

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 28, 1980

AFTERNOON SESSION

WELCOME TO STUDENTS

MR. B.M. DYCK (Saskatoon Mayfair): — Mr. Chairman, I am very delighted to introduce to the committee this afternoon 23 students from Richmond Heights School in Saskatoon. They are accompanied by their teachers, Bill Sherwin and Kathy Klouspashak (and I trust I've done that reasonably correctly). They are Grade 8 students and they are sitting in the west gallery, Mr. Chairman. I want to welcome them here and I hope they have an education and informative afternoon. I look forward to the opportunity of meeting with them briefly at 3 o'clock and hopefully at that time we'll have the opportunity to answer some questions and meet with you more personally. Welcome to Regina.

HON. MEMBERS: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 13 — An Act to amend The Saskatchewan Telecommunications Act.

Section 1 (continued)

HON. R.J. ROMANOW (Attorney General): — Mr. Chairman, I want to say a few words with respect to this bill in my capacity as minister in charge of the overall communications policy for the government. I want to start off by saying that I listened with extreme interest today, and may I say the other day during the course of second reading debate, to some of the remarks made by the member for Wilkie and the Conservative Party in their opposition to Bill No. 13.

I suppose I should not have been overly surprised that the hon. member for Wilkie and his party oppose a bill that simply provides a firm legal basis for our provincial Crown corporation (and may I say one of the finest provincial Crown corporations), Sask Tel, to continue and to enhance the services it now supplies to all residents in the province of Saskatchewan. But I must say that I was very much surprised and taken aback by what I would only characterize as the dogmatic and ideological terms in which the member voiced his opposition to Bill No. 13. I was even more surprised by the clear and direct attack on this Crown corporation, Sask Tel, that has served this province and this people so well for more than 40 years in our history.

I would have thought that after all this time Sask Tel would have been safe from the designs of the dogmatic private enterprisers across the way. But it's obvious to me, after hearing the member for Wilkie, that the Devine Conservatives or the Lane Conservatives or the Thatcher Conservatives, whatever Conservatives, are not the Progressive Conservatives they claim to be, nor are they Progressive Conservatives even in the tradition of R.B. Bennett, who I remind members opposite had at least the courage and the foresight to establish the Canadian Broadcasting Corporation to act as a force for national unity. He also established the wheat board. And John Diefenbaker created Eldorado Nuclear as a Crown corporation.

Mr. Chairman, as the remarks of the members opposite clearly show, Saskatchewan

PCs are not Progressive Conservatives; they are truly regressive Conservatives who would take the province back to those horse and buggy days if they ever have their way in power (which I doubt will happen). Perhaps Charlie Farquharson, Canadian humorist, had the best name for such unregenerate Toryism when he dubbed them 'retrogressive preservatives', Mr. Chairman, and I think that indeed is the way we can describe the Conservative Party of Saskatchewan.

Mr. Chairman, the member for Wilkie had his ideological blinders on when he described Bill No. 13 as an example of socialist greed and he said Bill No. 13 symbolizes the big brother, socialist mentality of the present government. If he had listened to the Minister of Telephones or if he had taken the trouble to actually read the bill and compare it to the existing legislation in the other prairie provinces, he would have known that Bill No. 13 simply clarifies and formalizes the existing regulations in Sask Tel's tariff, and Sask Tel's regulations in this regard are essentially the same as the regulations and policies already in place in that socialist, greedy place of Alberta, and that socialist, greedy place of Manitoba. Even the Progressive Conservative Premier of New Brunswick accepts the need for telecommunications' monopolies in the provinces to deal with the complex issues facing these industries in a very complex country and a complex technological world.

So if we accept the member's absurd assertion we can only conclude that 'big brother' already exists in Tory Alberta, Tory Manitoba and Tory New Brunswick, for that's the logical conclusion of his argument. I can only say I would love to see the expressions on the faces or the premiers of Alberta, Manitoba and New Brunswick, when at the next national PC convention the hon. member for Wilkie gets up (I can see it now) and accuses them of being greedy socialists who want to institute state control of media and communications (which, the member ridiculously contends, Bill 13 in fact tries to do).

Mr. Chairman, Peter Lougheed, Richard Hatfield and Sterling Lyon can only be described as greedy socialists (or socialists) if one's own ideological perspective is somewhere to the right of Ivan the Terrible, and that is exactly where the ideological perspective of the group opposite seems to be.

