewable resource revenues into income producing assets, so that some of the benefits of resource development would be preserved for future generations to stabilize the amount of a revenue going into the consolidated fund, so that year to year ups and downs in resource revenues would not affect the government's budgetary position; to provide more legislative control over non-renewable resource revenue by making fund expenditures and investments subject to the approval of the Legislative Assembly.

Thanks to this government's wise economic leadership in the areas of non-renewable resource taxation and development, which I suspect the members opposite will agree with, the province's non-renewable resource revenues have increased almost 20-fold since 1971, reaching an estimate \$538 million for fiscal 1980-81. In this same period the value of the province's mineral shipments increase just slightly over 5-fold, significantly less than the growth in resource revenues.

Now as I noted earlier, Mr. Speaker, under the existing heritage fund legislation all revenues from non-renewable resources are deposited in the heritage fund from these revenues are deducted a number of budgetary expenditures, such as: the dividends to the consolidated fund, the provincial development expenditures, incentive grants and rebates to the petroleum industry, and research and development grants designed to aid in the research and the development of the province's non-renewable resources.

The remaining heritage fund moneys were invested and invested mostly in ways which would help the overall development of the province's economy, rather than sitting in a bank account. The existing heritage fund legislation permits a dividend to the consolidated fund of up to 80 per cent of heritage fund revenues. In 1979-80, the consolidated fund received \$338 million in dividends from the heritage fund to assist

in the day to day financing of the government's ongoing programs in health, social services, education and the like. The dividend represented only 58.8 per cent of the total fund revenues received in 1979-1980, substantially less than the maximum 80 per cent allowed under the act. In 1980-1981, the dividend will be \$387 million or 60 per cent of heritage fund revenues.

The heritage fund dividend policy has on occasion received criticism from some quarters, and I might add not always on a consistent basis. However, one must remember, Mr. Speaker, that with the establishment of the heritage fund the province's consolidated fund gave up its traditional direct access to all non-renewable resource revenues which provincial governments use to assist in financing general expenditures.

No other government in Canada, other than Alberta, sets aside part of their non-renewable resource revenues in such a heritage fund. British Columbia for instance, which has substantial natural gas revenues, has no separate fund. They spend all their resource revenue.

I am proud, Mr. Speaker, this government's record with regard to the retention of non-renewable resource revenues in the heritage fund surpasses Alberta's policy. While Alberta channels 70 per cent of its non-renewable resource revenue into the Alberta consolidated fund, Saskatchewan has to date only transferred roughly 60 per cent of such revenues to this province's consolidated fund. Alberta has substantially larger resource revenues, and yet we are saving, investing a larger share of our revenues than they are.

Mr. Speaker, I think it's important to understand that all Saskatchewan Heritage Fund expenditures and investments have been subject to the scrutiny and the control of the legislature. In comparison, the Alberta government limits their accountability over the management of Alberta's Heritage Fund by permitting the legislature to vote only on those expenditures made by the capital projects division which has a maximum size of 20 per cent of the Alberta Heritage Fund. I repeat, all expenditures and investment of the heritage fund in this province are voted by this Assembly.

Let me now turn to look at the activities of the heritage fund over the past two years. Up until the end of 1979-1980, the Saskatchewan Heritage Fund has provide a number of important things: over \$76 million in incentive grants and rebates to the petroleum industry to further the exploration and development of the province's oil and natural gas resources; over \$7 million under the Canada-Saskatchewan heavy oil agreement for research and development in improving the recoverability of the province's immense heavy oil revenues.

In addition, under the existing heritage fund act, Mr. Speaker, the province is able to spend up to 20 per cent of heritage fund revenues, after the deduction of the dividend for capital projects, to enhance Saskatchewan's social and economic quality of life. Since the fund's inception in 1978, over \$38 million in provincial development expenditures have been used for such projects as the engineering building and veterinary college at the University of Saskatchewan, Saskatoon; expanding the University Hospital; the construction of the La Ronge aircraft maintenance facility; the Buffalo narrows northern development airport; and IPSCO's plant expansion. Heritage fund resource revenues permitted the government to undertake these projects, Mr. Speaker, for the benefit of all of Saskatchewan.

I would now like to review the fund's past investment performance. This government has wisely invested heritage fund moneys in accordance with its long-term economic and social development strategy for the province. Mr. Speaker, this government strategy has been to build up those key sections of the economy, such as agriculture, mining and energy development, where Saskatchewan has proven strength. At the same time the government has been promoting the establishment of businesses which are linked as suppliers to or users of these key sectors.

Just as one does not build a house before an adequate foundation is laid, this government and its policies have been laying the foundation for a strong and diversified economy, an economy able to sustain the many highly desirable social policies and programs sought by Saskatchewan citizens.

An excellent example of just how this development strategy and management of the heritage fund have paid off for the people of Saskatchewan is the case of the Potash Corporation of Saskatchewan. Thanks to the heritage fund, no longer will potash production and expansion decisions be made out of province. The potash corporation has already completed a number of expansions. It's announced 10-years expansion plan will guarantee that more expansion will take place in Saskatchewan so that Saskatchewan occupies a growing share of world potash markets. No longer will a buying decision be made and filled largely from out-of-province sources to the detriment of Saskatchewan businesses; no longer will the key responsible head office jobs be held by people living outside of Saskatchewan; and no longer will the high profits go out of the province or out of the country, hurting Canada's balance of payments.

Mr. Speaker, the Potash Corporation of Saskatchewan's financial record is superb. There was \$78 million profit in calendar year 1979; these profits will be ploughed back into PCS's expansion and will increase the assets of the potash corporation. All these benefits flowing back to the province and its economy are a direct result of the heritage fund's investments in the Potash Corporation of Saskatchewan. And in a similar fashion, other heritage fund investment moneys have been and will be used to provide the growth and development of other foundation areas of strength in our economy such as oil and uranium through both SaskOil and the Saskatchewan Mining Development Corporation.

Ever since the establishment of the forerunner of today's heritage fund, an energy and resource development fund in 1974, our government has recognized that a fund of this nature must evolve over time to deal with those key issues and opportunities that face Saskatchewan and its citizens. Two major concerns uppermost in the minds of most Saskatchewan citizens are energy security in the future and environmental protection arising from uranium development. Both of these concerns are of significant importance to this province's future and merit special consideration within the heritage fund. And thus the creation of three divisions within the Saskatchewan Heritage Fund is an evolutionary development permitting us to focus on long-run concerns affecting Saskatchewan and its citizens.

The restructuring does not, however, represent a major change in the fund's underlying grants, objectives and principles. Except for some minor modifications, the restructured heritage fund will operate in much the same manner as the existing heritage fund.

The resources division of the heritage fund is the division that undertakes the general activities of the fund and those activities related to non-energy mineral developments. In particular, the resources division will receive all non-renewable resource revenue; provide the dividend to the consolidated fund; make most of the provincial development expenditures; make the non-energy related loans and investments, particularly in the mineral sector; and make transfers of revenues to finance the activities of the other two divisions.

Section 19 of the amended act indicates all non-renewable resource revenues plus the investment income earned on the assets of the resources division will be credited to this division. I would also like to draw your attention, Mr. Speaker, to subsection 2(1)(6), which provides the authority for designate other sources of non-renewable resource revenue not specifically outlined in this act, as revenues to be deposited in the resources division of the heritage fund. The subsection will permit, for example, funds derived from the new potash resources payment agreement to be deposited in the resources division.

Section 20 of the new act provides for the following kinds of budgetary expenditures to be made from the resources division: the dividend to the consolidated fund with the maximum limit unchanged from the existing act; provincial development expenditures not related to energy resources with a maximum limit on provincial development expenditures unchanged from the existing act; budgetary expenditures assisting in the exploration and development of the province's non-energy mineral resources; and transfers of money to the energy security division and the environmental protection division of the fund as outlined in section 21.

Mr. Speaker, the resources division of the heritage fund is estimated to receive \$638 million in non-renewable resource revenues in 1980-81. Expenditures and transfers from this division will include \$100 million transferred to the energy security division, a \$2 million transfer to the environmental protection division and over \$49 million in provincial development expenditures for capital projects such as \$7 million for the University of Saskatchewan's veterinary college building; \$3 million for the University Hospital; \$2 million for park facilities; \$12 million for community capital projects and a \$387 million heritage fund dividend to the consolidated fund representing 60 per cent of total fund revenues. In 1980-81, the resources division will also make \$105 million in investments which include \$50 million to the Saskatchewan Mining Development Corporation and \$55 million to the Saskatchewan Grain Car Corporation.

Mr. Deputy Speaker, this government cannot and will not remain idle watching problems in the grain transportation system wreak havoc with our farmers, as occurred in the last crop year when the farmers of Saskatchewan lost an estimated \$0.25 billion in sales. The \$55 million loan from the heritage fund to the Saskatchewan Grain Car Corporation to purchase 1,000 hopper cars clearly reflects our commitment to ensure that agriculture remains a key sector in the Saskatchewan economy.

Let me turn now to the energy security division, Mr. Deputy Speaker. Saskatchewan citizens are very concerned about their future energy security and seek national policies and programs designed to deal with this uncertainty. Saskatchewan has attempted to convince the federal and other provincial governments of the wisdom of developing a national energy strategy, a strategy to provide for the lengthy energy security of all Canadians. Saskatchewan believes that energy security requires a commitment to the Canadian people that future energy price increases will bring on new energy supplies; a commitment that the costs of these new supplies will be borne

fairly and a commitment that Canadians will gain control of their energy future.

Since 1975 our province has sought to encourage the establishment of a Canada Energy Security Fund which would achieve many of the necessary objectives of such an energy security strategy. It is unfortunate that Saskatchewan's proposal appears to have fallen on deaf ears. If only the Canada Energy Security Fund had been established when we first suggested it, Canada would by now have come a long way toward achieving the energy security strategy so badly needed today. While the previous federal government talked a great deal about energy self-sufficiency, little concrete action was undertaken., Saskatchewan decided that it could not wait any longer for the federal and other provincial governments to take action.

On March 13, 1980 I was very proud, on behalf of this government to announce the creation of a Saskatchewan Energy Security Division in the provinces heritage fund. The main objectives of this division are twofold: first to help ensure that the potential of the province's energy resources are developed; second, to promote the adoption and the expansion of energy conservation measures throughout the province. In sum, the energy security division will help ensure that the province and its citizens will be adequately prepared to meet the energy challenges of the future.

Once revenues from the resources division are transferred to the energy security division, the funds will remain in the division until used for the division's purpose. As section 22 of the amended act points out, income from the divisions' investments will now be credited to the division. I want to emphasize, as under the existing heritage fund legislation, all expenditures and investments of this division will be subject to the scrutiny and approval of the Legislative Assembly.

Section 23 of the amended act enable this division to make provincial development expenditures for energy capital projects provided that such projects qualify under the divisions' mandate. Again, these provincial development expenditures will be subject to the overall 20 per cent rule that applies to the fund. In 1980-81, the resources division will transfer over \$102 million to the energy security division to finance a diversified package of energy development and energy conservation activities — all components of a comprehensive energy security strategy. Such expenditures and investments will include \$47 million to assist companies in the exploration and development of oil and natural gas in the province; \$2.6 million, under the Canada Saskatchewan Heavy Oil Agreement, to encourage the development of heavy oil recovery techniques; \$2.3 million, under the renewable energy conservation agreement, which will focus on new technologies at the demonstration stage; \$2 million to Saskatchewan Power to finance the Warm Up Saskatchewan home insulation program and \$28.8 million invested in SaskOil to finance its direct participation in both heavy oil development and conventional oil exploration, thereby ensuring that Canadians will gain great control of their energy future. The division's remaining \$21 million, Mr. Deputy Speaker, in 1980-81 will be kept in reserve and will accumulate interest until other energy projects are identified.

Saskatchewan is confident it can leave no better heritage to future generations of Saskatchewan citizens than an adequate and secure energy base. With the energy security division, Saskatchewan is coming to grips with the development of an energy strategy. Saskatchewan welcomes participation from the rest of Canada in the development of a truly national energy security strategy for all Canadians. It is hoped that with our example as a framework, other jurisdictions will similarly rise to meet the challenge facing all of Canada. As the establishment of the energy security division

indicates, our province is committed to active participation in the pursuit of this goal.

I now turn, Mr. Deputy Speaker, to the environmental protection division which is provided in these amendments. The main objective of this division is to set aside some of the revenues from current uranium production as a contingency fund to help provide the capacity to mitigate unforeseen environmental problems, which may arise well after the uranium mines have ended production and companies have completed reclamation of the mine and the mill site.

Although this government has implemented the toughest set of environmental, health and safety standards in the world with regard to uranium development, an element of concern still remains with some Saskatchewan citizens concerning environmental problems which may eventually arise. In response to these concerns, this government will transfer \$1 million from the resources division to the environmental protection division for each uranium mill in operation with the money being held permanently in the division as a contingency fund accruing interest in the years ahead.

In 1980-81 the division will receive \$2 million for the mines now in operation at Uranium City and Rabbit Lake. The only expenditures, loans and grants allowed to be made from the division are those outlined in section 25 of the amended act. More specifically, the Minister of the Environment will be able to make loans, grants or expenditures respecting environmental protection related to uranium mining and milling. As with the other divisions of the fund, all expenditures, grants and loans must be approved by this Assembly.

In summary, Mr. Speaker, under this government's leadership in resource revenue management, much has been achieved for the citizens of Saskatchewan in the province.

In 1980-81, the assets of the heritage fund will increase by roughly \$150 million bringing the accumulated assets to an estimate total of \$915 million by March 1981, roughly \$950 for every man, woman, and child in Saskatchewan.

When this government came to power in 1971, the Saskatchewan economy was dominated by the cyclical nature of the agricultural industry. Since that time, however, the province has successfully moved toward a diversified economic base. The province's economic and social future is bright and will continue to flourish as long as our province's abundant natural resources are developed for the benefit of all our citizens.

Mr. Deputy Speaker, these amendments which restructure the heritage fund have been introduced by our government because we think it is based on our desire to have some foresight for the future. With this explanation, I am pleased to move second reading of An Act to amend The Heritage Fund (Saskatchewan) Act.

MR. J.G. LANE (Qu'Appelle): — I'm sure hon. members will want to hear the record correctly put. We will want some time to review the statements of the minister. He did make a couple of comments with regard to the heritage fund stabilizing the income flow to the consolidated fund. We note approximately an \$80 million increase from the heritage fund into the consolidated fund this year, indicating that stability is not one of the high priorities of the government opposite as it milks the heritage fund dry.

The other, and I think the most significant aspect of the heritage fund, is really what is happening to the heritage fund. It is being dissipated. It is estimated that in 1980-81, the increase in current assets (cash) in the heritage fund is only going up \$14,454,000. I think that is a significant fact. The government opposite, under the guise of the heritage fund, is carrying on projects, which in any other government in -ca, are paid for out of the consolidated fund. I suggest it is, of course, a rather devious way of removing funds from the heritage fund into what should be normal consolidated fund expenditures. I am referring to the Buffalo Narrows causeway, the airport, highways, university expansions, Souris-River Valley Project. All of these, in any other government in Canada, are paid for out of the consolidated fund, but not by this government. It is a way, of course, a blatantly obvious way of taking heritage fund money so there won't be funds for future generations.

Mr. Deputy Speaker, as I indicated, there will be ample time for the opposition to put the true record of the heritage fund before this Assembly. I beg leave to adjourn debate.

Debate adjourned.

HON. E.L. TCHORZEWSKI (Minister of Finance) moved second reading of Bill No. 104 — **An Act to amend The Income Tax Act.**

He said: Mr. Deputy Speaker, I am pleased to rise today to move second reading of this bill which is amending The Income Tax Act. In the months that I have been the Minister of Finance, I have had the opportunity of looking closely at the Saskatchewan income tax system and comparing it to that of other provinces. If there is one thing that has become evident to me, it is that the Saskatchewan personal income tax system is among the most progressive in Canada and compares favourably with the tax structure of other provinces. We are one of the few provinces to supplement our tax system with additional tax reductions and a surtax aimed at higher income earners.

Let me briefly recap for members some of the major elements of the Saskatchewan income tax system which have been implemented in the last few years since this government was elected: a provincial tax rate of 53 per cent, the sixth lowest in Canada; a surtax of 10 per cent on Saskatchewan tax in excess of \$4,000; a general tax cut of \$150; an additional tax cut of \$40 for each dependent child, which together are subject to a reduction factor as income rises; a mortgage interest tax credit of up to \$250 a year; and a capital gains tax rebate for farmers and businessmen.

Let me now put these provisions together to examine where Saskatchewan's tax system lies relative to other provinces. Because most of the other provinces in Canada levy their personal income tax in accordance with a single rate with no other income tax adjustments, a comparison of provincial tax rates is deceiving.

As I have mentioned before, Mr. Deputy Speaker, the Saskatchewan income tax system is one of the most progressive in Canada. This means that at lower income levels, Saskatchewan residents pay among the lowest income taxes in Canada. The taxpayer earning \$15,000 a year for example, with a spouse and two children, would pay the second lowest provincial income taxes in this country. But when one examines the overall tax burden of the same taxpayer, taking into account the various credits and rebates offered in such costs as health premiums, electricity and sales taxes, the Saskatchewan taxes and charges are the lowest in Canada.

It is gratifying to be able to make such a claim and to state that our tax position relative

to other provinces is indeed favourable. The amendments to The Income Tax Act which have been introduced in this House will provide benefits to both individuals and to certain corporations. Let me first turn to the section of the bill which deals with the tax reduction for dependent children. Last year the child tax cut was increased to \$40 per dependent child to a maximum of \$240. Effective January 1 of 1980, this tax credit will be increased to \$50 per child to a maximum of \$300. And this increase will remove an additional 1,000 taxpayers from the province's tax rolls.

The general tax cut of \$160 and the child tax cut have been important elements in our tax system. Saskatchewan's general tax cut in 1980 will be equivalent to a 3 percentage point reduction in our tax rate for the average taxpayer. And this means that when looking at our personal income tax rate in comparison to other provinces in this country, Saskatchewan's rate would be 50 per cent on average without the tax cut. Mr. Deputy Speaker, this government has always recognized the contribution made to the province by our senior citizens. The bill will provide for an additional tax reduction in 1980 of \$50 for taxpayers 65 years of age and over. This will increase the general tax reduction for these taxpayers from \$160 to \$210 and will provide benefits to 23,000 senior citizens.

In addition it will remove 1,500 taxpayers from the tax roll. To make the overall tax adjustments more equitable, the 20 per cent reduction factor included in the current legislation will be increased to 30 per cent for 1980 and subsequently years. In the area of corporate taxation, Mr. Deputy Speaker, The Income Tax Act will be amended to apply the lower provincial corporate tax rate to the income of credit unions eligible for the additional deduction under section 137 of the federal act, and to the credit union mutual aid board. The amendment will parallel a similar feature under the federal Income Tax Act and once again demonstrate our government's support for the credit union movement in Saskatchewan.

Mr. Speaker, in 1976 we passed an amendment to the Income Tax Act regulating tax discounting activity. The provision protects taxpayers from excessive charges for loans made on the basis of income tax refunds. Since that time the federal government has passed similar legislation to regulate this type of activity. This bill will amend the tax discounting provisions under section 24 of the Saskatchewan act to bring it into conformity with the federal Tax Rebate Discounting Act, as other provinces have been doing.