For the modern and innovative era of rapid technology we are now in, the simplistic shibboleth spouted by the member for Wilkie is just not good enough. In the age of the computer, views which antedate the invention of the telephone are clearly incapable of comprehending the problems a modern telecommunications network must solve and come to grips with. If the member for Wilkie wants to place big brother Peter and big brother Sterling and big brother Richard in the camp of the socialists, he has every right to put forward such a view. But I say, Mr. Chairman, that the people of Saskatchewan should know that the conservatism Saskatchewan PCs are espousing in criticizing this bill is of a far different and a much more right-wing variety than can be found in any other provincial wing of any other Progressive Conservative Party in Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — However, Mr. Chairman, I'll let big brother Peter and big brother Sterling defend their own reputations when they next meet at the national Progressive Conservative convention.

Much more serious however is the member's attack on Sask Tel as a Crown corporation. We heard it again this morning when the hon. member for Wilkie got up

and read a letter the general manager wrote to all the employees and former employees of this House. We saw it again when the hon. member said he spoke to a yet unnamed former employee of Sask Tel, and he, the member, is going to relate yet unnamed charges about what that employee was asked to do in Sask Tel. I say, Mr. Chairman, those kinds of sweeping and blatant witch-hunting tactics of naming and making allegations without having the courage, nay, the decency of laying before the members of this House, who the accuser is, and what the accusations are, is unbecoming of members of this committee and of this House.

I want to tell the hon. member that this kind of attack on Sask Tel and the management people of Sask Tel (who have been career Crown corporation business people and who have served under the CCF, the Liberal and the NDP administrations, and who will be serving long after this administration is gone), is, I say, opposing the very essence of publicly owned and publicly controlled telecommunications systems.

Let's take a look at what he said. He said, in the course of a second reading debate, talking about acoustic couplers:

The forbidding of the use or sale of these devices in Saskatchewan does not benefit a single person.

Get these words, Mr. Chairman!

It benefits one thing only — Sask Tel, by giving them a monopoly they neither need nor deserve.

Note those words — a monopoly Sask Tel neither needs nor deserves. And in response to my suggestion that he really wants to break up Sask Tel by breaking up that monopoly, he went on, Mr. Chairman, to say:

Well maybe we are getting the message across, Mr. Speaker. Maybe he (referring to the Attorney General) is listening. That's good.

I want to tell this House, Mr. Chairman, I was listening. I want to tell the member for Wilkie the people of Saskatchewan are listening. And the message came across loud and clear (using the acoustic coupler as an example) that without the benefit of acoustic couplers or any other device the member for Wilkie and his colleagues want to dismantle Sask Tel, pure and simple, or privatize Sask Tel, pure and simple. For I say, Mr. Chairman, the first step in dismantling Sask Tel would be to allow the members' big business friends opposite to sell devices, such as acoustic couplers or others which could hook on to the Sask Tel system and thereby skim off the profits by piggybacking on the complex and costly system put in by the taxpayers and built up over the years at great public investment and public expense. Private profit at public expense, Mr. Chairman, is what the Progressive Conservatives want.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Speaker, this is not the first time we have heard conservatives in Canada advocate that policy of private profit at public expense. There was a man by the name of Joe Clark, former prime minister, who went around this country saying exactly the same thing with Petro-Canada. He said, build up the public investment in Petro-Canada, have the taxpayers pump in billions of dollars on Petro-Canada. We'll

sell off portions so you can make private profit at public investment. That's the policy of the Clark Conservatives. That's the policy of the Conservatives here. And I say that's not acceptable to the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — We all see the acrobatics Joe Clark went through in trying to privatize Petro-Canada. Mr. Chairman, I wouldn't say it's privatizing Sask Tel. I would say it's privatizing Sask Tel, if the Conservatives allow it. We see it. First one contorted position, and then another contorted position by Joe Clark and by these people opposite. The Canadian people were not about to be fooled, and on February 18 they gave their judgment on Joe Clark's plans to privatize or pirate Petro-Canada. I think Joe Clark and the Tories got that message because we haven't heard anymore from him on the subject since election day. And I say to the hon. member for Wilkie, and I say to the Devine Conservatives or the Lane Conservatives or the Thatcher Conservatives (whoever leads that group) that you, too, are going to get the message on Bill No. 13 that we don't want to allow you to privatize Sask Tel.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Chairman, some people have described this move of privatization or piratization in these terms because the hon. member wants to defeat Bill No. 13 so badly. Mr. Chairman, this morning we saw a motion introduced to close down the debate on this bill and to close down the committee. This, Mr. Chairman, from a caucus which has had this bill on the order paper since December of 1979 (maybe even November). This from a caucus which has stood and spoken on this bill and bluntly filibustered it for the last three months. This from a caucus which said there could be no more important issue than Bill No. 13. And all of a sudden this important issue of Bill No. 13, on the morning of May 28, is not so important as to put aside all the business of the committee in order to get on with the little games of that Conservative caucus opposite, Mr. Chairman.