The existing legislation states that a discounter must remit at least 85 per cent of income tax refund to a taxpayer. However, he may charge what he considers a reasonable fee for preparing the income tax return. That within itself has some problems. And in order to avoid confusion and conflict between the provisions of section 24 of our act and the federal legislation, this section will be amended to require discounters to remit at least 85 per cent of a refund to a taxpayer. And the 15 per cent to which the discounter is entitled will include any fee for preparing the return.

As I indicated, the amendment is designed to conform with the federal legislation and any discounter violating the 85 per cent refund provision will be subject to severe penalties under the federal legislation. Mr. Speaker, with these brief remarks, I have outlined what the amendments to the provincial income tax are. I move second reading of this bill.

MR. J.G. LANE (Qu'Appelle): — One fact which the minister missed when he spoke about the bill, and I am somewhat surprised, was when he indicated it was one of the

most progressive. Then he somehow said at the same time, it was in line with the other provinces of Canada. The one items which sets the Saskatchewan income tax act apart from most of the rest of Canada and makes it truly distinct, is the fact the taxes are higher than most other parts of Canada. In fact our people are paying higher taxes than they should have to.

Mr. Deputy Speaker, the opposition will have more to say when the financial critic is back in the Assembly. I beg leave to adjourn debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. R. Romanow (Attorney General) that Bill No. 42 — **An Act respecting Security Interests in Personal Property** be now read a second time.

MR. LANE: — Mr. Deputy Speaker, as I have indicated to the Attorney General, the opposition will be supporting the new personal property security act. I have had the co-operation of the department and his officials in raising matters. We will endeavor, when the bill comes up in committee of the whole (which we were hoping for this morning — I had indicated to the Attorney General we would be prepared to do it this morning), to go through the bill. As I have indicated we will not object to the bill. The only concern we have which has been expressed is that there be some period of time so those affected by the bill are briefed.

It is a very complex piece of legislation. It has fundamental changes in the law. It will be very easy under the new act, as we go through the transition of implementation, for securities not to be protected. It is easy to make a mistake which could have some very serious ramifications. I know the members opposite are aware of that. The assurance which we are asking for is that ample time be given to brief those who are affected by the legislation. I know there have been hearings from many groups today. We will be supporting the legislation.

HON. E.B. SHILLINGTON (Minister of Culture and Youth): — Just very briefly, in the absence of the Attorney General, if I might respond on his behalf . . . Here he is. I'll let him do it himself. I would say to the member though, there have been ongoing discussions with the law society, and we will, I think, not be proclaiming the bill until we and the law society are satisfied that sufficient consultations have taken place.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cowley (Provincial Secretary) that Bill No. 65 — **An Act to amend The Cemeteries Act** be now read a second time.

MR. G.S. MUIRHEAD (Arm River): — Mr. Speaker, I made my remarks on this before and then I adjourned debate. I just have a few more remarks to make. Mr. Speaker, if the cemetery company hasn't contacted the owner of the plot or the owner hasn't contacted the cemetery in the last 20 years, has the government used every possible means (such as advertisements commonly used to advertise our family interests like

Crown corporations to establish whether or not here are persons with paid contracts who still wish to maintain an ownership even if they live elsewhere in Canada, Europe or whatever?

This is what bothers me, Mr. Speaker. Have they used every means and will they use every means of contacting these people? I suggest what they should have been doing is contacting these people in the last year or two years, advertising it, so people could have come and claimed their plots. They should have at least done something, but they have done nothing. What will happen if this bill is passed, Mr. Deputy Speaker, is that it will become lost the day the bill is passed and it is too late for anybody to claim.

Also, Mr. Speaker, there seems to be no provision in this amendment as to what will become of the trust fund for perpetual care and services in respect of these contracts that have been placed in trust, Mr. Speaker. I would take it that, if the amendment is passed in its present form, it would be quite in order for those who wished to sell, at least their own plots not required (they were convinced to buy back in the '50s and '60s because they were a good secure investment) back to the cemetery companies which would be happy to purchase same. I presume that one of the reasons for this amendment is that the companies won't have to develop more property unless it's because of the trust fund requirements. There are a lot of questions, Mr. Speaker, I would like the member for Biggar to answer. I suppose he has definitely read my remarks from before, and I hope that when the time comes he will answer the questions I have asked.

Mr. Speaker, hopefully the Provincial Secretary can answer these questions that I have asked before and assure us as to what has happened in the past, what is now happening and possible activities the government proposes for the future in respect to legislation such as is before us, be it cemetery companies, potash companies, uranium companies, telephone companies, trust companies, investment contract companies. I just hope that he gives us all the details.

Mr. Speaker, in closing my remarks today, the fact that bothers me is what cemeteries are involved in this act? I read in the paper where the member for Biggar has made the statement that there have been plots not claimed back as far as 1896. Now 1896, that's getting back to Jessie James and Billy the Kid days. Who's to say this man isn't still living? But what I'm bringing up here is that he must be talking about municipal or urban cemeteries. This must be what he is talking about. But it's not clarified in the bill, Mr. Speaker, if the 10 memorial gardens that were formed in the early '50s, or through the '50s, are involved in this bill. The 10 memorial gardens that were formed for the purpose of gain — it isn't clarified in this bill if they mean these 10 memorial cemeteries or not. This is one of the questions that I want the member for Biggar to answer when he gets on his feet at some later time.

If this is a fact that we are talking about cemeteries in urban and rural centres that are owned by the communities, not by the 10 memorial gardens that I previously mentioned, I agree with parts of the bill that perhaps you have to do something for the municipal and urban points and centres, where they can have the right to take these plots back. I do definitely agree, Mr. Speaker, that there are people who bought family plots in areas in their towns, and maybe they are buried elsewhere in Canada, or elsewhere in the world.

My concern, Mr. Speaker, is that 10 memorial gardens were formed in the '50s just for gain. They were a money-making project for gain. Now, I want this answered because it

is not clarified in this bill. This is all I have to say at this time, Mr. Speaker.

HON. E.L. COWLEY (Provincial Secretary): — Mr. Speaker, I have a few remarks to make with respect to this. Undoubtedly many of the specific questions, the member for Arm River has can be answered in committee of the whole.

I want to say first of all that when I introduced this legislation I certainly didn't anticipate the hysterical outbursts we received from the member opposite with respect to this legislation. Certainly I think any reasonable person (and I don't necessarily include the member in that description) would realize there is not a lot in it for the government in terms of passing this legislation. We aren't about to take over the world or anything else. Indeed, the particular legislation came about as a result of a request made through the city of Moose Jaw, I believe, to the MLA for Moose Jaw. It dealt with the cemetery in the city of Moose Jaw, which is a municipal cemetery.

The circumstances were something like this. There was a plot where two parents and one child were interred and there was another plot available in the area (one more space). There were two surviving children but no more space. One of the surviving children passed away and was interred in the cemetery. The plot was full. There was no space for the other surviving child. There was a space available however right next to it; the plot had been sold in 1896. The city of Moose Jaw and the officials of the cemetery concerned were totally unable to locate either the individual or any heirs of the individual. The request was made from the cemetery in Moose Jaw to see if there was some way we could amend the legislation so this plot could be made available to the individual who wanted to be buried next to her family.

It seemed to me the legislation we were proposing dealt with that in a way which had been acceptable in both Alberta and Ontario, where I may say they have both commercial and municipal cemeteries, as we do in Saskatchewan. The intent of the legislation is to apply to all cemeteries.

I want to say, Mr. Deputy Speaker, that the member asks, why didn't the government do something about it two years ago? Neither the government nor anyone else could do anything about it until the legislation is passed. There is no way at the present time, a plot an individual owns, whether the individual has been deceased for 50 years or not, can be reclaimed except by buying it from that individual or his heirs, whoever has control of the estate. In many cases that's impossible to do. Furthermore, I think it is quite clear that it is not the responsibility of the government to search out the individuals. Rather, if the cemetery concerned is interested in reclaiming a plot sold some time in the past, then it is the responsibility of the government to see that that particular cemetery carries out the necessary advertising and research with all reasonable assurance that the individual either no longer can be contacted or is no longer interested in the particular plot.

I think one should realize that 70 per cent or 80 per cent (I don't know the exact number of internments in this province) take place in municipal cemeteries. Certainly, in my constituency all the cemeteries are either municipal cemeteries or cemeteries which are run by associations of local people and non-profit ones. In many of these this legislation will be particularly useful in certain unique circumstances.

I want to say that we have examined the legislation in Alberta and the legislation in Ontario. We have looked at the steps they go through in attempting to make sure the

particular cemetery has followed up on trying to locate the individuals who own the plots or their heirs in making an application such as this. The Alberta Securities Commission has in the past required the following, and they are the proposals we intend to follow:

1. The cemetery company or whoever runs the cemetery should write a letter to all the plot owners, whose plots you wish to have cancelled, informing them that you intend to make application under the above section of The Cemeteries Act and ask them to write a letter to you, giving them sufficient time to reply. To any of those you hear from in response to this letter you should issue new title documents to the cemetery plot.
2. When this has been concluded and sufficient time has gone by for replies to be made, you should advertise in the local newspaper. (I would suggest that any newspaper you have in your own locality which is generally read there and also in the Edmonton Journal to the effect you are making an application to the Alberta Securities Commission, etc.) This advertisement should appear each Saturday for two weeks, and should give those who wish to write in a full 30 days from the last advertisement to make the reply. He should then prepare an affidavit setting out the fact that all the persons who own plots 20 years old or more have been written, advise as to the replies received, the new titles issued. Also copies of the advertisement when they were made should be attached as exhibits to the affidavit and a statement to the effect that either none have been heard from or that some have been heard from giving their names, etc. Your affidavit should also state the number of plots and titles which you seek cancellation of, the list of names of owners, etc.

So I think they have gone through in a fairly major way to ensure that individuals are looked after in an appropriate way in terms of these plots which they may have bought in the past.

I want to say a word or two about commercial cemeteries, Mr. Deputy Speaker. The member made many comments about them and many unfounded charges. I want to say that commercial cemeteries started in Canada in the last 1940s. You might be surprised at this, but the first ones appeared under a Conservative government in the province of Ontario. I am sure the member for Arm River will agree that if the Conservative government of Ontario approved the establishment of the commercial cemeteries, then they can't be quite as bad a concept as he tried to portray in the debate. I might also point out that Ontario has a special branch of government just to handle commercial and other cemeteries. One business corporation alone in Ontario operates 16 commercial cemeteries. Initially, commercial cemeteries intended to be fully self-supporting, notwithstanding the fact that municipal cemeteries are, and have been, subsidized by local taxpayers.

Commercial cemeteries, having obtained their birth and legitimacy in the province of Ontario, moved westward arriving in Saskatchewan on or about 1952. There were no licensing laws in place in Saskatchewan nor do I believe in any other province when commercial cemeteries first appeared. In an attempt to at least partially regulate the operation of commercial cemeteries already established and selling in Saskatchewan, the regulations under The Securities Act were amended effective December 1, 1953 to define an interest in a cemetery plot as a security. The effect of the regulation was to require registration of commercial cemetery owners and their salesmen. This was only

a temporary and rather inappropriate measure as The Securities Act was never designed to regulate cemeteries. A revision of The Cemeteries Act was undertaken and this resulted in The Cemeteries Act 1955.

The new cemeteries act was one of the most advanced pieces of legislation governing them to be found in any jurisdiction in Canada. The act has served the public very well. It provided among other things that a cemetery could not be established without the knowledge and concurrence of the council of the municipality in which it was to be established. No commercial cemetery was established over the objections of any municipal council. It's my understanding that every jurisdiction has experienced problems of one kind or another with one or more commercial cemeteries. When commercial cemeteries were formed, the present rate of inflation was not anticipated. This has increased the expense of maintaining all cemeteries but commercial cemeteries which sold on a pre-need (?) Basis have been more seriously affected.

In Alberta, the Lethbridge and Medicine Hat cemeteries are under the administration of the province of Saskatchewan (I want to emphasize this) every contract sold by a commercial cemetery company has been honored in this regard, no person has suffered a loss. It has cost the Government of Saskatchewan money, in the case of certain commercial cemetery companies, to ensure that all contracts were honored. Two of the 10 commercial cemeteries in Saskatchewan are being administered at government expense. The expense, I believe, is not unreasonable with regard to the cost to the taxpayer of maintaining municipal cemeteries to which I referred earlier. So much for commercial cemeteries.

I should now like to speak to the bill before us. A period of 20 years may be somewhat short but it is uniform with both Alberta and Ontario. Before drafting this provision, a check was made with Alberta officials and I refer to this briefly.

The provision is not, as the member for Arm River suggests, to enable owners of cemeteries to take over burial plots on a massive scale but rather to deal with special situations particularly where it is clear beyond any reasonable doubt that the burial space will never be claimed by the owner or his personal representatives.

In certain cases, widespread advertising may be required by the registrar to ensure all reasonable efforts have been taken to locate the owner. In such case, the cost would tend to discourage the application. Finally, in the event that a plot were recovered by the owner and sold, the original owner or his personal representative would be able to claim a plot in comparable value or the proceeds from the sale of the plot.

The legislation, I suggest, is in the public interest and will not only be welcome by the owners of cemeteries whether they be municipal, commercial, church, or community operated, but also by members of the public who, for one reason or another, may require an additional burial space perhaps for a relative to be buried next to a used family plot. It may be obvious to them and to everyone else that burial space they require will never be used. They would purchase it from the owner if they could, but the owner may be dead or his whereabouts unknown. No personal representative may be able to be found. This provision provides a method whereby burial space could be made available.

I just want to say one thing in closing. I think the intent of the legislation is to attempt to deal with certain particular circumstances that we run into from time to time which have caused hardship for individuals. It also will be of some assistance to cemeteries,

particularly those cemeteries which are quite old (that would for the most part not be commercial cemeteries; it would be municipal, church-operated, etc.) I think the legislation would and should have the support of most reasonable members of this Assembly. I believe it would have the support of the public on the assumption it is going to be administered effectively.

I'm very disappointed in the attitude taken by the member for Arm River. It's very tempting to simply drop the bill because a small number of people are involved. It's one of those things that hardly seem worth the hassle when you have a piece of legislation which attempts to deal with what you think is a personal problem affecting a small number of people in the province and it's blown all out of proportion by a member who wants to discuss events which took place nearly 30 years ago. However, Mr. Speaker, in the interests of dealing with the particular problems faced by these individuals, who feel very strongly about them, we're going to proceed with the legislation and I would therefore move second reading of the bill.

Motion agreed to and bill read a second time.

MR. DEPUTY SPEAKER: — There has been a request for a recorded vote. I wonder just before we do that if the hon. Minister of Finance could introduce a group of students. They'll be leaving the gallery in a moment. Is that agreed?

WELCOME TO STUDENTS

HON. E.L. TCHORZEWSKI (Humboldt): — Thank you very much, Mr. Speaker, and thanks to the members of the House for giving me leave to introduce a group of some 40 students from my constituency from the Plunkett School. They are accompanied by their teachers, Mr. Brockman, Mrs. Ross, and Mr. Regier. I had the opportunity recently of visiting the school and speaking to the students, and answering questions for them, while I presented the Celebrate Saskatchewan pictorial history book and the Celebrate Saskatchewan pins. It was a very enjoyable morning for me, and it's a real pleasure to have them return the visit by coming to the Legislative Assembly and visiting us here. It is my hope that they will find their experience here this morning educational, and that they stay in Regina will be pleasant and enjoyable. I ask the members of the House to join me in welcoming them and wishing them a very safe trip home.

HON. MEMBERS: — Hear, hear!

ADJOURNED DEBATES

SECOND READINGS (continued)

MR. DEPUTY SPEAKER: — There's been a request for a recorded vote on Bill No. 65. Call in the members.

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

YEAS — 26

Pepper
Smishek

Mostoway
Dyck

Matsalla
Lusney

Romanow
Kramer
Robbins
Baker
Skoberg
McArthur
Shillington

Feschuk
Byers
Vickar
Rolfes
Cowley
Tchorzewski
Koskie

Prebble
Johnson
Nelson
Engel
Poniatowski
Solomon

NAYS — 12

Berntson
Birkbeck
Larter
Lane

Pickering
Garner
Muirhead
Katzman

Duncan
Andrew
Collver
Ham

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. MacMurchy (Minister of Agriculture) that Bill No. 80 — **An Act respecting Saskatchewan Grain Car Corporation** be now read a second time.

MR. DEPUTY SPEAKER: — There's been a request for a recorded vote. Call in the members.

Motion agreed to and bill read a second time on the following recorded division:

YEAS — 36

Pepper
Smishek
Romanow
Kramer
Robbins
Baker
Skoberg
McArthur
Shillington
Mostoway
Dyck
Feschuk

Vickar
Rolfes
Cowley
Tchorzewski
Koskie
Matsalla
Lusney
Prebble
Johnson
Nelson
Engel
Poniatowski

Solomon
Berntson
Birkbeck
Lane
Pickering
Garner
Muirhead
Katzman
Duncan
Andrew
Collver
Ham

NAYS — 00

COMMITTEE OF FINANCE — HIGHWAY TRAFFIC BOARD — VOTE 15

Item 1

MR. J.W.A. GARNER (Wilkie): — Well, Mr. Chairman, I would just like the minister to (and I don't have my Hansard right here handy) . . . I think the minister said the other day the Randy Wangler file is not closed. Is that correct, Mr. Minister?

HON. E. KRAMER (Minister of Highways and Transportation): — That was my statement. That has been the situation right along.

MR. GARNER: — O.K. Also, I think you stated the other day that you will abide by the decision of the Canadian Medical Association the next time it meets. You will abide by their decision on this case?

MR. KRAMER: — Correct, that is correct. I said, and I will just repeat, Mr. Chairman, what the situation is. There has been, (I think the nicest way I can put it is) some misunderstanding as to how these things are arrived at. Annually, the Canadian Council of motor Vehicle Administrators meet. They have interim meetings and in fact Mr. Henbury is off to a meeting very shortly to discuss and update. They meet as well with the American Motor Vehicles . . . (inaudible) . . . and many of the rules coincide with those. Now for the information of the House there are a number of things about which, in order to verify that and to table it for the information of all of the people in the House, we took the liberty of contacting the responsible people we could contact on the board.

The evening of Wednesday, May 7, 1980 — this is submitted by Mr. Henbury who is behind me, director of driver licensing, motor vehicle administration — at my request he talked to Dr. LC. Bartlett, the Manitoba member on the Canadian Medical Association emergency committee (the committee responsible for prescribing standards for drivers for the Canadian Medical Association). Dr. Bartlett confirmed there had recently been a meeting of the committee in Ottawa during which these two items were considered. The first related to diabetic drivers; the second involved drivers who were amputees. Dr. Bartlett reported that while there were to be minor changes in their recommendations relative to the diabetic, their original stance on the issue of the amputee would stand.

There's another paragraph here — I'm going to table all of these — there's a closing paragraph that I won't take the time of the House for. And here's another with Henbury talking to Dr. Ghent in Ontario. Today, May 8, 1980, I was in telephone conversation with Dr. Ghent, professor of surgery, Queen's University, Kingston, Ontario, chairman of the Canadian Medical Association committee responsible for prescribing medical standards for drivers. He totally confirmed the remarks made to me last evening by Dr. Bartlett of Winnipeg. Dr. Ghent went on to say that this is a standard which has been in effect for seven years and is not one that has been challenged before. He said in his opinion this tended to indicate that the standard was essentially a good one. He stated that the conversation could be recorded, etc., etc. And I am going to be tabling that letter.