I say that the Conservatives and the member for Wilkie in this kind of a policy is encouraging — not encouraging — if the PCs were involved in this, they would be allowing, Mr. Chairman, the public sale of customer-owned telephones. They would be allowing that. They would be allowing it to companies outside this country. I say (as the Minister of Telephones has pointed out so ably) such an act has serious consequences, because it erodes an essential principle for the operation of a publicly owned telecommunications system, namely, end to end responsibility.

Mr. Chairman, I want to tell you and the members of this House that the policy of end to end responsibility in telecommunications has been the cornerstone of the governments of Woodrow Lloyd and Tommy Douglas and the government of the late Premier Ross Thatcher, as it is the cornerstone of this government.

For the first time in Saskatchewan history we now have a party which is trying to break up that principle of end to end responsibility. I challenge and member to dispute my statement on the Thatcher administration because I'll produce documents to show you that this is the first time in the history of Sask Tel (even with a private enterprise government, the Liberal government of that day) that there has been the kind of attack on the concept of end to end responsibility in telecommunications now advocated by the piratizing Conservatives opposite in this Saskatchewan legislature.

Some say in this era of new attitudes, so what? Why shouldn't I be able to hook up my own phone, which I bought at a local store somewhere? I'm not cutting Sask Tel's cable after all. What damage am I doing except to this abstract principle of end to end responsibility? I want to give you an example to illustrate just a few of the serious complications that unauthorized and unregulated interconnection, as it's called — which is what these people opposite are for — can have for the whole phone system and also for the person who buys the phone from a private commercial dealer.

Let's suppose for a moment that the member for Wilkie is in Toronto on business and he wants to make a call home at night — for whatever reasons, personal, family or business. He phones home, chats for a couple of minutes with his wife who is talking to him on a phone purchased privately in Saskatoon or Wilkie. However, most of those phones are more cheaply made almost everywhere outside of Canada, and in Singapore or Hong Kong they're not made to the standards of the phones in this country or this province — not to the standards that Sask Tel installs. The line goes dead; the member's home phone malfunctions. The member from Wilkie cannot know that his own home phone is causing the problem. All he knows for sure is that he has been cut off and his call has been interrupted, and he's mad. He's not mad at the private phone he bought from a private company manufactured in Hong Kong or Singapore. No, he's mad at Sask Tel.

Sask Tel carries the responsibility regardless of who connects on the outside. Sask Tel carries the responsibility and the members opposite would be the first ones to challenge us with that responsibility — make no mistake about it.

Now, if I know the member for Wilkie, he's likely to complain, as well he should. He may even call the phone company, Bell or Sask Tel, and refuse to pay for his long-distance call. The question then becomes, who bears the costs of the breakdown caused by the private purchase of this defective telephone?

If the breakdown were caused by a Sask Tel telephone, clearly on end to end responsibility, Sask Tel is responsible end to end. I expect the Crown corporation would agree not to charge the member for Wilkie for his call. But if the line were dead because of commercially purchased outside made telephones, problems are there for everyone. Sask Tel would be out of pocket for the expensive long-distance switching equipment tied up. It simply would not be worth the time, trouble, and legal fees to go to court to recover the costs, not to mention the problems that Sask Tel, an innocent party here, would have in its public relations as a result.

Mr. Chairman, if you think the phone example is a simple example, it is, but you can attach any kind of new communications device at the other end. You give that to the private monopoly boys, which the PCs want to, and the same legal, financial and small 'p' political implications flow, let alone the inability to control the communications to deliver service to the people of the province of Saskatchewan — less than one million people. That's what the piratizing PCs want us to do.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — So, Mr. Chairman, by supporting the right, so-called, of commercial dealers to sell lower quality material, phones or otherwise, for private installation, the member for Wilkie is defending the right of phone users throughout Saskatchewan to a more expensive (I say more expensive, that's what the taxpayers will be paying), a very much less efficient telephone system, let alone to say a less

convenient phone system. We must remember took Mr. Chairman, before I take my place, that Sask Tel is much more than a telephone company now. It is also a modern telecommunications network that uses the most advanced technologies for communications. And some of these technologies — factscom, word processors, video-techs and other newfangled concept in names as well as computers — are coming on the scene. The question of how they are regulated so their full and efficient capacity is used to the benefit of all Saskatchewanians is a responsibility of the end to end user and that is Sask Tel as it always has been in the history of the province of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I want to tell the hon. member for Wilkie if we had waited for Radio Shack in this province to provide telephones, we never would have had them in rural Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I want to tell the hon. member if we had waited for CNCP (the hon. member for Moosomin mentioned that), we never would have had rural telephone service in the province of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — And now those pirateers opposite are going to allow the telecable companies to buy a \$30,000 dish to get the signal off a satellite. Then the telecable companies are going to come to us and say, but you deliver it at public expense on your cable system. I will buy 50 of them at \$8,000 a crack. My total obligation is \$400,000. Your obligation is \$8,000 a kilometre or into millions of dollars. That is the kind of a game these people opposite want to play on Bill No. 13, make no mistake about it. This is not a freedom issue. Mr. Chairman, this is a giveaway issue.