This is a statement that has given over the phone to Mr. Henbury this morning. I attempted to contact Superintendent Toews, the officer in charge of the North Battleford subdivision, relative to the letter submitted on behalf of Mr. Wangler by Corporal A.R. Thornton, the NCO in charge of the Wilkie detachment of the Royal Canadian Mounted Police. Unfortunately Superintendent Toews was not available but I spoke to his assistant, Inspector K.A. Thompson. After hearing the contents of the

letter, Inspector Thompson asked me to advise you of the fact (that is me, the minister) that it is not the policy of the Royal Canadian Mounted Police to venture into those areas of responsibility assigned to some other department of government.

He expressed regret for any misunderstanding that may have occurred as a consequence of the letter sent from the Wilkie detachment. And I will table that.

Now the extract from the CMA standards guide says this — it is the rule we follow:

Full and painless movement in both arms is essential to the safe operation of a large passenger transport or heavy commercial vehicle. Both hands must be able to grip the steering wheel firmly to provide bracing against rapid deceleration. A thumb and an adequate number of opposing digits on each hand are therefore essential to safe driving.

I also have the list of members of the Canadian Medical Association, a number of physicians throughout the country. For the information of the House, Mr. Chairman, I would like to table these for the records. I repeat again that we will be writing to the Canadian Motor Transport Association and putting this on the agenda for the next meeting. We will be placing the case exactly as it is, concerning Mr. Wangler, what his situation is, and we will rely on their decision.

MR. GARNER: — I have also read it. I appreciate very much your tabling that for me. I would like to go on record that I appreciate the file not being closed and the decision being made by them. The only thing I would like to point out is that it is a guide (where these quotations came from and from this board) for physicians in determining fitness to drive a motor vehicle. I can abide by that decision. Rather than delay it any more, we'll wait and let them make the decision, Mr. Minister.

A suburban is the same as a crew cab. Why can one have a farm plate and not the other?

MR. KRAMER: — Mr. Chairman, the difference is simply that the suburban is designed for hauling passengers. There are some instances where the seating capacity and the seating equipment have been removed and it has been designed for the hauling of farm products. Then an application can be made for the change in the vehicle (and there's evidence that the vehicle has been changed for the carrying of loads).

MR. GARNER: — Just to that, Mr. Minister, what are the regulations pertaining to the suburban vehicles?

MR. KRAMER: — A suburban vehicle is a passenger vehicle. It's used for large families, campers and that type of thing. If it is in its original state, as I understand (I can't give you details, we can get you all the details and we would be happy to provide the written details as to what the rules are exactly on suburbans), it comes from the factory with seats installed and therefore it is classed as a passenger vehicle. Unless there is an approved change, it continues to license as a passenger vehicle.

MR. GARNER: — I want to go to another topic, Mr. Chairman. I have a letter here and I'll just read part of it. It is to Mr. Sheard, highway traffic board, province of Saskatchewan:

During the course of a hearing (this was a hearing about a transportation company), it came out in evidence that the Saskatchewan Highway Traffic Board has issued an interim permit to Voyageur Trucking Corporation to

transport 100 loads of petroleum and 26 loads of general freight owned by Amok Limited from Saskatoon to Cluff lake. The interim permit was stated to be valid only during the existence of a contract with Amok Limited. However, evidence was given at the hearing to show that no contract had been filed with the highway traffic board, and in fact only a letter of commitment from Amok Limited addressed to the Saskatchewan Highway Traffic Board, indicating that it was prepared to use the services of Voyageur Transportation Corporation to transport those commodities had been filed.

We have been advised by the Saskatchewan Highway Traffic Board that it is their policy to grant an interim permit to any carrier that files a contract with the, with respect to the movement of any commodities on behalf of a named shipper, to points in northern Saskatchewan.

It would appear that either the highway traffic board's policy with respect to the issuance of interim permits in such circumstances has changed, or in this particular instance, the interim permit was issued in deference to existing board policy. The carriers that we represent find this ironic, especially in view of the fact that on haring of the application by Voyageur Transportation Corporation for permanent authority to transport general merchandise owned by Amok Limited. Amok Limited did not have a representative present at the hearing in support of the application of Voyageur Transportation Corporation.

Verbal evidence is an essential ingredient in considering this or any application as specified by the board in the following. The application states:

1. Only verbal evidence will be accepted at the hearing.
2. The certificate of support, if the appropriate form HTB 101 was filed, provides an undertaking that the undersigned or a representative on my behalf will if required, attend a public hearing respecting the application of the applicant in order to provide verbal evidence in support of such application.
3. By letter dated January 16, 1980, a copy of which is attached, directed to Voyageur Transportation Corporation, it is clearly stated — you are reminded that only verbal evidence will be considered by the board, therefore, supporting witnesses are required to attend the public hearing.

We would appreciate receiving a statement from you clarifying the highway traffic board's policy with respect to the issuance of interim permits on the basis of contracts filed with the board for movements of commodities into northern Saskatchewan.

Our clients are most concerned with receiving confirmation of the board's policy in this regard, as well as in regard to the status of applications that are not supported by verbal evidence or named shippers.

Now I think that more or less explains what I'm asking, Mr. Minister. What is your policy in a case like this? Was this just a special case, or what were the circumstances?

MR. KRAMER: — Now, the policy is not the same in northern Saskatchewan where new developments come in, and people . . . There is an attempt to try to keep northern people involved — well, the people in the North who are trying to get into business and into hauling and so on.

It is a little difficult, but what I would like to do is give you a complete written reply and have it on paper. But my chairman says they accept a letter of intent to apply, along with a verbal application in these cases, because new mines and new developments are springing up at the time. If we went through the long process of hearings and one thing and another, these northern people who want to become active in business and logging jobs would be shut out. There would be a great complaint from them that we were still continuing to favor the southern people and leave them as the hewers of wood and drawers of water.

MR. GARNER: — Mr. Minister, my reason for asking the question, I think is quite evident. First of all, I would like you to tell me what is a northern person?

MR. KRAMER: — We would rely on the Department of Northern Saskatchewan's definition for that. I don't have the qualifications for a northern person. I don't know the nature of the various members of that company. My chairman tells me you do not have to be a northerner to apply.

MR. GARNER: — Mr. Minister, you see the thing is, what I'm trying to find out is do we have two sets of rules and two sets of laws in Saskatchewan? We have trucking companies established in Saskatchewan ready and willing to haul these. They have to go by one set of guidelines. Now it seems to me there is another set of guidelines now for other people. Are these a special set of people? Do you have to live, geographically, in a special place in Saskatchewan in order to get this special permit?

MR. KRAMER: — In northern Saskatchewan, because of new developments springing up, the board has decided that they are better able to handle it until these various people can get their companies together. They work on a permit basis until the situation clear up. It is true that some of these truckers, for instance North Star, has been hauling over the ice to Uranium City for years. But at the same time there are a number of people who want to get in on the development of the North. We want to handle those. The board wants to handle it on a permit basis until the situation develops where they can establish clear and steady routes under franchise, under what's called a permanent operating authority.

MR. R.L. ANDREW (Kindersley): — Mr. Minister, you indicated to the member for Wilkie that the people who are doing business in northern Saskatchewan are not required to go through all the formalities. I can grant you that. Are you saying any trucking company that intends on doing business in the North does not have to go through all those formalities with regard to highway traffic board hearings?

MR. KRAMER: — Mr. Sheard, our chairman, tells me that any trucking company in Saskatchewan that gets a contract from Amok, or Gulf, or SaskOil, or Sask minerals will apply for a permit and the permit will be issued if the equipment and everything else is sufficient.

MR. ANDREW: — Do you think the rationale of this reason, as you indicated earlier, was because there was a substantial growth of the volume of work up there? I take it that what would flow from that is a substantial increase in the number of new trucking firms

into the DNS area. Could the minister inform himself as to whether there has been a substantial increase in the number of truckers licensed up in there — trucking companies licensed — and if so, approximately how many new trucking firms were licensed to work in the DNS area?

MR. KRAMER: — There has not been a tremendous number. Siemens Transport is operating right now to Gulf Minerals in Wollaston Lake on a permit. There was — I can't recall the number — a private company licensed by the highway traffic board into La Ronge. They're not on permanent as yet. They have been issued a licence and they are running in competition, incidentally, to Saskatchewan Transportation Corporation which had the hauling in there for years when it was non-profitable. Now that there's a good road in there they have some competition, apparently, and there's some complaint about that. Voyageur Transport is also operating on permit, and they operate on permit as I said earlier, because of a contract they had developed with Amok.

MR. CHAIRMAN: — Order. I wonder if the hon. member for Yorkton could have leave to introduce a group of students?

WELCOME TO STUDENTS

MR. R.N. NELSON (Yorkton): — Thank you very much, Mr. Chairman. On behalf of the Hon. Edgar Kaeding, Minister of Municipal Affairs (Rural) through you, it's with great pleasure that I have the privilege of welcoming to the legislature 38 students from Bredenbury and Saltcoats, Saskatchewan, two very fine town to the south-west of Yorkton. I have had the privilege of teaching a number of the brothers and sisters of these students who have come to the Yorkton Regional High School to be taught. I'm very pleased to see these people here. At the present time in the House the students may be interested in knowing that we are going through the estimates for the spending for the Department of Highways, and so the discussion back and forth is based on the estimates of that department. Mr. Kaeding has asked me to express his regrets to you that he had to be called away out of town and couldn't be with you. He has asked me to be with you and it's a very great pleasure. I will be pleased to meet with you at 1:15 or thereabouts, to talk to you and have pictures and refreshments. I know all members will join me in welcoming these students to this legislature, and hope that they will have a most interesting stay here, a most interesting stay in Regina, and a good safe journey home.

HON. MEMBERS: — Hear, hear!

COMMITTEE OF FINANCE — HIGHWAY TRAFFIC BOARD — VOTE 15 (Continued)

MR. R.L. ANDREW (Kindersley): — The problem I'm having, Mr. Minister, is this. Obviously the highway traffic board is set up to control trucking so trucking will be properly controlled, so it is not over supplied with the whole problem that arises out of that. It is also set up so the meetings are there for challenges, so that proof has to be made the service is in fact needed. Now it seems to me what you are saying is that there are very few trucking firms involved in this, that you are waiving those rules and regulations for these very few trucking firms going into the DNS area and the North. I don't understand why just such a small number should be exempted from the rules. Obviously it doesn't take a great deal of time to get your application through the highway traffic board. Surely, would it not be the situation perhaps to give them a preference on the priority list to bring it through quicker? Why do you have to circumvent rules in this particular case?

MR. KRAMER: — Mr. Chairman, the construction period is a fleeting thing, you know. During the period there is a lot of hauling to be done, after that it will taper off and then a normal pattern will follow. During that period of time the board has allowed permits to these people who can get work from the development company, and it has allowed the permit on that basis as I understand it. I want to tell you, I am not an expert in this licensing thing and I am attempting to give you all the information I can about it. I will say this, that if you would like to have it clearly documented, word for word down the line, as to what happened with each one of these people, we would be very happy to give it to you on paper. It is a little difficult to get this information second and third hand. Or we could give you this information in an interview, if you would to drop in to the board to acquaint yourself with the policy. The chairman tell me he would be very, very happy to discuss this with you at any time and at any length.

MR. GARNER: — Mr. Minister, we will take you up on that. In order to speed this along here, we will take the chairman up on that and we will have an interview with him. But I am going to just read one small paragraph here from a different letter I received:

You may be interested to know that on February 28, 1980 at a hearing where a named shipper (Amok — it doesn't say that but I presume it is Amok) did not appear and in fact withdrew certification of support. The board ruled it was bound by regulations and refused to proceed with the hearing.

Now, Mr. Minister, just seems to me we have trucking firms in Saskatchewan to provide this service. They have millions of dollars invested in equipment to move commodities from A to B. Now we start flirting around the country and giving a little one here to somebody else there, and then all of a sudden they don't keep up their end of the bargain or the shipper decides he doesn't want them carrying any more. I think, Mr. Minister, we should go by one set of rules and one set of guidelines for the whole province. Otherwise what is going to happen, Mr. Minister, is that we will give our letters of intent to these different trucking firms and we're going to have some of the original trucking firms in the province fold up because they can't compete with the smaller companies coming in and cream-skimming on the profits off this. I think we should go to new set of rules in the province for everyone. No discrimination, Mr. Minister.

MR. KRAMER: — Mr. Chairman, I want to inform the member that there is no discrimination at this time. The permit situation is designed to take care of the special circumstances of the rapid development going on. The board is doing its very best. There is no intent whatever to cut back on those people who have been hauling in the North. I repeat my invitation. I just want to clear myself up on one point, Mr. Chairman. Well, the chairman tells me that even now this policy is under review. I don't think the suggestion of rule consistency can possibly hold when we are in this state of development and this state of flux. There is an expansion. In about two or three years, what will happen is these mines will be developed. There will be a completely different situation, Mr. Chairman. Some of these companies that have been hauling in there will no longer be required. The permit system will not be needed. Then there will be hearings to determine to whom the permanent franchise will go. As far as denying a hearing, I don't know what the circumstances there are. I think the chairman says it is only an assumption as to what the decision might have been had the hearing been held.

MR. ANDREW: — Just so I have clarification on it, Mr. Minister, the invitation is still open to completely review the file?

MR. P. ROUSSEAU (Regina South): — Mr. Minister, I have one question which I would like to put to you. On class 1A driver's licence for the heavy trucks (and the reasons I am putting the question is that I have had a call on it) apparently in the case where an individual writes an exam and fails that exam for some very minor point, he has advised me that the time delay between that exam and the next one he is allowed to write is something like six months. There may be a reason for that. I would like to know what it is. But the thing which I am concerned about in a case like this is that class 1A, as you understand, is a truck driver who is perhaps going to be earning his living driving that truck. Is there any way that the time delay could be shortened where he would be allowed to write that exam, say within the next week instead of six months later?

MR. KRAMER: — I don't know, Mr. Chairman, what the member's particular case is. It must be a rather odd one because our director of licensing tells me he could re-apply and write again the next day in all the major centres. It would have to wait in the small centres for the driver examiner to complete the route.

MR. ROUSSEAU: — Mr. Minister, I will accept that answer. I was advised in this particular case. It could be an isolated case. I will admit that. I will do some further enquiring into it and perhaps talk to the man involved . . . (inaudible interjection) . . . certainly will. Thank you very much.

Item agreed.

Items 2 and 3 agreed.

Item 4

MR. GARNER: — Mr. Minister could I have list of all the members on the highway traffic board, their status and everything else. You could send that to me.

MR. KRAMER: — Yes, the names of those people are available. I think they should be in our annual report. Oh, we're economizing, we don't have an annual report. I'll be glad to give them to you.

MR. GARNER: — Just one other quick point, Mr. Minister. Have you had any representations by any school bus companies regarding the new safety procedures? Have there been any representations made to your office?

MR. KRAMER: — Certainly nothing unusual. I guess the answer is no.

Item 4 agreed.

Items 5 to 8 agreed.

Vote 15 agreed.

CONSUMER AFFAIRS — ORDINARY EXPENDITURE — VOTE 4

MR. CHAIRMAN: — I call on the minister to introduce his officials.

HON. W.A. ROBBINS (Minister of Consumer Affairs): — Mr. Chairman, I'd like to introduce to the Assembly Mrs. Lynne Pearson, the deputy minister of consumer

affairs sitting next to me, Mrs. Loretta Eberts, from the education and information branch, Mr. MacGillivray, who is the head of investigation and licensing and Mr. Tom Rogers, who is in charge of planning and policy branch.

Item 1

MR. R.L. COLLVER (Nipawin): — Mr. Chairman, I just have one question for the minister. I know the minister is responsible for the negotiations on the price of milk. I just wonder whether or not any commitments have been made for the forthcoming year or any kind whatsoever on increasing the price of milk?

MR. ROBBINS: — Not to date.

MRS. J.H. DUNCAN (Maple Creek): — Mr. Minister, I believe that the objective of the Department of Consumer Affairs has always been to try to get the best deal for consumers through educational programs and various seminars and things conducted throughout the province. I noticed in your 1978-79 annual report that you assumed responsibility for that portion of The Home Energy Loan Act that deals with licensing and bonding of insulation installers in the province, but you only are concerned with those installers who do more than 25 jobs in a year. Is that correct?

MR. ROBBINS: — That's correct under the Warm Up Saskatchewan Program, but we also licence installers under The Direct Sellers Act.

MRS. DUNCAN: — It states here that you licensed 60 installers in '78-79. Do you know approximately how many would fall under the 25 or less category?

MR. ROBBINS: — No, we're not aware of those who are unlicensed but we have 50 who are licensed.

MRS. DUNCAN: — Of the 60, how many are licensed specifically to install urea formaldehyde foam?

MR. ROBBINS: — Thirteen, Mr. Chairman.

MRS. DUNCAN: — Has your department received any complaints other than the one raised in the House the other day?

MR. ROBBINS: — We've received five complaints.

MRS. DUNCAN: — I'm assuming you investigated them.

MR. ROBBINS: — Yes.

MRS. DUNCAN: — You're very helpful. Last Friday you indicated to me that six months ago your department contacted federal authorities to perhaps consider placing urea formaldehyde foam under the Hazardous Materials Act. Could you tell me what prompted your concerns and what correspondence have you had with Ottawa?

MR. ROBBINS: — What basically prompted our concerns were U.S. studies which indicated eye irritations and allergies as a result of the use of formaldehyde.

MRS. DUNCAN: — Have you had any answers from Ottawa?

MR. ROBBINS: — We've had discussions at the deputy minister's level. I saw recently a report by Dr. Morrison of the health safety branch in Ottawa that indicated in his view urea formaldehyde did not constitute, basically, a health hazard.

MRS. DUNCAN: — And I'm assuming that you agree with his assessment?

MR. ROBBINS: — Not necessarily, but I think we have to take it into account.

MRS. DUNCAN: — Why is it, Mr. Minister, if you have these concerns based on U.S. studies . . . Apparently at the onset Canadian standards were accepted in the United States, but those were revised. They felt the Canadian standards were not strict enough. If your concerns arose from studies in the United States, why is it that you, as a government cannot restrict the use (I'm not saying an all out ban) until such a level of safety in a residential area can be established? Why can't you assume that responsibility and put on the restrictions yourself, barring the fact we know that building regulations across the country have a uniform type of code. But when we have indications that there could be very serious and perhaps permanent hazards to humans, why can't you just restrict it yourself?

MR. ROBBINS: — Actually our department has no right to do that. We possibly could put some stricter rules in place with respect to installers. Currently we don't have the legislative capability of doing that.

MRS. DUNCAN: — Could you not appeal to say, the Attorney General's department or the Department of Health on this matter?

MR. ROBBINS: — I should point out perhaps to the member it is our understanding there have been about 800 homes, or 800 establishments insulated with this product. The only one that we've really had much contact on is the Demeria home in Saskatoon. We know of others, the schools, etc., but that's the one that really has a major problem. Right at the outset we informed the lawyer acting on their behalf that he should take legal action. And they've now taken legal action.

MRS. DUNCAN: — Tell me. You indicated that you had five complaints previously. Were those by licensed installers or were some of them from ones who aren't licensed in the province?

MR. ROBBINS: — They were the licensed installers, yes.

MRS. DUNCAN: — During inspections when you do get a complaint do they go out to check the equipment being used and do a full investigation? Because apparently the industry itself claims that if this product is used under the rather strict conditions set out, there is usually no problem at all. Unless those strict conditions are met this problem can arise. Do you check the equipment used, the dates on the products, and things like that?

MR. ROBBINS: — No, the Department of Labour has done some testings through occupational health and safety branch. We did have people go in to check the Demeria home.

MRS. DUNCAN: — I'm not talking about the homes themselves, Mr. Minister. I'm talking about the firms that install the product. Apparently there are very strict guidelines set

up by Ottawa as to how they can be installed, the type of climatic conditions that have to be present, and the types of safety checks that have to be taken before (either visual inspection or whatever) this foam is installed into a building. What I want to know is when you get these complaints do you go to the insulator and say I would like to see your equipment to see whether it's faulty, to see whether it's safe or whatever?

MR. ROBBINS: — The product is mixed on site and once it has been mixed and installed, then you may find out you have a problem. I should point out perhaps that in the case of the Demeria home the Demeria family is living in another home with urea formaldehyde insulation installed in it by the same installer. And all the problems have disappeared. So we think there could be some problems with respect to installers at a particular site.

MR. R.A. LARTER (Estevan): — Mr. Minister you mention in your report that anyone installing insulation in less than 25 homes does not have to be licensed. Can any of these people install this formaldehyde insulation?

MR. ROBBINS: — We haven't had any complaints from a person who had the insulation put in by an unlicensed installer. I might add that the equipment is quite expensive and it's unlikely that anyone is going to be installing this type of insulation unless they are doing more than 25 homes in a period of time.

MR. LARTER: — Mr. Minister, do you not think now, in light of what has happened — at least there's a scare there, at least there's a possibility that if this insulation is installed at the wrong temperature, something can take place. Now would you not think it would be a good idea, even with these licensed inspectors on the 13 or 17 who are installing this type of insulation, that you should possibly have a schedule of homes they are doing and on an inspection rate, make sure they are installing them at the proper temperature and there is no chance of something like this happening as did happen in Saskatoon. And I believe they have stated it was installed far below the required temperature.

MR. ROBBINS: — It would require inspectors in the department which we currently do not have. I should point out that we have looked at the possibility of installers of urea formaldehyde having a comprehensive liability insurance policy covering product and completed operations. One of the problems with the Demeria case was the insurance that the installer carried out did not cover completed operations and the actual installation occurred in 1978, not in 1979, in late 1978. So it's a year or more since the problem appeared to be a very bad one. There are conjectures with what caused this problem. There are some assertions that lack of proper venting in the attic caused a lot of frost and ice to form and when it melted ran down the walls and that created the problem. We think that perhaps the installer didn't take adequate precautions when he was installing it.

ANNOUNCEMENT

Wedding of Mr. Birkbeck and Miss Thompson

MR. R.L. ANDREW (Kindersley): — Mr. Chairman, with leave of the Assembly, I would ask permission to make an announcement at this point in time. Mr. Chairman, the announcement basically is this — I would ask the members of the Assembly to join with me in wishing all the best to the member for Moosomin who is going to the wedding altar tomorrow. He will be marrying one Beryl Thompson and I think all members of the Assembly would wish to extend our congratulations and the best to Mr. Birkbeck and

Miss Thompson.

HON. MEMBERS: — Hear, hear!

MR. ROBBINS: — . . . (inaudible) . . . on this side of the House. I sincerely hope the bride will be able to improve his attitude.

MRS. DUNCAN: — Did you say you are considering bringing in some amendments to the act that would require the installers to carry adequate liability insurance as is required by various other businesses in the province?

MR. ROBBINS: — They are looking at the possibility of introducing some amendments or changes which would require more comprehensive insurance coverage by the installers of urea formaldehyde insulation. As I said before, the individual installer in this particular case had a premises in operation policy. But once that person is off that site, that insurance has no effect. You have to have what is termed 'completed operations.' I point out again, the time lag was about one year and three or four months, much longer than most people are assuming. They are assuming this was done in late 1979. It wasn't. It was done in late 1978.

MRS. DUNCAN: — Have you initiated any investigations on your own with regard to this product or are you just investigating the complaints you have received?

MR. ROBBINS: — No, we didn't get that right on our own. We did have Saskatchewan Research Council go to the Demeria house and check it for formaldehyde fumes.

MRS. DUNCAN: — On page 25 of your annual report for the fiscal year ending March 31, 1979, you received a little more than 4,000 complaints. But it says here it does not include the 702 investigations initiated by consumer affairs. Could you give me an example of what you would initiate on your own?

MR. ROBBINS: — We initiated some investigations with respect to concerns expressed by consumers, particularly related to preselling sorts of arrangements coming into the province. Also, with regard to some advertising in newspapers, we felt holding out things that could not be actually realized in relation to consumers' needs and satisfactions.

MR. LARTER: — Mr. Minister, does this department do any inspections on insulation of new homes or homes built in the last five years?

MR. ROBBINS: — No, we do not. Sask Housing does.

MR. LARTER: — Mr. Minister, would you consider (or at least pass it on to the proper authorities or through your department) doing spot inspections of homes which have been built in the last two years or homes which have been insulated with urea formaldehyde, taking spot inspections of homes which had been built, say during the last two to five years and possibly new homes which are being insulated right now — spot inspections with samples of the materials which have already been put into the walls. It would be for the peace of mind of the people of Saskatchewan to check some of these out on a spot inspection basis.

MR. ROBBINS: — Yes, we would certainly consider doing that, if we are given the right to do so by the authorities.

MR. LARTER: — Mr. Minister, would you pursue that?

MRS. DUNCAN: — Just one quick question before you continue. The Premier indicated that perhaps an educational type of program should be initiated in the province with regard to urea formaldehyde foam insulation, as to the possible effects — perhaps an educational program which would alert the home-owners as to the types of conditions which must be met when installing this particular product. Have you or are you in the process of developing some type of information program at present?

MR. ROBBINS: — Yes, we have been doing that for more than two years. We have been telling people about potential problems with urea formaldehyde foam insulation and the fact it could cause irritation to the eyes and skin, etc.

MRS. DUNCAN: — A public one or just over the phone, if someone phones or writes?

MR. ROBBINS: — The information was generally given over the phone or written to them. We will have a brochure available very shortly.

Item 1 agreed.

Item 2

MRS. DUNCAN: — One question. Of the 29 employees in this particular division, how many are classified as investigators?

MR. ROBBINS: — 16.

MRS. DUNCAN: — Are they stationed throughout the province or mainly here in Regina and Saskatoon?

MR. ROBBINS: — Saskatoon for the northern part of the province. Regina for the southern part.

Item 2 agreed.

Items 3 to 5 agreed.

Vote 4 agreed.

The Assembly recessed from 1:15 until 2:30 p.m.

**COMMITTEE OF FINANCE — DEPARTMENT OF REVENUE, SUPPLY AND SERVICES —
ORDINARY EXPENDITURES — VOTE 19**

MR. CHAIRMAN: — I'll call on the Minister of Revenue, Supply and Services to introduce his officials.

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services): — Mr. Chairman, I'd like to introduce Ms. Arleen Hynd, deputy minister of revenue, supply and services. Directly behind her is Mr. Joe Vermeulen who is the director of operations. Behind me is Mr. Dan Cunningham who is the director of administration, and to my right the director of the revenue division, Mr. Mike Barry.

Item 1

MR. J.W.A. GARNER (Wilkie): — Mr. Minister, it has been brought to my attention that your government is looking into purchasing additional aircraft. Mr. Chairman, you can ask the minister, not the Attorney General. Mr. Minister, has your department been viewing any jet aircraft for the Government of Saskatchewan, or have you purchased or started negotiations for any jet aircraft for the Government of Saskatchewan?

MR. ROBBINS: — None of those items, Mr. Chairman.

MR. GARNER: — Have you purchased any aircraft since last year, Mr. Minister?

MR. ROBBINS: — No, Mr. Chairman.

MR. GARNER: — Are you in negotiations? Have you viewed any aircraft or had any demonstration by any jet aircraft companies or any other aircraft companies regarding this?

MR. ROBBINS: — The answer is no, Mr. Chairman.

MR. GARNER: — Are you now leasing any new aircraft for the Government of Saskatchewan?

MR. ROBBINS: — No, we are not.

MR. P. ROUSSEAU (Regina South): — Mr. Chairman, perhaps the minister might indicate whether or not other departments of the government have been given demonstrations of new jet aircraft for the purchase by the government within the next short while.

MR. ROBBINS: — I'm not aware of that, Mr. Chairman.

MR. L.W. BIRKBECK (Moosomin): — Mr. Chairman, the minister has indicated that under no circumstances have there been any requests made of his department for the purchase of jet aircraft, nor is his department leasing any, nor is he aware of any other department leasing any. So really, members of the opposition are to assume the government has no tentative plans whatsoever in any department in any way, shape or form to involve themselves with executive aircraft. Then a reasonable question to the

minister would be, how do you propose to use a new airport that is planned for the PCS (Potash Corporation of Saskatchewan) mine at Rocanville, that is going to be 4,000 feet long and 100 feet wide?

MR. ROBBINS: — I'm not aware of that. I can't speak for Crown corporations.

MR. ROUSSEAU: — Mr. Chairman, because of the scope of the departments' activities that will allow me the necessary latitude to pass a few comments on several topics.

The revenue branch of this department is, of course, the office of tax collections. One the subject of taxation, I'll be saying a little more in the course of these estimates. Another area of interest within this department is the CVA (central vehicle agency), perhaps better known as executive error or cabinet error. It was not too long ago that we received a document of about 60 pages indicating the number of flights taken by cabinet ministers and senior government officials on executive aircraft over an eight-year period, but again, more on that later.

First, Mr. Chairman, I want to deal with taxation. The Progressive Conservative and New Democratic Parties obviously disagree on taxation policies. And since the revenue branch collects these taxes, I'd like to spend a few moments examining some forms of taxation and some ideas concerning taxation.

First and foremost, Mr. Chairman, Saskatchewan residents are probably the most highly taxed people in Canada. And also the most broadly taxed. I'm taking a brief look at the more recent edition of the public accounts, we have E&H tax of almost \$158 million, gasoline tax of \$82 million, mineral acreage tax of \$9 million, insurance tax of over \$6 million, individual income tax of about \$310 million, corporate tax of almost \$100 million and tobacco tax of over \$21 million, succession duties (which are no longer there) which last year were \$1 million and other taxes of \$3.5 million. And add to this such items as the privileged licences and permits — over \$32 million.

Let's not forget that this branch's levy will increase significantly by the recently announced increased in motor vehicle licensing fees. Add to this the various other fees, charges, and levies, plus a health \$376 million in federal transfer payments. After nine years of supposedly progressive NDP government, we are still a have-not province, when you get, Mr. Chairman, a total budgetary revenue financed both directly and indirectly by every man, woman and child in Saskatchewan. To use very basic arithmetic, this works out to about \$1,800 for every person who lives here. You get hit on all sides. This government collected about \$690 million in direct taxes last year, 38 per cent of which was paid by the individual on everyday purchases such as clothing, footwear, tobacco and gasoline. Time after time we have questioned the necessity of taxing children's clothing, shoes, baby bottles and other family items. And the minister himself has failed to support this position that we take. Year after year we have attempted to change this legislation and year after year this government has blocked our endeavours.

I wonder why this government is afraid to lose revenue from these items? The minister claims it would be an administrative nightmare to remove the sales tax from these items. I wonder if the minister might want to explain how the other provinces in Canada cope with this. Saskatchewan is the only province that still charges sales tax on such staple family items.

Let us look at yet another aspect of taxation in Saskatchewan. During this year of

celebration of this province's 75th birthday, the government should be honoring our senior citizens — the people who helped settle this province. Instead let us look at what is happening. Many of our senior citizens are on welfare, unable to afford even the bare necessities of life and they lived on fixed incomes, subject to the wild fluctuations of market prices in all their needs. It would be so easy to exempt these people from some of the unfair taxes that they must pay. Yet what is this government doing? What are its priorities? Again we see a government that says it is a government of people. Putting potash and uranium before the welfare of the citizens in order to collect a few extra dollars . . . You get ahead of the gas pump and the highway traffic board . . . Every time you fill your gas tank at least a third of the cost of the gas goes into the provincial coffers. Recent figures obtained from the office of the Minister of Mineral Resources indicate that 9 cents per litre of gas prices of 24.6 cents a litre go directly to the provincial coffers. That is equivalent to over 41 cents per gallon purchased.

Then there's the matter of the provincial road tax of 3 cents per gallon that goes to SGI, (Saskatchewan Government Insurance) so that that Crown corporation cannot appear to keep our automobile insurance premiums low. This is a tax that takes many million tax dollars out of the pockets of Saskatchewan taxpayers and puts them into the SGI coffers. This is one of the NDP's more successful and subtle ways of indirectly taxing the citizens of this province. Then, of course, there was the recent announcement by the revenue minister that he was increasing motor vehicle registration fees and driver's licence registration. Vehicle registration fees were increased by 20 per cent on the average.

The minister justifies this move by saying that the increases were necessary to keep pace with the increasing cost experienced by the government in the provision and maintenance of provincial roadways. I believe, if I recall correctly, in the Crown corporation estimates, just this week, I indicated to the minister that if he adds up all the taxes and the increase on the insurance rates and the registration fees and so on and so forth, in this province in the past 12 to 18 months, motorists of this province are going to be seeing something like a 100 per cent increase in their costs of driving car, just for those areas.

This might wash, Mr. Chairman, except for one tiny detail. In the 1980 estimates (and I'm referring again to the maintenance of the provincial roadways) both the rural surface and urban surface transportation expenditures are down in total by over \$4.4 million. When you consider that maintenance costs have increased by \$2 million, highway maintenance and construction will decrease in net expenditure. Yet the minister justifies registration fee increases on this fact. I know he'll come back and say that I'm wrong in my figures, that the highway expenditures are up and he'll then look and include in that the heritage fund expenditures. Well, the minister knows full well that whatever happens to the heritage fund has nothing to do with his department. It has nothing to do at all with the consolidated fund. I think that the minister owes the motoring public of Saskatchewan an explanation, Mr. Chairman.

The list of taxes and levies goes on and on, and I could go on and on about each one of them, but for the sake of economy of time I will not. Before I close, I'd like to say a few words about the CVA, a revenue department branch which concerns itself with air ambulance services and chartered flights in the transportation of cabinet ministers and senior government personnel around the province. There is an inherent irony in this branch being allied to the Department of Revenue. This branch spends a great deal of money maintaining a fleet of aircraft and providing taxi service for cabinet ministers in their various travels. I think that all members expected that the number of trips taken by

cabinet would be high over the years, but when we received the actual tally in the document recently reviewed by the Minister of Revenue, there were many of us who were very shocked at the actual number of trips. I suppose, Mr. Chairman, that we need not name names and numbers given, as this has been debated before. The taxpayer foots the bill. Interestingly enough, this agency which spends large amounts of taxpayer money is allied to the department that collects large amounts of money from the very same taxpayer (at every turn it seems).

Mr. Chairman, rather than continue on with these remarks, I will close now to allow the debate to proceed on the actual expenditures by the Minister of Revenue. I presume the minister will want to reply.

MR. ROBBINS: — Mr. Chairman, the hon. member for Regina South covered a wide field. He covered a large number of taxes which we do not collect in the revenue department and which come under another department. But just briefly running through them, I would point out to him that our major revenue source is the E&H tax, expected to bring in \$247.5 million in the year in which we are now operating. We expect roughly \$29 million from the liquor consumption tax, which is sort of associated with the E&H tax but is at a different rate. We expect \$91.5 million from the gasoline tax. We expect \$27.5 million from tobacco taxes. We expect \$10,650,000 from insurance taxes. And those are the bulk of the taxes, totalling some \$465,418,000 collected in the revenue supply department.

I am interested in the remarks the hon. member makes with respect to the 3 cents a gallon which goes to the AAIA fund in relation to insurance. The argument is that risk increases with mileage travelled and that this is a contribution to the fund on that basis. I should point out to the hon. member and all hon. members of the House that the gasoline tax in the province of Saskatchewan in 1970 was 19 cents a gallon. It is still 19 cents a gallon. The 3 cents a gallon transfer began in 1974, some six years ago. But the total amount of tax paid by the taxpayers of this province in relation to road tax (as it's referred to) is exactly the same as it was 10 years ago — 19 cents a gallon.

The member made a fair bit of the fact that we have increased licence registration fees. Licence registration fees are expected to bring in \$44,800,000. If you add the \$91.5 million in estimated revenues from the gasoline tax, you come out with a little less than a \$137 million. That is equal to 65.5 per cent of the estimated cost of highway construction and related matters in Saskatchewan for the current year. I'll just summarize these for the member for Regina South. The cost of the highway traffic board, which exceed \$9 million a year, has to be taken into account; the \$156,935,650 for highways; \$30,253,000 for rural affairs; \$2,848,000 for building roads in the DNS area of northern Saskatchewan. Add those all up and it's over \$208 million, but the anticipated revenue from registration fees and gasoline tax is \$136 million to \$137 million or about 65 per cent.

As I pointed out previously in this House, if you go back a few years the registration fees and the gasoline tax covered about 85 per cent of the total cost of highways. Now I know the member's argument is that this money flows into the consolidated revenue fund, and therefore you don't have to determine what is available for road construction and that sort of thing on a direct basis in relation to those taxes. But the fact of the matter is they must be kept in some reasonable relationship because the cost of building highways and roads is constantly rising. Therefore, the two main sources of revenue to meet that cost are registration fees and gasoline tax, and we haven't raised the gasoline tax. We haven't raised the registration fee since 1977. I want to point out

to the members of this Assembly that if you check the record right across Canada, they're still one of the lowest.

The member made reference to the aircraft. Every province in Canada has an executive aircraft fleet, every province in Canada. Obviously, that fleet is purchased in the intention that it shall be used. It would be senseless to have it sitting there on the ground carrying all those fixed costs related to maintenance, insurance, pilots' wages, etc. Either you shouldn't have them, and if you say we shouldn't have them, then we should go back to travelling in some other way. I suppose, but in the modern day it would be like not using computers but going back to the old adding machine. It is similar. The fact of the matter is our cost of aircraft is very, very modest in relation to most of the provinces across Canada.

MR. ROUSSEAU: — Mr. Chairman, Mr. Minister, you, yourself, have admitted today and have admitted in Crown corporations (I think it was there) that, yes, all taxes are for the general expenditures of the consolidated fund. Why would you, in your statements to the public, indicate otherwise? When a minister makes a statement to the taxpayers of the province, the taxpayers expect that statement is correct. They expect it to be the truth. Why would you use in your own statements an excuse that, well, we had to raise the licence fees because highway maintenance is up. You could have easily said the health services are up. You could have easily said the education costs have gone up. Why would you use an excuse such as you did in the statement you made that the reason we have to increase your registration fees by 66.66 per cents is because highway maintenance costs have gone up?

In fact, when you look at the additional revenues being generated by your increase of, I think somewhere around \$7.5 million and you look at the actual costs of the expenditures of the Department of Highways which are down and admittedly the maintenance portion of it is up slightly about only \$2 million, why not indicate to the people of Saskatchewan the truth about the tax? And it is what it is. It is another tax to them to put into the general revenues of the consolidated fund and nothing more. Then they would say, O.K., it is a tax. They will accept that as a tax. They may not elect you the next time, but it would be the truth.