This is an attack on a multimillion dollar investment which all corporations, all governments have supported on Sask Tel. This is a dangerous and serious attack on what we have been trying to build in this province by way of telecommunications or power in the same operation. It is a dangerous and serious attack because if they refuse to accept the principle that Sask Tel is an end to end responsible company which was the cornerstone of Ross Thatcher's administration (I tell you that is the absolute truth) and the cornerstone of our administration before that, then we are seeing the destruction of Sask Tel, pure and simple, a destruction of Sask Tel in the interests of Radio Shack and Western Business Machines.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I want to tell the hon. members opposite, they can speak for Western Business Machines. They can speak for CNCP's Jack McDaniel. Do you know what Jack McDaniel wants to do with CNCP? They have it right now before the CRTC, something called the CNCP interconnect. Do you know what that is? We have our plant, Mr. Chairman, our telephone communications plant, and millions of dollars invested. I could ask the chairman, Mr. Nelson, how much it costs; he could give us an estimate right now, but I don't want to embroil the minister. CNCP wants to interconnect . . . (inaudible interjection) . . . The hon. member wants to talk about CPN (Co-operative Programming Network). I will tell you about CPN in just a moment. I want to make this point about CNCP.

MR. CHAIRMAN: — Order, order, order. The Attorney General has the floor.

MR. ROMANOW: — Mr. Chairman, I know why a little truth serum strikes such a very touchy nerve on the member for Indian Head-Wolseley. I wish he would have that same touch in this in terms of commitments. But I will leave that aside for another issue. Mr. Chairman, I say to the hon. members of this House on CNCP interconnect, the plant that Sask Tel has in the hundreds of millions of dollars. It's there. We see all the material when we are putting in cable. We are now maybe embarking on a \$56 million fibre optics program, which is the world's leader — maybe.

AN HON. MEMBER: — Maybe!

MR. ROMANOW: — Yes, maybe! Because that plan is put into jeopardy by the PC opposition to this Bill No. 13.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Because, Mr. Chairman, if the PCs think that any government in its right mind would sink \$56 million of taxpayers' money into fibre optics so their buddies in Radio Shack can make the profit, then they're crazy! That's simply not in the cards, Mr. Chairman, if they think the people and the taxpayers of this province are going to sink in \$56 million so their buddies in Radio Shack and CP Telecommunications and Western Business can come in and set up their dishes and by-pass that \$56 million investment, then they have another thing coming.

I want to say, Mr. Chairman, we have a multimillion dollar investment in Sask Tel. Right now CNCP has an application before the Canadian Radio-Television and Telecommunications Commission. The application is to interconnect. It is called the CNCP interconnect. We, Alberta and Manitoba have been battling the application before the CRTC for months. Big brother Saskatchewan or vice versa is joined by the big brothers in Alberta and Manitoba to fight the application. Why? Because CNCP's proposal, in the interests of private enterprise, for those boys opposite is this: they want to be able to interconnect into the telephone system on a national basis, but not to provide rural telephone service for the people of Wilkie or the people of Moosomin. Oh, no! They want to provide the interconnects for computer banking and technology for the Bank of Nova Scotia and the Bank of Commerce in Regina and throughout the piece, and make a multimillion dollar profit on that interconnect. They take the gravy on the interconnect; Sask Tel holds the bag for providing the services to the rest of the people of Saskatchewan. That's what the CNCP interconnect is about. That's what this bill is about. That's what these people want to do. They want to be able to say to all the private buccaneers, come in and put this \$400 million plant right on the old boards. They want to say, put in \$56 million, so that to enforce you can set up \$30,000 and by-pass the entire network.

I tell you, Mr. Chairman, not even Ross Thatcher in his most extreme right wing stand ever took that kind of attack on Sask Tel. It is shocking what they are doing opposite!