MR. ROBBINS: — Obviously it is a fee or a tax or any term you want to put on it. If you look at 1969-70, the total expenditures on highways in this province was \$71,638,000. The revenues generated by registration fees and gasoline tax was \$60,795,000, or 84.9 per cent. It is perfectly rational to retain a reasonable relationship between those things which are related to motor traffic and highway travel and the revenues raised from them to the rising cost of highways. That is perfectly rational despite the fact that it goes into a pool. It is not deceiving anyone to tell them that there is a relationship.

It is traditional that there has been a relationship, not only in this province but in other provinces as well. There is a traditional relationship between the raising of revenues off motor vehicles and the gasoline taxes of fuel taxes applied and the amount of money spent for construction and maintenance of highways. That has been traditional. It is not a case of saying you have a pot here, you just take the money out for that particular item. Obviously, it all flows into the consolidated revenue fund. It is not deceiving the public in any way, shape or form to simply point out to them that registration fees and gasoline taxes must raise sufficient revenue to keep at least in reasonable line with the expenditures which are made for construction and maintenance of highways.

MR. ROUSSEAU: — Mr. Minister, using your logic (and correct me if I am wrong but I think I heard you say) in 1971 the estimate of the highway expenditures was \$71 million. I think you said? All right, \$71 million is slightly less than 50 per cent of what it is today, or to put it another way, today's estimates of those expenditures is slightly more than double.

What was the total budget of 1971, if you want to talk about that? It was somewhere around \$300 million, if I recall correctly — or was it \$700 million? I can't recall. Today's budget is far more than doubt what it was in 1971, so that the cost of highways, as a percentage of the total budget of this year, is far less than it was in 1971. So therefore, how can you justify to the people of the province that you have to increase your registration fees because the cost of highways is going up? Mr. Minister, these are your own figures and your own admissions. Following your logic, you should have reduced the registration fees to the people as well as the insurance costs of those automobiles. That's using your own logic.

You want to make those comparisons with 1971 — well, fine, make them, but apply the same principle all the way down the line. Let's get away from applying these principles you use when they suit you best.

MR. ROBBINS: — Let's apply the principles of the member for Regina South. He says the budget was around \$700 million. I haven't that exact figure in front of me, but the expenditures in highways was \$71 million. That's 10 per cent. The budget today is \$2,019 million, and the expenditures are \$208 million, if you take into account the very things I mentioned — the highway traffic board, the Department of Highways, the rural road construction programs, and DNS. Those are expenditures made by the government on highways, roads and maintenance. That is 10 per cent of the total, as it was 10 years ago.

MR. ROUSSEAU: — Mr. Minister, you're doing it again. You've just done it again. You use a figure on one side and you apply the percentage from another totally different figure.

I was talking about the consolidated figure of 1971. Now, let's talk about the same thing. You want to add the cost of the heritage fund or the budget of the heritage fund in as well. Take out the heritage fund and you've only got \$150 million. So the comparison — let's make them equal.

MR. ROBBINS: — Mr. Chairman, the member for Regina South doesn't listen very well. I am using the consolidated fund figures only: \$700 million budget in 1970, \$71 million spent on road construction and maintenance; 1980-81, \$2,109 million consolidated fund budget expenditures on all roads, and maintenance, \$208 million. That is 10 per cent in the first case and 10 per cent in the second case, approximately.

MR. ROUSSEAU: — Could the minister give me those figures of the Department of Northern Saskatchewan again?

MR. ROBBINS: — For the Department of Northern Saskatchewan, \$2,848,000 — it's under road services.

MR. ROUSSEAU: — \$2,848,000? Highways, \$156 million.

MR. ROBBINS: — \$56,935,000, \$30,253,000 in rural affairs road construction, \$9 million to the highway traffic board — a total of \$208 million, all related to highway travel.

MR. ROUSSEAU: — Let's go back to 1971 then and tell me what those costs were in those departments.

MR. ROBBINS: — Highway traffic board, 1977, \$187,831; Department of Highways, \$58,260,828; rural affairs, \$12,589,952. Total \$71,638,611.

MR. ROUSSEAU: — Mr. Minister, you're using a figure of 10 per cent. Then why did you increase it?

MR. ROBBINS: — Again, Mr. Chairman, the member for Regina South isn't doing much research on this because he's talking and I was answering him on the expenditure side. Now look at the revenue side. Total revenues, from those licence fees and gasoline tax in 1969-70, \$60,795,000; total revenues '80-'81, \$136,300,000 (roughly doubled). They related except that in 1969-70, the revenues from registration fees and gasoline tax equalled 84.9 per cent of the \$71,638,00 which was spent on highway traffic board, Department of Highways, rural affairs. There was no DNS (Department of Northern Saskatchewan) at the time so obviously there's no expenditure there.

The \$136,300,000 revenue flow this year is related to the expenditures of '80-'81 — \$208,125,000 of \$9 million for highway traffic board, \$156 million for highways, \$30 million for rural affairs, and \$2,848,000 for DNS.

MR. ROUSSEAU: — Well, the minister is right. My computer clicked out about five minutes ago. It just clicked and overloaded. That's right, it short-circuited. I got stuck on that one because, as I say, my computer just short-circuited. I would like to have you send me over those figures that you just rattled off there because I was keeping up and then all of a sudden the lights went out. So if you would provide me with those figures, Mr. Minister, I would appreciate it very much.

I still want to come back to what I said to you earlier and without getting to the background mathematical exercise that you and I have been just getting into because with all the figures you have on hand, I'm going to lose out. I can see that because I don't have them in my hands. But I want to come back to the statement I made. That statement is very simply this. When you issue a statement, a release, to the people of this province, explain that what you're doing in increasing certain fees is taxing them to build up the necessary revenue in the consolidated fund. That makes it far more simple, far more palatable and far more honest.

Mr. Chairman, I'd just like some statistics or some figures on CVA. How many in the fleet do you have today? How many automobiles did you purchase or are you going to purchase in this fiscal year?

MR. ROBBINS: — I can give you the total number of vehicles as of March 31, 1980. I can't give you a complete figure on the number that will be purchased in the current year. It depends on the needs of the department. We've made estimates and we know generally on an estimated basis. I'll give you the breakdown. We had 2 subcompacts, 964 compacts, 1,172 standard sedans, 492 station wagons and 1,713 trucks. That was a total of 4,343 vehicles. Now remember we are supplying power, telephones and people of that nature.

MR. ROUSSEAU: — How many vehicles will you be increasing your fleet by then, if you can't give me the estimates of what you are going to be buying this year?

MR. ROBBINS: — I don't think we will know until the departments come with their needs during the year. We make estimates of that and I should also point out that we disposed of 1,145 vehicles last year. Those were second-hand vehicles sold.

MR. ROUSSEAU: — Yes, I understand, the 4,343 was what you had as of March 31, so that was the net figure. You must have an estimate, that is what this estimate book is all about. You must have an idea of about how many vehicles you are going to add to the fleet. Net figure it by the end of the year. Are you going to try and keep it around that figure?

MR. ROBBINS: — We estimate we will buy 1,150 vehicles.

MR. ROUSSEAU: — Mr. Chairman, one more question. 1,150 did you say? So, your fleet will increase by 1,150 this year?

MR. ROBBINS: — No, because we've sold 1,145 vehicles and we are selling them all the time.

MR. ROUSSEAU: — I would like to make one comment on this information, and it will be the last one today. In this time of need to conserve fossil fuels in the energy conservation area, would it not be advisable to be looking at a heck of a lot more than 2 subcompacts in your fleet? I notice you have 2 subcompacts, 964 compacts, 1,172 standards and 492 station wagons. I realize that certain vehicles like station wagons you have to have; however, they do make station wagons in subcompacts as well. What you are looking at out of your whole fleet of vehicles is a total of 2 that you might say are fuel economy type of automobiles. Compacts, unless the terminology has changed in the automobile industry since I left it, are not the economy type of automobiles they could and should be.

With the number of vehicles you have in your fleet, I would suggest that you take a look at a much higher percentage of vehicles of the economy type to conserve on the fuel we are getting so short of. I think the example always should be set by the government which preaches and advocates certain policies and styles of living.

MR. ROBBINS: — I will just point out that subcompacts are pretty small cars and we haven't very many of them. Basically, we're going to compacts. We've gone from about 18 per cent to where we will be at about 54 per cent or 55 per cent in the compact range by next April. We will have more compacts than anything else. The subcompacts are very tiny cars. I think we have two Volkswagens . . . (inaudible interjection) . . . You wouldn't buy one yourself . . . (inaudible interjection) . . .

MR. COLLVER: — I direct your attention to the clock, Mr. Chairman.

MR. CHAIRMAN: — I have to inform the hon. member that I don't see the clock. I think only the Speaker can see the clock. I have to report progress out of the committee before I can deal with it.

MR. COLLVER: — Mr. Chairman, I move the committee report progress and ask for leave to sit again.

The committee reported progress.

FIRST READING

HON. R.J. ROMANOW (Attorney General) moved first reading of Bill No. 111 — **An Act to provide for the Resumption of Operations of Dairy Producers Co-operative Limited and Palm Dairies Limited.**

He said: Mr. Speaker, I'm going to ask leave of the Assembly to introduce legislation respecting the current ongoing dispute respecting dairy producers and certain trade unions representing employees working for the dairy producers. I wonder if I may have leave of the Assembly to give first reading?

It gives me a great deal of sorrow, actually, to be in a position of introducing legislation respecting the resumption of operations of certain dairy producers and trade union who are representatives of the workers within the dairy industry as a result of the dispute which is generally known to the members of this House, and certainly known to the public and the press.

I think, Mr. Speaker, that this government believes very strongly in the principle . . .

MR. SPEAKER: — Order, order! I just have to clarify this first reading. The member would be allowed to say a few brief words of explanation of the bill and any further discussion would have to await second reading.

MR. ROMANOW: — O.K. I move a bill respecting the resumption of operations of Dairy Producers Co-operative Ltd. and Palm Dairies Ltd. be now introduced and read a first time.

MR. SPEAKER: — You've heard the motion by the attorney General. Is it the pleasure of the Assembly to adopt the motion? Carried. When shall this bill be read a second time?

MR. ROMANOW: — By leave, Mr. Speaker. I should like to introduce the second reading now.

MR. SPEAKER: — Is leave granted? Attorney General.

SECOND READING

MR. ROMANOW (Attorney General) moved second reading of Bill No. 111 — **An Act to provide for the Resumption of Operations of Dairy Producers Co-operatives Limited and Palm Dairies Limited.**

He said: Mr. Speaker, I'm advised by our learned Clerk that because this bill is not on the blues, I am required to say the following:

I beg to inform the Assembly that His Honour the Lieutenant-Governor having been informed of the subject matter of this bill, recommends it to the consideration of the Assembly.

Now, Mr. Speaker, as I was about to say in my first remarks at the time of first reading, this is not a particularly pleasant task that I have or that members on this side of the

Assembly have respecting the current dispute involving dairy processors and workers, who work and are represented by trade unions, in those dairy processing plants. We don't get much pleasure in doing this because, Mr. Speaker, I think it is well understood and accepted by the members of this Assembly that this government strongly is an advocate in the principle of free collective bargaining. This is a principle which has received widespread support in this province and certainly by the Government of Saskatchewan.

The abrogation of the principle of free collective bargaining cannot be lightly undertaken. It can only be undertaken in very special circumstances, Mr. Speaker, where the situation at the bargaining table is such that it appears reasonable to assume by reasonable men and women that a likelihood of a settlement is not immediately forthcoming. It must be weighed also in the context of the nature of the dispute. Now in this case, Mr. Speaker, as all hon. members know, and as we heard all day yesterday and all evening yesterday in this House, the nature of his dispute is indeed a very distinctive and different one.

In this case, the dispute involved a particular industry, the dairy industry, which by its nature has, if you can, a speciality to it. The members of the public depend very heavily on an adequate and continuous supply of milk and milk products, a supply which is almost immediately cut off when an event like the current one occurs. At best, this results in a good deal of inconvenience to consumers and in some instances could very well impose genuine hardship.

Having said that, this government recognizes and appreciates the statement by the trade union at the time of the work stoppage, that they would make every effort to ensure there was a continuous and adequate supply of milk and milk products to those who are hospitalized, who are in special-care institutions or those who are in need of it. But that, of course, is of a limited or a reasonably limited ability to guarantee. As the dispute continues to drag on, reasonable men and women would agree with me that commitment becomes more difficult, in fact, to honor. Thus, the dependence and the need of the public on milk, given the perishable nature of it, is such that it becomes difficult with each passing hour.

There is also, Mr. Speaker, another aspect of this dispute which has been brought to the attention of the government by all members, both on this side and the opposition. That is the obvious economic loss of significant proportions to a very important segment of our agricultural and economic community, namely the dairy producers. Unlike many other producers in the industrial spectrum, Mr. Speaker, these people (the dairy farmers) are dealing with a product which is very highly perishable. In a matter of a very few days, their product is rendered useless. As a consequence, somebody must bear a considerable financial loss. In this case, that considerable financial loss on a daily basis is borne by the dairy farmers.

Since also, Mr. Speaker, a number of the production units in the dairy industry represent marginal economic operations, and face a great deal of economic and other pressures with respect to their activities, members will recognize and the public will recognize the very real danger that a number of these important but smaller producers will be forced out of business even if the work stoppage is of a relatively short duration. Once they are forced out of business, given the costs of a re-entering or maintaining the dairy enterprises, and their debt loads and current economic factors such as interest rates, the likelihood of them ever re-entering again is indeed very slim.

Mr. Speaker, I think it's fair to say that at some point or other the striking employees and the employers, the companies involved in any labour dispute, may expect to recoup the losses caused by a work stoppage over time — either in the form of a wage increase or on the side of the employer, in the form of a price increase. Quite clearly, speaking to the question of the dairy farmers, they are not as fortunate. They cannot stockpile their product and sell it when business resumes, as is the case with other industries. Their produce and its value once lost, is gone forever. And as I pointed out to the House, under present circumstances some may even fact bankruptcy.

Indeed, if the stoppage were to continue for a long period of time, I think we could legitimately conclude that the entire dairy industry might be placed in jeopardy. These factors then must weight very heavily on governments, and these factors I am sure were very carefully considered by the membership of the trade unions and the companies. But notwithstanding that, we are in the situation where the collective bargaining relationship has deteriorated to the point of a two-day, going on to a three-day work stoppage.

Negotiations or discussions have been doing around the clock, virtually in the buildings in the last little while. But these have not been the only discussions which have taken place. There have been many attempts at mediation and conciliation and, as has been pointed out by some members of the opposition earlier in the week, there have been considerable negotiations and discussions. And here we are at 3:20 p.m. a Friday afternoon, still without an agreement.

So, Mr. Speaker, I make two points. Firstly, there is a large public interest related to the speciality of the commodity milk and milk products, there is a need for the public to be assured that there will be a supply of this important food product, there are obvious limitations, notwithstanding well-intentioned and motivated statements by the trade unions, and difficulties in implementing and maintaining that level of expectation. And secondly, there is the concern for the public, perhaps not in a wide sense, but more directly — the dairy farmers. Their concerns are specific but I suppose in a wider sense as well because their losses and the loss of them would have a tremendous impact on the community as a whole.

Mr. Speaker, this government is mindful of that fact that this is Friday and we are facing a weekend, a weekend where a negotiated settlement may have come about in the free collective bargaining process, which would have been our choice, but equally a weekend where the possibility of no agreement is just as likely. With the Assembly not in session on Saturday and Sunday, with a stoppage taking place effective 12 noon Wednesday, the prospect of Saturday and Sunday without some form of action, given the two conditions and others that I have pointed out, was simply too much for the government to contemplate. We did not have the luxury (and I don't mean this as any unfair aspersion on the opposition members) of calling back members of the Legislative Assembly purely, if you will, in response to the negotiations or the lack of negotiations which may be going on. That too is a very important consideration on the timetable which faces us today.

And so this bill is now before the House. I shall very briefly say a few words about the legislation itself then move second reading of the bill and invite debate and comment by members on both sides of the House on this very important issue. This bill is essentially the same in terms to the legislation which ended the dispute involving the Saskatchewan Power Corporation in early 1975. In many regards it's similar to this legislation. The bill requires the employees of the two dairy producers, Dairy Producers

Co-operative and Palm Dairies, to return to work in the day on which the bill is passed to become law. Quite clearly I'll be asking leave of the members of this Assembly to obtain passage of this bill sometime today or tonight depending on the length of the debate.

The two dairy producers are required by the bill to allow the employees to return to work and union officials are required to declare to the employees that any strike order or authorization that was given should be withdrawn. The employees, by the terms of the bill, are to return to work under the terms and conditions of the collective agreements that expired at the end of March 1980 in all but two cases, where expiration occurred at the end of April 1980. These terms and conditions of employment will remain until new agreements are entered into, either as a result of arbitration under the bill or by way of voluntary agreement. In addition, the government is proposing that each employee will receive an increase in salary of \$100 under the bill pending final settlement.

The bill provides for a so-called cooling-off period of 60 days to allow the parties to reach settlement of their differences. In this 60 days nothing, in effect, takes place but quite clearly it would be the hope of the government that the parties would continue after an appropriate cooling-off period, again with the assistance of the Department of Labour and the good offices of any of the people in government who can so offer them. We would hope that within that 60-day period the free collective bargaining process would resume once more and that a settlement would be struck. However, in the event that settlement is not reached within 60 days, the proposed bill provides a mechanism for the settlement of the dispute. The dairy producers and the unions will then be required to advise an arbitrator of the matters in dispute and the arbitrator will then make the decisions of those areas which cannot be arrived at by way of agreement.

Now, Mr. Speaker, I want to point out to the members of the House that the printed bill or the photocopies bill (I'm not quite sure which version is before us — the Minister of Urban Affairs shows me the long copy, Bill No. 111) is printed in the form of saying that the arbitrator is nominated and chosen by the Attorney General. It is my proposal to introduce a House amendment, when and if the bill gets to Committee of the Whole to change this provision so that the arbitrator would be appointed by the Minister of Labour. I believe he is the appropriate person to do the appointment, and we are accordingly going to move a House amendment and I'd ask the approval of the members of this House to achieve that. May I say parenthetically speaking, that this bill as members will appreciate is rather hastily drafted, in fact only very recently. There may very well be some technical, or spelling, or other errors which may require House amendments. I'm hoping that we will have eliminated as many of them as possible, but if there are some changes where the drafters have not been able to get full instructions from the government, I would ask the members to bear with us as necessary for the appropriate amendments.

Now returning to the arbitration process as described by the bill, I have already described the 60 day cooling-off period where it would be hoped that an agreement could be reached. Failing that the naming of the arbitrator by the Minister of Labour, then the arbitrator is directed by the proposed legislation to inquire into the matters in dispute as advised, giving the parties concerned fully opportunity to produce evidence and make submissions. The arbitrator shall give his decisions on the matters in dispute within one month after receipt of the last of the issues to be inquired into. If this time is not sufficient, the time may be extended by the Lieutenant-Governor in Council. I might

add, Mr. Speaker, that in the course of the power corporation dispute in 1975 a similar, in fact an identical provision existed in that bill. The arbitrator there requested an extension beyond the one month period and the Lieutenant-Governor in Council complied with the request.

We're hopeful that there will be a speedy resolution even if it has to go the arbitration route. But if, because of complexity of issues or otherwise the Lieutenant-Governor is asked to extend the time, we will consider such request. The arbitrator will then consider all the matters and will render his decision. When the arbitrator renders his decision he is to supply copies to the Lieutenant -Governor in Council, to the dairy producers and the unions concerned. The producers and the unions are then required by the proposed bill to conclude agreements, incorporating the decision of the arbitrator. The two producers and the unions each bear their own costs of arbitration. This too is the pattern followed the one other time that this was done in the power corporation dispute. The costs and the remuneration of the arbitrator, however, will be paid by the Lieutenant-Governor in Council

The bill contains other enforcement provisions with respect to this matter, and certain other provisions relating to prosecutions for contravention of the proposals of the bill. Now that is, in somewhat detailed and I would also admit general terms, a description of the legislation which is before you. I think that I need not make any other remarks in introducing the bill. I have made out, I believe, the case for public interest on this special case overriding the very important principle of free collective bargaining. This government believes that on only exceptions and rare occasions should this unusual development of legislation enter into trade union-management disputes. If it were another segment of the community involved, very little case could be made out for moving at this time. But as I said in my opening remarks the argument here was a very important and vital aspect to which the public interest must rise above the interests of the disputants, as important as the interests and the issues of those disputants may be. Mr. Speaker, I move accordingly second reading of Bill No. 111.

MR. COLLVER: — Yes, I have two questions to the Attorney General. First, what is the amount in relation to the \$100 per month for the employees which the employers have offered to the lowest paid employees? In other words, does the \$100 per month exceed that increase?

Secondly, you mentioned the extension to the arbitration proceedings. Does the Attorney General not believe that extension period should be limited?

MR. ROMANOW: — Mr. Speaker, I cannot answer the first question the member has put to me. Frankly, even if I knew the answer to the first question, I don't think it would be proper for me to indicate this to the members of the House, because it does strike me that we ought to give the least fettering of the authority of the arbitrator as possible, in order to carry out the job.

What is taking place here right now, and for some weeks before this, is the process of collective bargaining where offers are made and withdrawn, counteroffers are made and withdrawn, and amendments and variations of those offers are being made. I think for me to repeat, even if I did know, specific or counteroffers which are made, might unduly prejudice, or at least tie the hands of the arbitrator in this regard.

We took this position when I was asked the same question at the time of the power workers' dispute because the members of the opposition wanted to know all the details

of negotiations involving the power corporation and the power workers. In that case there was a different circumstance because the government through its agency, the SPC, was at least an employer. In this case, the government is neither the employer or the employee. We are simply, in effect, representing the third party, the public interest.

The \$100 figure is an attempt to acknowledge the fact that it's potentially possible for workers to be without a new contract and without at least a modest partial cost of living increase for a three-month period., the 60-days cooling off, the 30 days of the arbitration and any extended period beyond that. I'm sorry to be so long-winded on the first point of the question.

On the second aspect of the question the member asked, should we not put a time limitation on the extension of the arbitrator's award? Mr. Speaker, I readily acknowledge the merit of this particular suggestion, but I would opt, and would urge the members to opt for flexibility.

One can never tell what kinds of complex issues may arise, or what kinds of difficulties the arbitrator may face. It is conceivable the arbitrator could be ill, for example. That does happen from time to time and if we, by legislation, fix his extension period beyond a time to a time which he cannot meet because of illness or some other external force, I think we would not want to be in the position of having to come back and call the legislature into session to make this amendment. So those are my two answers with respect to that question.

MR. SPEAKER: — Will the Attorney General take a further question?

MR. ROMANOW: — Yes.

MR. LANE: — The time for proclamation has not been set. Is it your intention to proclaim it on third reading, immediately this afternoon?

MR. ROMANOW: — Mr. Speaker, I just want to check the last section here. The act comes into force on the day of assent and remains in force until the day to be fixed by proclamation. I could see that one could easily confuse that. But I want to take just one brief minute (if I may impose on the House) to say it is an important point drawn to my attention by the member for Qu'Appelle, and which I wanted to mention in the speech and overlooked. That is, under clause 14 there is a self-destruct element (if I can put it that way), namely the proclamation which does away with the bill.

On the power corporation precedent, once the arbitrator did his work, the order in council was passed by cabinet, and the bill, in effect self-destructed. I want to indicate to the public, and to the disputants, and to the members of this Assembly that we intend to follow that same procedure here so that we do not have on the books this kind of legislation. It is consistent with our beliefs in the principle of free, collective bargaining.

MR. LANE: — Obviously, Mr. Speaker, we have attempted over the last couple of days to continue the operations of the Assembly to give the government the chance to proceed with collective bargaining. When the government was satisfied that actions had to be taken, this legislation would be introduced and acted upon so that it could be acted upon quickly.

What is of concern to all members is whether we must go through this process in this particular industry every time a collective bargaining agreement expires? This is the

second time we have been faced with this position.

The Attorney General has indicated that discussions went on prior to the intense discussions in this building. He indicated the government had an assurance of adequate supplies to particular groups in need. He had this assurance from the unions. The obvious question is why, with this particular industry, do we seem to be in this position every time a collective bargaining agreement expires?

I suggest the Department of Labour and the Minister of Labour in particular have an obligation to continue, even after a collective bargaining agreement is signed, to sit down with this industry to make sure tensions are reduced, that the crisis management approach which we seem to be taking in this situation is no longer necessary. There is something wrong obviously. I think all members will agree with that when in this particular industry we are here about every second year or whenever the collective bargaining agreements expires.

The economic loss would have been a severe one to a vital industry in this province, the dairy producers and the milk producers. The economic loss was one that could not be recouped by the individual producers. It comes at a time when these producers are faced with inflationary pressures to an extent never before seen by them. They are faced with high interest rates, and as most members know, the producers are an industry that must constantly borrow to maintain herds and maintain equipment. So the pressure on them is to such a degree that no producer of such a vital industry should be forced to live under.

I suggest the economic loss to the province is greater than we recognize. Because if producers were to go out of business, (we have an industry that is at a minimal level for satisfying the demands of consumers in Saskatchewan), it would mean Saskatchewan consumers would have to look to Alberta and Manitoba for milk products. It is a very fragile industry, one that is as I have indicated, subject to tremendous economic pressures and which is, in my view, worthy of the support of all members of this Assembly. We will be supporting the legislation. I believe in fairness that all members gave much reasonable time to continue the process. Again I ask the Minister of Labour in the future to use the powers of his office to ease the tensions in this industry so that the producers of Saskatchewan can flourish, grow, and be competitive, so the consumers of Saskatchewan can have a healthy, viable and efficient milk producing industry.

MR. COLLVER: — Mr. Speaker, I share with the Attorney General reticence in introducing this kind of legislation. It is certainly better if the collective bargaining process is allowed to function and those contracts settled, as the Minister of Labour described yesterday, in 97 per cent of the cases themselves. I agree totally, naturally, with the Attorney General, since he made the almost identical speech today that I made yesterday.

My question to the Attorney General and to the government members opposite, is this: why would you waste the production of today, which has had to be spilled across the grounds of Saskatchewan, to spend all day debating an issue that the very next day you had to bring into this Chamber? Why would you subject the members of the union and of the public and of this legislature to the same kind of circus again this time?

I notice there were very few members in their chairs opposite who spoke on this debate

yesterday. There's one, very few though. The Minister of Education's remarks were one might say a little political and less than on topic. The point is, Mr. Speaker, that this Chamber should not and must not be used as a means to force either the workers or the employees to accept any solution. What this Chamber is designed to do is to represent the people of the Saskatchewan and that's what we have done with this bill. It should have been brought in yesterday, before dairy producers had to throw away their milk.

A responsible government would have done that, Mr. Speaker. I am pleased to see that the minister did bring it in today, in order that the dairy producers in Saskatchewan not be subject to a continuation of the spoilage. I am not going to belabor the point at all but a responsible government and a responsible Attorney General and responsible members opposite would not have debated, the way they did yesterday, an identical solution to the one they brought in today. They would have known that the Chamber should have acted yesterday in a responsible position. We should not interject ourselves into the free collective bargaining process, and that's what we did yesterday. That's what we have been doing today, that's what we have been doing by stalling these proceedings. WE have been interjecting ourselves into the free collective bargaining process and it means that other unions and other managements are going to continue to look to the government to interject ourselves on them.

And that is not what this Chamber is all about. This Chamber is to pass reasonable laws for reasonable people. It should have been done yesterday and never mind all the politics that went on in terms of the debate. Now my question to the Attorney General on a 100 per month was quite simply this. If the lowest paid employee in the dairy workers union is getting \$5 an hour (and I don't know what that is, that's why I asked him) if you established a \$100 a month raise in this legislation, you are requiring the employers to pay that lowest paid employee an increase of 11.5 per cent.

If the lowest paid employee is receiving less than that (and I don't know what it is and I hope they aren't) you are imposing a never larger raise by establishing \$100 a month. All I'm suggesting is that you are telling the employers by establishing that number what is the minimum raise that they can offer. You're telling the arbitrator this is the minimum raise that you can offer. Now, Mr. Speaker, I agree that formula worked for SPC (Saskatchewan Power Corporation) employees. I say to the Attorney General, and to other members in this House, that the dairy industry isn't the same as Saskatchewan Power Corporation. The employees are not paid as highly and I would be concerned if those employees at the lower end of the scale, during the course of this settlement and arbitration proceeding and cooling-off period, were placed in the unfortunate position of getting a \$100 a month raise for 90 days and at the end of that time the contract awards them \$75.

That is unsatisfactory and the Attorney General knows that full well. All I asked the Attorney General was what was the minimum offer that the employers made to the lowest paid employee so that situation shouldn't arise in future. And I sincerely hope when we're sitting in committee that we address that problem and answer it. I wasn't asking for all of the negotiations. I was only asking to make certain that no imposed settlement is made by this legislature. If you believe in the free collective bargaining process, you do not superimpose the legislature on that process as we have tried to do, by bringing people into this building in a circus-like atmosphere and by sitting extra hours on the strength that the members of the government can go down and say to the union, if you don't kowtow we're going to pass a law against you, and say the same to the employers. The point is, if the law is right today, it was right yesterday before the

spoilage. And this legislature should never be asked again for the purpose. If the law is right, then bring the law in.

Mr. Speaker, I will be supporting the legislation as well. I hope we clean it up so that we don't force employees and employers into a solution that they themselves may not want or that the arbitrator may not want.

HON. E.B. SHILLINGTON (Minister of Culture and Youth): — Thank you, Mr. Speaker. I want ever so briefly, to rise in support of a bill that has been presented. As has been before, by members on both sides of the House, I do so with a heavy heart. When we sit here and take away people's freedoms, which is what we're going, we should not do so until we have to and we should not do so precipitously. I never pretended to be an expert on agriculture. I represent an urban riding. I am interested in urban issues and I have, I think it's fair to say, reasonably close ties with the trade union movement. Notwithstanding that background, I think all members can support this bill.

I want to say and it deserves to be said that ours is a party which believes in the free collective bargaining process. We're prepared to defend it. We're prepared to pay more than lip service to it. We are becoming as time goes on a rarer and rarer breed of people. The free collective bargaining process is coming under increasing attack by a public which I think does not understand the process.

We believe that the tug of war which goes on between labor and management best represents the interests of the workers who are entitled, not just to a decent wage, but to that bargaining process and to be able to make their best case. We think it best represents the interests of management who have the responsibility to their investors and shareholders. We think it probably represents the best interests of the public. Obviously it takes place within some framework. We think we have, Mr. Speaker, some of the best pieces of legislation in The Trade Union Act and The Labour Relations Act. We think we provide as good a framework as we can, but nothing every works perfectly.

The circumstances, Mr. Speaker, in which a legislature should intervene should be very, very rare. I point out to the members that this government was in office for four years before an occasion arose in which we had to intervene, that being as I recall an SPC strike on the coldest day I have ever lived through. So the circumstances under which we should do it are very, very rare. And they are rare just because what we're talking about here is an issue of freedom. It's not so much an economic issue, but an issue of freedom. It's not so much an economic issue, but an issue of freedom. To make that argument I will refer to the conversation I had with a constituent. It concerned the newest party in the legislature.

My constituent, who was a person of, shall we say, fairly vigorous views, suggested to me that we should kick them out of the legislature because they were somehow or other unCanadian. And I said to him what we were talking about was not whether or not we believe that union with the U.S. was desirable or possible (on that I think he and I were in agreement), what we're talking about is the freedom of speech, the right of someone who is elected to the legislature to be wrong. That's what they're doing I think. I think the issue of the \$60,000 (I say this just in passing) makes an entirely different issue. That was an issue put I think very, very correctly by the member for Biggar. But I think the issue of this strike is the same issue. It's a question of freedom.

Just before I stood up I was reading a report from the Time magazine (you'll have to pardon my sources) on Cubans going to the U.S. And if the report can be believed what they want is not a better economic life, what they want is economic freedom, and

the right to make the best deal they can, to do the best they can by themselves. That is in a sense what we're denying to those involved in this dispute when we take away their right to bargain collectively. But I think even within the philosophy of someone like myself, who as I say is a member with reasonably close ties to the trade union movement, there are circumstances under which we can and must intervene. I think we are very close to having met those conditions. I think the circumstances, Mr. Speaker, under which we should intervene should include two conditions. I think, Mr. Speaker, we must be able to say to ourselves that there is no hope of resolution of the dispute within a reasonable time frame. All too often, I think governments are precipitous in this regard. They intervene when in fact the collective bargaining process might well have settled it.

I think as well we must find there's a clear and present danger to the public. This is the trend I find disturbing in the public's attitude toward the collective bargaining process. They mistake a danger to the public with inconvenience for the public. Very few strikes actually endanger the public. Almost all of them inconvenience the public. I think when the public is merely inconvenienced we should not be intervening, but when we find a clear and present danger, we should.

I think we are very close to meeting both of these conditions, Mr. Speaker. Is there a hope of resolution of the dispute? None of us can be very optimistic at this point in time. Both sides continue in this dispute and the real losers in the dispute are both sides. The Dairy Producers Co-operative and the other co-operatives which produce the milk in Saskatchewan represent the farmers. They are the oldest co-operatives in the province and the farmers are obviously losing a great deal (and I'll have more to say about that in a moment), and so are the unions, involved in the dispute. Contrary to what some of the very rabid anti-union people believe, union members and union executives are not insensitive to union politics and to what this kind of dispute does to the image of union. I suspect the members of the union are not much fonder of this dispute than anyone else. They know what it looks like to the public, when a group of people go on strike and their enemies claim they deprive small children of milk. So both sides have a lot to lose in the dispute and yet it remains unresolved.

I think, Mr. Speaker, the second condition is the clear and present danger to the public. I think there is certainly a clear and present danger to an important industry and that's the dairy farmers. I think it's fair to say of dairy farmers that very few of them get rich dairy farming. It does have the advantage of being a steady income year in and year out. They don't go through the great cycles that stock growers or dry land farmers go through. But by and large it's not a job at which anyone gets rich. They live on a fairly narrow margin and these days when they are throwing milk down the drain, they are flushing down incredible amounts of money when you think about it.

I just heard of on the radio this morning someone (and I missed the figure) calling in from the northeast portion of the province to a hot line show and they had poured several thousand dollars worth of milk down the drain. When you think about it that's lost money not matched by any decrease in costs. When they pour \$10,000 worth of milk down the drain, that's probably that much less they are going to realize in net income at the end of the year. The power bills still have to be paid. The cows still have to be fed, etc. So I think both of those conditions have been met.

I want to say as well that I think we have chosen the proper approach. We are not legislating a settlement in this case. And the hon. member for Nipawin is quite right. That's not an appropriate function for the legislature. We don't have the evidence as to

how much each side thinks they should get. I'm not sure what the member was suggesting, but if he was suggesting in the latter part of his remarks that what this legislature should be doing is introducing some sort of emergency services legislation, the type of which this province has seen — I regret to say it is becoming increasingly common elsewhere in North America — I reject that as well.

For the reasons I stated earlier, I think we should give the free collective bargaining as much rein as we humanly can with the rights of society. I may not have been listening, or you may not have been speaking very clearly, but I'll be interested to hear the member clear that up if he has another chance to speak in committee of the whole. We are not (and I suppose this might be another option) setting up arbitration here and now.

Again, I think we are paying every deference to the free collective bargaining process. I don't know what the details are, wherever they are bargaining, but I understand from the media reports that I have heard (and members will pardon my sources) they may not be that far apart. So we want to give them every opportunity to settle their contract themselves. Therefore I think the 60-day cooling-off period is appropriate, followed by arbitration. (I thought I saw 60 in the bill but it may be 90, the Attorney General says it is 60). I therefore, Mr. Speaker, support the bill.

MR. W.J.G. ALLEN (Regina Rosemont): — Mr. Speaker, I want to make a few brief comments on this piece of legislation, perhaps a minute or two. I think it would be fair to say that for a person like myself who grew up in a union family, who represents an area where many of my supporters and many people who do not support me are trade unionists, this type of legislation is abhorrent to them and to me. I think the member for Nipawin raised a question, why would you wait? If I thought, Mr. Speaker, that this could be resolved in the next three or four hours or the next five or six hours, I would ask members to wait before we moved with this type of legislation. But I think, Mr. Speaker, if a decision was going to be made, if a settlement could be reached, it would have been reached by this hour. I think it makes no sense to wait any longer.

It is just a personal opinion and may or may not be true but I believe, Mr. Speaker, that the debate yesterday affected the outcome of this dispute. I believe the debate yesterday materially affected what we have to do today — bring in this legislation. I believe the position taken, particularly by the member for Rosthern and the member for Moosomin to take one side in this dispute and to take that position as strongly as they did affected the negotiations. I put the blame (because I think it is regrettable we have to take this step) for having to bring in this legislation on them. I believe the member for Nipawin yesterday took a position which was a correct one in beating up on the government; any opposition member should be doing that. If I were in any member's seat over there, the government yesterday would have been catching it. But when sensitive negotiations are taking place, for parties in this House to take positions on one side or the other, I think, is foolish, and I think it was a foolish thing that happened yesterday.

Mr. Speaker, I said I am supporting this bill. I just want the House to know and my constituents to know that there is absolutely no joy in it for me. I know all members will because of the serious situation, speedily pass this bill so we can get back to the business of providing milk, with our farmers back producing milk and our workers back on the job.

MR. N. LUSNEY (Pelly): — Mr. Speaker, like the member for Rosemont, I take no

pleasure at all in entering this debate. It is unfortunate we have to move this direction, of bringing in legislation to end this strike. My constituency is basically a rural one and there are a number of dairy farmers in it, young dairy farmers who have gone to great expense getting started in the dairy business to produce food for a province which requires it. We have always promoted industry such as the dairy industry within our own province. I think it is unfortunate when we see many of these farmers, who are financed quite heavily, having to dump their milk down the sewers and take a loss which many cannot afford.

I don't really know why the strike came about or why an agreement could not be reached. But for whatever reason, we are faced in this legislature with having to bring in legislation which will end the strike. As the member for Nipawin was saying, we should have brought this legislation in yesterday, and not waited until today, because the farmers out there are losing money, and I agree with him. He says we were irresponsible, that we were not a responsible government for not having done this yesterday. But I think, had we introduced this kind of legislation yesterday, we really would have been a very irresponsible government. We would have been irresponsible because we would not have given collective bargaining one last opportunity to try to negotiate a settlement. I think it is a responsible government that makes every effort to try to reach a settlement or agreement without having to bring in legislation.

I think the main principle of collective bargaining is to give it this kind of opportunity. I know many of the labor people and the dairy producers feel it is very important to negotiate a settlement. I know many of them would not like to be out on strike. They are very responsible people. But for whatever reasons, it was not possible this time. I would hate to see in every negotiation that is brought forward, the government having to intervene.

It appears this has happened for the second time in the dairy industry. Hopefully, it will not happen again. But I would not believe that both those parties will not make an effort to negotiate without government intervention. Having to debate this today and stay here, I think was worthwhile. If it would mean there was any chance of a settlement being made (and it may. I don't know; they may come to some agreement in an hour or two or three) . . .

AN HON. MEMBER: — They have gone home for the weekend.

MR. LUSNEY: — The members say they have gone home for the weekend. I don't know that. I would be prepared to stay here as long as necessary. But I think it has reached the point where we have to take some action. Milk is a perishable commodity, one that we cannot stockpile, one that we cannot just say is really not necessary because it is; many people are dependent on it. It's a commodity that has been keeping young people on the farms, keeping family farms going. Many of the dairy producers in my area are family-operated unit, families who work seven days a week to provide food for a province and to provide food for a nation. I think it is very important we take the whole issue of food production very seriously and take seriously the fact the farmers or the food producers are one sector of society who have no protection whatsoever against strikes such as we see in the milk industry today.

Mr. Speaker, I will be supporting the bill for those reasons. Because I think it is my duty as a farmer and a rural representative to try to protect those people who are out in rural Saskatchewan.

MR. P. PREBBLE (Saskatoon-Sutherland): — Mr. Speaker, I am afraid I cannot vote in favor of this bill. I can't vote in favor of it when serious collective bargaining has been taking place until just a very short time ago. I understand negotiations broke off just around the time the bill was being introduced.

Headway was being made in these negotiations. Headway was being made today. I'm committed to the principle of free collective bargaining. I promised my constituents I would be committed to that principle in its fullest form when I ran in the election.

I feel the legislation is premature, Mr. Speaker. I think it would have been wiser for the House to at least wait until tomorrow, and to see if a settlement could be achieved. I think it is very, very serious situation we are facing, Mr. Speaker. I think the dairy farmers are clearly facing serious economic problems as a result of the strike. But I don't think as of today, the situation could be classified as an emergency. Therefore, I will not be voting in favor of the bill. In the tradition of our side of the House when we object to such matters, I'll be abstaining.

MR. L.E. JOHNSON (Turtleford): — Mr. Speaker, I think there is one issue we should look at in regard to this particular bill and that is the total food system we have. If you look at the distribution system for food in the world, you will see it is a very fragile system. Although we in Saskatchewan are going to be able to solve this particular problem in the immediate sense. The issue of the '80s is going to be providing food and moving food around the world.

This has occurred because of the structure of our society, at least in the more developed areas of the world, where we have moved toward specialization in production. This situation could not have occurred at the time when the individual milking the cow was, more likely than not, also the individual consuming the milk. The major problem at that time would have probably been whether the cow was easy to milk or hard to milk and then you would have sorted out the cattle and moved the one that was hard to milk down the road and stayed with the more easy ones.

I don't agree with the other individuals that we can stand to wait in these particular instances for any length of time, because I view the cost in two ways: the immediate cost, which is a short-term cost, and felt by probably less than 1,000 individuals in the province of Saskatchewan (that is the producers), and the long-term cost to the society in that we stand every chance of losing an industry in this province — an industry which probably adds \$40 million a year to the gross domestic product of the province. In losing this industry, we not only lose that economic impact in the province, but we also place ourselves in a very vulnerable position (in the future where our society would have the product supplied from some other area and we would have a very severe problem should this supply be cut off.

I would like to indicate that I am going to support this bill, but I wish there were other ways of approaching it.

MR. C.O. WHITE (Regina Wascana): — Mr. Speaker, I regret to have to take part in this debate. It is a debate I had sincerely hoped would not take place. Last night and this morning I was very hopeful that a negotiated settlement would have been reached by the parties involved. We, on this side of the House I think I can say for certain, prefer to see disputes between employers and employees settled freely through face-to-face discussions without intervention by government. However, the settlement I had hoped

to see hasn't taken place and doesn't appear imminent. Therefore, I think it's become incumbent upon the government to act. It's an unusual situation.

I don't propose to enlarge on the situation. The Hon. Attorney General has referred to various groups of people affected by the strike. I would simply point out that the availability of milk for the general public has been treated differently from the provision of other services during labor disputes in the past. And I want to provide members with simply one example. The hon. members I am sure will all have heard of the great Winnipeg general sympathetic strike, the most widespread withdrawal of services by labor ever to occur in a city in this country. It was one of the most bitterly fought strikes. It's one of the roots of our party that gave J.S. Woodsworth national prominence. I would like to point out particularly that strike was only one day old as this one is when labor, management, city authorities and other government officials, recognizing the extreme importance of a supply of milk for the general public and also a supply of bread, agreed and arranged methods under which workers involved would return to work while a settlement was being worked out. Milk and bread were singled out in this situation as different from other services.

Much as I favor free collective bargaining, I am prepared in view of the hardship this strike could impose upon producers and a large segment of the public, to support the restriction of its operation by the extent outlined in the bill. Thank you, Mr. Speaker.

HON. G. MR. MacMURCHY (Minister of Agriculture): — Mr. Speaker, it's with deep regret that I join in this debate on the bill before the Assembly. I report to the Assembly that the hon. Minister of Labour and myself have spent — I don't want to count up — hours being part of difficult negotiations. I guess they began yesterday about this time and they just broke off a short time ago.

I guess it seemed to us many times that we were close to a settlement and many times we had to back up a step and take another run at it. It's been a long night and a long day. It's not been easy for anyone, including Mr. Walter, including the bargaining people we were dealing with.

Mr. Speaker, I think that we have no choice but to introduce the legislation before the Assembly. The dairy industry in Saskatchewan is a very unique industry. It produces a product that has to be stored at 40 degrees Fahrenheit both the time the cows are milked and maintained at a temperature of between 53 degrees and 40 degrees until it is removed from storage. The milk has to be refrigerated at the farm, in the truck and, of course, in the plant. Depending upon the initial quality of milk, it perishes within approximately 4 to 8 hours if it is subjected to room temperatures.

Mr. Speaker, Saskatchewan has had a long struggle to build the dairy industry. It began in 1935 and until the early 1970s our herds remained small as far as the farming situation is concerned. There were some large operations, many, many small ones. With the introduction of the FarmStart program in 1972 there was a great deal of new interest in the dairy industry. Although there is work seven days a week, rain or shine (you have to go to milk Saturday and Sunday, 5:30 in the morning, 5:30 at night), farmers also knew there was a good steady income in dairying, and they were assured a return based on the cost of production.

From 1973 to 1979, 400 farmers took FarmStart loans to begin dairy enterprises. As of 1979 we had 841 producers. We increased our milk production in the province from

106,610,000 kilograms to 160,457,000 kilograms. In 1978 we came the closest we ever have to meeting our share of the federal quota of 96 per cent. In 1979 it was down to 90 per cent. We still do not produce enough milk in Saskatchewan to meet our domestic needs. We produce roughly 87 per cent of Saskatchewan's allotment of the market share of the quota.

Mr. Speaker, the dairy industry in Saskatchewan is a growing industry. It's an industry with a great deal of potential. It's an industry that needs stability. Each day milk is produced in Saskatchewan to the value of \$144,900.

On March 31, 1980 the two year contract of the employees in the dairy industry came to an end. The processing industry in Saskatchewan employs 819 employees at 13 plants: Regina, Moose Jaw, Swift Current, North Battleford, Prince Albert, Saskatoon, Yorkton, Melfort, Weyburn, Nipawin, Lloydminster, and Estevan.

Contract talks began March 28 and almost immediately went into conciliation. Talks were on at the rate of one, or more times two days a week throughout April. Management and the union were far apart and seemed to move no closer together throughout April. The last time the two parties met through conciliation was April 20.

On May 2 management put an offer on the table. They indicated that if it were not accepted, it would be withdrawn. On Sunday May 4 at 6 p.m. an extension to allow time for membership votes was requested by the unions, and that extension was provided. Until Tuesday evening and then Wednesday last-ditch conciliation talks were held and broke off Wednesday noon.

At Wednesday noon between 12 o'clock and 1 o'clock employees of the Teamster's Union who were staffing the Dairy Producers Co-operative plants and the Palm Dairies plant in Saskatoon walked off the job. It was Swift Current's and North Battleford's day off. On Thursday the Retail, Wholesale and Department Store Union workers joined the strike shutting down plants at Yorkton, Melfort, Lloydminster, Weyburn, and Nipawin. Friday, Teamster employees, Regina and Moose Jaw, closed the province's two remaining plants.

Mr. Speaker, Saskatchewan plants process an average of 771,427 kilograms a day. Almost half of it is fluid milk used for human consumption. The remainder is basically industrial milk used for making ice cream, yogurt, butter, skim milk powder, other products. The processing industry is a \$30 million to \$35 million a year industry in Saskatchewan. In 1978, the time of the last contract negotiations, members will recall that we also had a very bitter strike. In 1978 the strike lasted from Sunday evening until Wednesday late. The producers not only had to dump milk on their farms, they dumped milk on the steps of the Saskatchewan legislature. The strike was finally settled in marathon negotiations that lasted all night into the day, something like today. In 1978 the strike's estimated cost was 110 million gallons of milk per day, worth at that time \$110,000 per day, which was lost.

Mr. Speaker, it is now 1980 in the Saskatoon area which is the largest milk shed area in the province, milk producers have not had their milk picked up since Wednesday morning. Producers, most producers at least, are on a three-day cycle with enough storage capacity in their tanks for three days. Producers in the Saskatoon area therefore, who are at the end of the cycle, may not have had their milk picked up since Monday. A few had to dump Thursday, almost half had to dump today, and by tomorrow if the trucks don't get out there, they will all have to dump. That means that \$450,000

worth of milk will have to be dumped by Monday if nothing happens.

One-half million dollars, Mr. Speaker! No industry can afford half-a-million dollar loss in less than one week. We have 150 producers in Saskatchewan in their first or second year of operation. Each of these has an average of 40 cows with milk sales of about \$1,200 per week. New producers cannot afford the loss of a week's milk and a week's income. Producers with 80 cows lose \$2,400 a week and no producer facing the problems which they face today with interest rates and so on can afford this kind of loss.

In addition, Mr. Speaker, producers are facing a dry year in Saskatchewan, a dry year for the hay crop. Some producers predict in the southern half of the province even if it starts to rain, the hay crop is really questionable. They fertilized their grass and it has been sitting there because it is too dry. Feed, too is a worry and farmers can't feed in this year of all years, without a stable market for their product.

It is with deep regret, Mr. Speaker, that I stand in this assembly and say our efforts have failed. I say that knowing full well the difficulties being faced. I note, Mr. Speaker, union negotiations began March 5, there were no further negotiations until March 28 when negotiations broke down and went immediately to conciliation. I note, Mr. Speaker, there were four different packages on the table for management to contend with. Mr. Speaker, that is difficult, that is regrettable. Mr. Speaker, I note today, in the midst of the efforts of Mr. Walter and Mr. Snyder and me, the general manager of Dairy Producers' Co-operative saying on CKCK news that the government has to come up with a means of averting strikes in dairy workers' industries, and calling for essential services legislation like Alberta (which we talked about in this Assembly today). He went on to say, as did the hon. member for Nipawin yesterday, not everyone knows that the government controls prices to the producer and they set prices to the consumer. Now, perhaps the hon. member for Nipawin doesn't know, but the general manager knows, the price is not set by the government. The price is set by the milk control board, a board made up of representation from the industry, from the consumers, and from the people of the province. They set the price of milk. One of the producers, the leading producer in the province, is on the milk control board.

He goes on to say, if the price of milk has to go up 10 cents to cover costs, we know the reaction of the consumer, and I would think the consumer reaction would be justified. Government needs to be involved and accept the responsibility, even if they say they don't want to be involved. There's no way around it. They control pricing at both ends.

If the strike doesn't end quickly, producers will take matters into their own hands, as they did in 1978 when milk was dumped on the steps of the legislature.

Mr. Speaker, as I said yesterday in this Assembly, following the speech from the hon. member for Rosthern, both parties are responsible because their management and labor, in my opinion, are to blame.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — To say the situation we're in today is caused by the refusal of the government to act responsibly, I think, is a very unfortunate statement. To say publicly that the government controls the price of milk across the piece is indeed unfortunate also. I say in this Assembly that the government, recognizing the difficulty, acted with the best conciliator we have available to us as early as a month ago. I watched him in

action. He makes an outstanding contribution in solving the free collective bargaining process. To say that we didn't make an effort in the final hours, I think, is unfortunate. We did make an effort. We failed. I guess we say the free collective bargaining process failed, as it sometimes does. When it does, in a situation like this with a dairy industry which is so vital in terms of food production, and so vital in terms of the future of the province. I can only ask all members of this Assembly to support the bill.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Speaker, I shall be but two minutes or less, I assure you in closing this debate. I want to make two points in rebuttal or response, to the various points that have been made.

First of all, in response to the member for Nipawin who raised the question of why the Assembly allowed the waste of the production today, implying that we should have acted yesterday, my only response is that yesterday, as indeed today for a good portion of the day, the negotiating process was continuing and we ought not to interfere lightly with that process at any stage in the game. It should only be interfered with when it is becoming patently clear that it cannot succeed. Yesterday being only day one of the strike and given the history of the 1978 dispute, it would have been unreasonable to have acted in the fashion in which the government is now acting one full day, or 24 hours later.

The hon. member does make, however, a good point about the legislature not becoming a part of the free collective bargaining process. I think that all members would agree (certainly I do) with him that this is indeed an unfortunate practice and precedent. I for one would not want to see it reconfirmed or re-established in the next dairy negotiations two years from now. We are after all the legislature, the elected representatives of the people of the province of Saskatchewan, and for any party or both parties to assume that because of public or other pressure they shall not enter into collective bargaining on a good faith basis, because some of the elected members of the Assembly will bail them out, is a wrong assumption to make and accordingly that the legislature should not adopt. However, having said that, we all understand there are circumstances, this being one of them, where the public duty as represented by us (all of us represent the public) must be met. That is in fact the situation we find ourselves in today.

And finally my second point, Mr. Speaker, is in response to the member for Saskatoon-Sutherland who said he would have preferred that we could have waited till tomorrow. Well, many of us would have shared that sentiment but unfortunately, the timetable being as it is, it's simply not a realistic option available to the members of this House. The only way that could have happened is if all members of the House agreed. I think it's unfair to assume that the members of the House would agree to sitting, to doing ordinary government business on Saturday in the eventuality of some back-to-work legislation which may or may never surface, simply hanging there as a threat, as a kind of sword hanging over the heads of the disputants in the collective bargaining operation. That in fact embroils the Legislative Assembly more than it ought to and perhaps more than it should.

Given the rules of this House, and the practice of this House, the option of Saturday and Sunday simply was not available to us. I would urge him to reconsider the decision he indicated to the members of the House earlier today.

Mr. Speaker, I think that enough has been said and I move second reading of Bill 111.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to and bill read a second time on the following recorded division:

YEAS — 37

Pepper	Vickar	Berntson
Allen	Cowley	Birkbeck
Smishek	Tchorzewski	Land
Romanow	Koskie	Rousseau
Snyder	Lusney	Pickering
Robins	Johnson	Garner
Skoberg	Nelson	Muirhead
McArthur	Poniatowski	Duncan
Shillington	Lingenfelter	Andrew
Mostoway	White	Collver
Dyck	Solomon	Ham
Byers		

NAYS — 00

COMMITTEE OF THE WHOLE

Bill No. 111 — An Act to provide for the Resumption of Operations of Dairy Producers' Co-operative Limited and Palm Dairies Limited.

Section 1

HON. R.J. ROMANOW (Attorney General): — Mr. Chairman, I would like to introduce Mr. Garnet Holtzman from the Department of the Attorney General who is seated to my right and who will assist me in answering the questions the members may ask.

MR. R.L. COLLVER (Nipawin): — Mr. Chairman, I am not going to drag out these proceedings. He's just organizing his committee yet, I think.

MR. ROMANOW: — I will be joined by the deputy minister of labour, Mr. McMillan.

MR. COLLVER: — I would return to my earlier question which I asked the Attorney General during the second reading debate. What is the relationship of the \$100 per month? Can the Attorney General (rather than to ask him specifics because that may possibly jeopardize future arbitration proceedings) give us his assurance today that the \$100 per month increase, to the employees, provided for in this legislation, after the expiry date of the contract, will not be used by any side in the negotiation to pressure another side to accept it as a minimum settlement. Can he give us his assurance that at

least \$100 a month for the lowest paid employee was involved in the lowest company offer?

MR. ROMANOW: — Mr. Chairman, I cannot guarantee what will take place in the arbitration process for quite obvious reasons. This will depend on how the parties advance their cases and how the arbitrator operates. I am not certain what the member means when he says what relationship this has — relationship to what?

MR. COLLVER: — Mr. Chairman, perhaps I'm not explaining myself as clearly as I would like. I'll go through the example again, and perhaps the Attorney General can from that example understand my concern.

The Minister of Agriculture, the Attorney General and I and other members of this legislature are concerned about the imposition of a settlement one either side by this legislation. What we are doing by this legislation is cooling the parties down, explaining to them that we want them to settle it themselves. But we are putting a specific time frame on it, and saying that at the conclusion of that time frame they are going to have to accept arbitration.

What I am concerned about is, by placing a figure in the bill of \$100 per month, we may be imposing the settlement on either management or labor. I am saying to the Attorney General, if you can assure us that is the minimum amount the lowest-paid employee in the dairy industry would have received from the last offer of the companies, then we are not imposing a settlement. But if somehow that \$100 per month gives the lowest-paid employees a larger raise than what the companies were offering before, we are saying to the companies that you must award at least this to your lowest-paid employees.

MR. ROMANOW: — Well, Mr. Speaker, I cannot give that assurance and I cannot give the answer to the hon. member. I understand the question now and I think the first answer I gave during second reading is the same one I would give right now in committee of the whole.

All this \$100 is designed to do is provide some form of interim economic relief or adjustment during the 60-day cooling-off period. It cannot be viewed, and I don't think it will be viewed by an arbitrator, as a superimposition by the legislature on the economic agreement. I don't know where it sits vis-a-vis the employers' last offer, whether it's lower than the employers' last offer or higher than the employers' last offer. I doubt that it's that. But that is something for the arbitrator to take into account. The arbitrator will have all the facts and circumstances before him and will make that decision.

I submit that it is not our worry in this House. Our worry in this House ought to be that we don't penalize the workers for a 60-day period, getting no increase that they might otherwise have had. The arbitrated award will be retroactive. So if it's an arbitrator award which is higher, they won't lose anything but in the meantime they will get something to smooth their way through.

MR. COLLVER: — Mr. Chairman, I think the Attorney General has finally understood the significance. My question to the Attorney General is this. We recognize the need to allow a cost of living increase to the employees for that period of time under which the legislature is compelling them to return to work. Would it not be superior than, if we did not superimpose our will in the legislature on that proceeding? Would it not be superior to have a cost of living, percentage increase which we know is approximately 10.5 per

cent? Would it not be better to include a 10.5 per cent increase as a cost of living increase to make eminently clear to both sides and arbitrator that we are not trying to superimpose our will on the employees since the Attorney General doesn't know what the lowest offer was? We might be saying, this is the minimum offer to those people. Wouldn't we be further ahead to establish that? Then in no way could it be considered that the legislature was superimposing its will on these employees, employees or arbitrators.

MR. ROMANOW: — Well, Mr. Speaker, that would be a useful suggestion but, in my judgment, a dangerous suggestion. I don't mean that in an inflammatory or confrontational sense. Quite frequently, a cost of living percentage figure is indeed the subject of the debate itself in terms of economic adjustment. People say, just go and find what the CPI (consumer price index) says, but there are more factors than that involved. In a negotiating situation, a lot depends on the cost of living circumstances, the actual figure itself (cost of living) but as applied to what? There are other factors. A simple 10 per cent on a wage rate of \$1,000 means not as much as 10 per cent to a higher wage rate of \$1,500 Same relationship, but it may also be that the employees are trying to bargain some form of parity or some form of equalization of the lower rate wages with those that are higher.

Accordingly, what we're trying to do here is, without tying or fettering — as I described it in my answer — the arbitrator too badly, give the workers some interim temporary perhaps even albeit minimum relief and give the arbitrator a free hand to decide what should or shouldn't be done. Indeed, I would say that a figure of 10.5 per cent, or whatever, might have the effect of superimposition because if it gets higher than the \$100, it may very well be that the arbitrator says, well that is an informal guide which I'm going to follow.

MR. COLLVER: — Mr. Chairman, I'm perfectly prepared to accept the Attorney General's logic because he's obviously prepared to accept mine. If the percentage superimposes a number, so too does the \$100 per month, depending on the rate of pay. If the \$100 a month represents less than cost of living, then it's a superimposition. If it represents more than cost of living, then it's a superimposition. Would it be possible, or would the Attorney General be prepared to prepare a House amendment to this particular section, making it eminently clear that this in no way is to be used as a guideline, a minimum. It is only designed to somehow put a reason into that clause so employees and employers and the arbitrator don't somehow think we are setting ourselves up to give these employees and increase. Would he be prepared to do that?

MR. ROMANOW: — Mr. Chairman, I'm considering it, but I'm making a snap decision, and I guess I'm now settled into the decision, that that kind of an amendment is not necessary because the main thrust of the act is to give the arbitrator the degree of independence and freedom to decide salary matters or other matters as the facts and circumstances warrant. He need not consider it or consider it — the \$100 a month. That's up to him. I don't think any kind of statement in the bill will be of particular assistance to him in this regard. Indeed, I think if anything it may be open to some other kind of interpretation. So my argument to the hon. member is that we should leave the bill as it is because I think the arbitrator is free.

MR. COLLVER: — Mr. Chairman, I won't belabor the point. I will only say that in my judgment by superimposing this particular number without relating it at least to the last offer, the Attorney General is in fact superimposing the will of this Assembly, we are entering into those negotiations where we should not be entering into them at all.

I'm very concerned about that. I think it could happen that a government, having established this kind of precedent without making it eminently clear what this clause was designed to do, could in future be requested by parties of various kinds of labor disputes to settle them in this way. The government could take a position on behalf of management, for example, that it gave \$1 per month, and that was the minimum amount the people would accept. By even including this kind of a clause, the Attorney General is, I think, superimposing himself on these negotiations.

I realize the problems the Attorney General has presented to this Assembly. I realize that in order to get the employees to go back to work, we as legislators, shouldn't penalize them, but I am very concerned that clause will be used as a precedent. As a matter of fact, it already has been used as a precedent because that clause was in the SPC agreement, and the Attorney General himself used it as a precedent today to bring in this bill. I am very concerned about that because quite frankly, Mr. Chairman, I believe this kind of legislated act (although essential at this time, and although necessary at this time) is something the legislature should not be involved in too frequently, and only when it is essential. When that happens we shouldn't be interjecting ourselves on either side.

MR. J.G. LANE (Qu'Appelle): — I want to make a couple of comments. If the Attorney General agrees, and then allow the matter to proceed clause by clause without interjection.

My first one (and out of abundant caution), would the Attorney General give the assurance that in the definition section, the definitions of employer and union, include all of the parties affected by the strike?

MR. ROMANOW: — Mr. Chairman, I take the responsibility, I guess. I am advised by the deputy minister of labor on whose advice we rely here, that definition should embrace all the unions.

MR. LANE: — My second question is this. I agree with the member for Nipawin that it does place some restriction. In other words, there is no way the arbitrator could award \$95 per month, as being the maximum, or the increase. So there is a restriction on his activities.

Our understanding of the amount offered to the lowest paid employee is that it will be above that \$100 per month, so it shouldn't be a significant factor.

I ask the Attorney General what happens after the 60-day period? What if the Minister of Labour doesn't appoint an arbitrator until say the 14th day of the 15-day appointment period? My reading of that bill means that we could have a strike after that time and that they could in fact go out for a period of up to 15 days.

MR. ROMANOW: — Mr. Chairman, I'm advised by my advisors that section 3 should answer that question, the effect of which is to be, the employees shall resume the duties of their employment in accordance with the terms and conditions enforced between the employers. The effect of that is resumption and continuation until such time as there is an appropriate agreement. This is coupled with section 7 as well, during the period for which collective bargaining again is extended in accordance with section 6. Sections 3, 6 and 7 say there shall be no strike, no employee shall participate in a strike against his employer.

MR. LANE: — So in other words, you are satisfied until the new agreement, that there can be no strike if after the 60-day period the arbitrator isn't appointed until, say the 14th day, during that period.

MR. ROMANOW: — Well, Mr. Chairman, that is my interpretation of this bill and I am assured by my advisors that is the legal effect. I might, to reassure the member, also point out that those particular sections on that matter were the subject of the power corporation bill. Now mind you, we didn't have that kind of a factual circumstance take place in the power corporation. I fully don't expect it to take place here as well. The one precedent that we have had (if precedent means anything for lawyers and for legislators) has worked. So in that regard we're following a pattern but I am undertaking to assure the House, on the advice I have received, that should not take place as the member speculates.

MR. J.L. SKOBERG (Moose Jaw North): — Mr. Chairman, I'll just make one comment in regard to one section along the same lines as the hon. member for Qu'Appelle and then not deal with another when the times comes, if that's agreeable. I think first of all, I might say if there had been any opportunity that the negotiations being carried on in this House were able to continue, I would have joined by hon. Colleague from Saskatoon-Sutherland and abstained from voting on this particular bill. It's still my opinion at this particular time that we did noting to enhance those negotiations. However, the fact remains that did happen. I am concerned (and particularly in view of the statement of the Hon. Minister of Agriculture when he reminded us of what happened today) and also when I heard the new this morning where the general manager of the Producers' Co-op was making comments on the air during the time that negotiations were going on. Then when I look at section 8 and see that they are referring to final and binding arbitration, it strikes me that this does not have to be final and binding arbitration. It could be referred by the arbitrator back to the parties and invariably an arbitration report will have some tremendous bearing on the outcome of negotiations.

I would like to register my disappointment that we will be including in this bill the final and binding, particularly the binding arbitration. I still believe that collective bargaining can work. Sometimes it does need arbitration, sometimes it does need some assistance. But at the same time, I don't believe that it's necessary to have the binding arbitration contained in the act.

MR. ROMANOW: — Mr. Chairman, I feel I should make a response to the worthwhile comments the member for Moose Jaw North made. But I would make two points and you may or may not agree. Firstly, a 60-day cooling-off period does imply . . . In fact we urge and hope that there will be a negotiated settlement and then that section you object to will not indeed come into play. The second observation in rebuttal that I would make is that on page 5 of the bill, subsection 7 or clause 9 does contemplate a limited scope of jurisdiction for the arbitrator. In other words, under the notices which both employer and union may give one to the other, it's possible using his good offices that there's a very limited number of issues which actually have to be decided. It's true that once those limited issues are identified, they will be final and binding. But in reality there is an implication that that kind of give and take which you recommend can take place. It says:

(7) It shall be confined to: (a) matters set out in the notices received by the arbitrator and any other matters that appear to the arbitrator to be necessary in order to decide the issue . . .

It's conceivable it may only be one issue, let's say wages, dental plan or whatever it happens to be. So, I think it's not quite a lock-step operation, but if we are ever to get finality in the matter, I think we have to have a final and binding arbitration provision in there.

MR. COLLVER: — Mr. Chairman, I notice in the bill that there are penalties for individuals and penalties for employers if there is no compliance with this act. May I ask the Attorney General where in this act are the penalties for the union if they fail to comply with this act?

MR. ROMANOW: — Well, Mr. Chairman, I am sorry for being somewhat slower than usual. Perhaps not in answering these question, but I've not had a chance to peruse this bill, as I explained and apologize to the House, as I do my normal bills. I study them carefully and in detail. But I do draw to the attention of the member page 7 of the bill distributed, clause 12. This is just a quick look at the sections, subsection (3) and subsection (4), where the offence is a contravention of clause 3(a) or 7(c) then you have to go back to the front. Clause 3(a) is the section which says, resumption of employment by the unions, by the employees; 7(c) says no employee shall participate in a strike against the employer. Then down in sub 4 we talk about 5(1) or 7(b), all offences related to the employee of the trade union. You will see that there are penalty sections attached there.

MR. COLLVER: — I'm sorry, Mr. Attorney General, perhaps you failed to understand what I said to you. What I said was I realize that the employers are going to be penalized by this act, in clause 12(2) and they are definitely mentioned. I realize that the individual employees can be penalized by this act. They are mentioned in subsection 3. ?But I ask you, where is the penalty for the union organization? Where is the penalty for the union leader who contravenes the act?

MR. ROMANOW: — Well, Mr. Chairman, the hon. member may know, or may not know, that a trade union is historically not a legal entity. This bill does not change the provision. This bill provides for penalties against officers of trade union and of employees . . .

AN HON. MEMBER: — Where?

MR. ROMANOW: — In the sections I have identified — page 7 sections 12(3) and 12(4) where offences are committed. What you're saying is, oh yes, but that's not good enough. You're asking, what about the actual trade union as an entity organization? I'm saying that historically and legally that is the case in Saskatchewan, indeed anywhere in Canada I believe that is the case. And this bill does not touch that. Now if you think that unions, the organizations per se should be legally or otherwise responsible then we enter the debate in another category, or another level.

MR. COLLVER: — And so what the Attorney General says is that an officer of the corporation who breaks the law, in this instance shall be fined \$1,000 and \$200 for each day thereafter. But the officer of the union who breaks this law shall be responsible for a fine of \$100 or \$25 a day thereafter. Would the Attorney General like to address himself to that particular discrepancy in this act?

MR. ROMANOW: — Well, Mr. Chairman, the discrepancy I think, is a fairly obvious one to the one category, sub (3) and sub (4) we're talking about, fines are against individual

persons. In the other sections we are talking about at least the potentiality of fines against corporate entities, and there is, if you will, a discrimination there. Maybe it ought not to take place but I would submit to the hon. member that it is a valid discrimination. We are dealing here with corporate entities recognized at law, with corporate and other responsibilities, and everywhere the law acknowledges that.

MR. COLLVER: — Would the Attorney General not agree, in light of the experience in Alberta very recently with the nurses' strike and the kind of response which was obtained in the province of Alberta, that the fines or penalties, if there is non-compliance with the act, should be equal for both sides?

MR. ROMANOW: — Well, clearly, Mr. Chairman, I do not agree with that. Because if I did we would have instructed our drafters and our policy advisers to include that in the bill.

I remind the hon. member that The Trade Union Act of Saskatchewan itself, in effect being the base legislation, recognizes a difference between the lines fines levied against individuals and the fines or penalties levied against corporations. Now, I think, it makes eminent sense acknowledging the financial capacity of what is likely to be the financial capacity of the two entities, the individual versus the corporation, that there will be disparity. The hon. member for Nipawin clearly does not buy that argument. But that is the basis of the legislation. Our legislation simply reflects that which has been the case historically and legally in this province.

MR. COLLVER: — Mr. Chairman, I can appreciate the Attorney General's comments. I sincerely hope that these clauses in this act never have to be enforced. I am sure every member of the House sincerely hopes these clauses never have to be enforced. But my goodness gracious, the Attorney General tries to suggest that the Dairy Producers Co-op or Palm Dairies in some way has far greater capacity to meet fines or meet penalties than has a union in the province of Saskatchewan when those unions are providing the funds for major buildings. The Attorney General will be aware that the Teamsters' Union provided the funds to build Midtown Plaza in Saskatoon. He will be aware of the millions and millions of dollar put up by the unions throughout Saskatchewan for various enterprises in Saskatchewan. He will also be aware of the salaries paid to union leaders vis-a-vis the salaries paid to managers of Palm Dairies. And he will recognize and realize that the union leaders in Saskatchewan are paid more than the managers of Palm Dairies.

Why is there discrimination? Perhaps, Mr. Attorney General, that is one of the reasons why from time to time unions have been known to defy the laws. Because there is this discrimination.

For goodness sake, Mr. Attorney General, all I am suggesting is that the penalties be similar for both. If it is an officer of the corporation, there should be a penalty. If it is an officer or a union, there should be a penalty. Those should be similar. And then we might have more compliance with the law.

I ask you, Attorney General, would it not be better since it is not spelled out here? You have a corporate offence. You have an individual offence. Could you not have another offence in this bill to say that if an officer or a corporation breaks this law, he shall be responsible for a fine of \$1,000 and \$100 a day? That is somewhere between the corporation and the union and the individual. Could you not say that, and in the same clause say, an officer of a union, \$1,000 and \$100 a day? That is somewhere less than

the corporation's but more than the individual's.

MR. ROMANOW: — Well, Mr. Chairman, I think the hon. member (and I don't mean to say, again, in an offensive way) misconceives the nature of a trade union. A trade union is not, notwithstanding the best efforts from the member for Nipawin to represent it as such, a corporate entity. It is not a business enterprise. That is not to deny that unions have not developed, over a period of time, certain financial capacities. But the fact of the matter is that historically and legally they are an association, if you will, something akin to a societies act entity, of men and women's banding together for the purposes of economic and collective bargaining. They are not corporate entities. There is a historical and legal difference.

Furthermore, may I say to the hon. member for Nipawin, do you mean to tell me that there is no difference between the average worker who works for the dairy workers, who may be walking that picket line right now and a general manager acting in his corporate capacity for a corporation or for a co-operative? I think there obviously is, I think a \$250 fine is a substantial deterrent to an individual person.

We're talking here about the parties. The party on the one hand is the corporation or the co-operative with its officers acting as an instrument with financial and legal obligations well-defined in law, and on the other hand an association historically something entirely different. I say to the hon. member for Nipawin, that what you're trying to do is change the nature of financial and legal responsibility of the trade union. I don't agree with you. But even if I did agree with you, with all due respect, this is not the bill in which to do that. The bill in which to do that would be The Trade Union Act or some other form of legislation which would in effect redefine the role. We would have to come in with another amendment. To do it singly in this case, without even tackling it in The Trade Union Act would be wrong. In any event, I don't agree with the member from a principled point of view.

MR. COLLVER: — The Attorney General will be aware of his new companies act that makes the directors and officers personally responsible for the actions of the company. The Attorney General will be aware of the new societies act he brought in that makes the directors responsible for the actions of the society. The Attorney General will be aware of the co-operatives act that makes the directors responsible for the actions of the co-operatives. Mr. Chairman, surely all we're asking for here is similar penalties to the same people.

When he compares a person on a picket line to a general manager, that's not what I mean. I'm not talking about the person on the picket line. I'm talking about the paid employees of the unions. They're the ones who are paid more than the general manager or the managers of Palm Dairies . . . (inaudible interjection) . . . I love that comment from the Provincial Secretary. They're not even mentioned in the act. Of course they're not mentioned in the act. But can you not see things happening in this forthcoming 90 days perhaps similar to what happened in the province of Alberta, where this Assembly has to be called back again because of non-compliance with the act and because the penalties are so low that the individuals don't care?

Mr. Chairman, I'm not going to hold up this bill because it's too important to the dairy producers. But that particular differentiation the Attorney General makes is fraught with difficulties and if there's non-compliance in this act, it is because it discriminates from one to the other. It's because it discriminates and doesn't recognize the modern union vis-a-vis the modern corporation.

Don't tell me about history because what has evolved in history is not important to the people out there today. What's important is that they get their milk and that we don't have these strikes all the time.

Mr. Chairman, in my judgment, I sincerely hope there's no non-compliance. I hope that everyone complies with the law. But if there is non-compliance, it is because the Attorney General fails to recognize what exists today.

MR. ROMANOW: — Mr. Chairman, I must make a response, as painful as that might be to some members of the House. I say that question of compliance or non-compliance is not related to the level of the fine in this case. May I say generally, that I don't believe it in other unrelated union matters, to be tied necessarily to the level of the fine. It is true that fines have to be updated from time to time. Compliance or non-compliance with this law depends in the ultimate as to whether or not there is respect by those who are asked to comply with the law and those who make the laws. I still feel, notwithstanding the activities of all of us from time to time, that there still is that kind of compliance . . . (inaudible interjection) . . . The member said they didn't do it in Alberta.

In Alberta an entirely different situation took place. In Alberta they had a so-called essential services bill, the kind of thing we had kicking around in Saskatchewan from 1964 to 1971. The cabinet there passed an order in council without coming to the Legislative Assembly and it was that order in council which was challenged on the argument that there was insufficient statutory base to give the authority to cabinet to pass the order in council. Yes, that is what it was. There was a challenge to the court on the interpretation of that order in council and the nurses took the position that pending that they were not legally forced to go back. This is an entirely different situation where the legislature in assembly presents a bill to be debated clause by clause. I still believe the average working man and woman, whether they agree or disagree with the law, does respect the law and this Assembly and will obey it, the level of fines notwithstanding.

Section 1 agreed.

Section 2 to 6 agreed.

Section 7 and 8 as amended agreed.

Section 9

MR. COLLVER: — I have a question for the Attorney General. What was the case in the SPC dispute?

MR. ROMANOW: — In the case of the SPC dispute we actually named the arbitrator in the bill. I think in that case (if my memory serves me correctly) we named Judge Ben Moore.

Section 9 as amended agreed.

Sections 10 to 14 agreed.

The committee agreed to report the bill.

The committee reported progress.

THIRD READING

Bill No. 111 — An Act to provide for the Resumption of Operations of Dairy Producers Co-operative Limited and Palm Dairies Limited.

MR. SPEAKER: — When shall the amendment be read a first time?

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed.

MR. SPEAKER: — When shall the Bill be read a third time?

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, by leave I move this bill be now read a third time and passed under its title.

Motion agreed to and the bill read a third time on the following recorded division:

YEAS — 33

Pepper	Cowley	Berntson
Allen	Tchorzewski	Lane
Romanow	Koskie	Rousseau
Snyder	Lusney	Pickering
Robbins	Johnson	Garner
Skoberg	Nelson	Muirhead
McArthur	Engel	Katzman
MacMurchy	Poniatowski	Duncan
Mostoway	Lingenfelter	Andrew
Byers	White	Collver
Vickar	Solomon	Ham

NAYS — 00

MR. ROMANOW: — Mr. Speaker, I think we have the Administrator, the chief justice of the province of Saskatchewan, Hon. Justice Culliton, standing by for assent on this bill and there may be a few others as well. So if the members will bear with us, we'll continue.

ROYAL ASSENT

At 5:32 p.m. the Administrator, having entered the Chamber, took his seat upon the throne and gave royal assent to the bills presented to him.

The Assembly adjourned at 5:35 p.m.