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Chairman, I welcome this debate, not only today, but for the weeks and the months and the years ahead. Because that is going to be the issue. It is going to be more important as we talk about Canadian culture and Canadian development . . . (inaudible interjection) . . . Now the hon. member asked about CPN, and he wants to know about CPN (Co-operative Programming Network) on Canadian culture because it's related to this bill. Mr. Chairman, \$2.3 million is what we spent of the taxpayers' money. That's what we spent, and it didn't work. You tell me you are opposed to it, as I know you are, as you are opposed to Sask Tel. I tell you, Mr. Chairman, CPN didn't work, but at least we had the integrity of the Sask Tel system (which Bill No. 13 protects) to support a group of people in the province who wanted to try a unique Saskatchewan cultural thing. They wanted to try CPN, the first in North America. CPN was battled by the PCs. They still fight us on it. CPN was battled by Saskatoon Telecable; they still battle it. CPN was battled by the CRTC; they still battle it in court all the time because these Canadian people in Saskatchewan dared to put together a community co-operative concept which would, if it worked, be an opportunity to have Saskatchewan culture on the airwaves. That was the idea and it didn't work. But at least we had the integrity, the ability and the vision to give it a try, Mr. Chairman. What kind of vision do these gentlemen offer to the people of Saskatchewan? What kind of vision do these offer? They offer 100 per cent cable operations; they offer 100 per cent American programming; they offer Radio Shack; they offer Western Business Machines; they offer CP; that's their vision in the name of a single shibboleth of freedom.

Mr. Chairman, it's freedom — freedom for the capitalists and the big entrepreneurs; bondage and no service for the farmers and the small people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I don't care; they can laugh, you can laugh. I don't care, because I tell you — your Gallup poll rating — we don't need to worry about your laughing and we'll see whether or not Mr. Devine is even in this legislature to advance this operation. You won't be around next time around, so I'm not worrying about you for a whole number of reasons. I say to the House, Mr. Chairman, that is the issue, pure and simple. That is an issue I am going to advocate every step of the way for the next months — years — until the next election. You're doggone right we want to make this an issue; you're doggone right we're going to tell the people of Saskatchewan where you stand, right behind your corporate buddies who made those contributions to you in that election campaign — right behind them. You be the mouthpiece for Western Business Machines; you be the mouthpiece for CP, they can't do the job well enough themselves; you be the mouthpiece for Saskatoon Telecable, he can't do it well enough; you be the mouthpiece, but forget providing telephone service, forget end to end responsibility, forget the need for which every PC province in addition to Saskatchewan has fought for responsibility.

I finally close, Mr. Chairman, by saying I think it was a shameful and irresponsible act by the PCs, confused as they are, to attempt to close down the debate on the most important issue all of a sudden because of some other ill-begotten view, Mr. Chairman, that's the kind of flip-flopping on a small symbolic thing which Bill 13 reflects, and I will under no circumstances accept any PC attempt to derail or oppose this bill.

SOME HON. MEMBERS: — Hear, hear!

MR. P. ROUSSEAU (Regina South): — The white knight rides again, Premier Allan Blakeney's gladiator (I think that is what they call him) has come to the rescue of the Minister of Telephones this time — the minister who can't handle his own department; the minister who has been dawdling with this bill since (as he said) December; the minister (whatever date it was) who hasn't had the nerve to come out with it before now but has waited until this time to get second reading and to debate it in committee of the whole.

Every time this government gets into a corner, every time a minister of this government gets into a corner, who do they call on? They call on the white knight or the gladiator and say, bail me out, I'm in trouble; I don't know where I'm going to go from here.

Mr. Chairman, this is the first opportunity I have had to speak on this bill and I welcome the opportunity. I find this bill the most repulsive piece of legislation we have seen in this legislature since perhaps Bill 42.

Mr. Chairman, the Attorney General took delight in accusing this side of the House of wanting privatization or whatever; you should know about privatizing, because it is the privatizing of taxpayers that you have been creating in this province.

The Attorney General has been saying it is the big corporations. Well, let me read you a letter. Let me read for the record, and I'll give you the names on this letter, Mr. Attorney General. For the benefit of the minister in charge of Sask Tel, I will read this into the record right now. Is it the private corporations that want this bill removed? Let me read to you what this person says, and I'll read to you the signatories of this letter.

Addressed to Mr. Don Cody, Minister of Telecommunications, Government of Saskatchewan, Legislative Buildings; dated May 2, 1980:

Dear Mr. Cody: We are writing to you as concerned members of the Canadian Information Processing Society (CIPS), an organization of computer professionals . . .

Now who are these CIPS? Approximately 70 per cent of the CIPS membership nationally is composed of individuals from user organizations in business, education and government. The balance is made up of individuals from supplier organizations.

And I carry on with the letter.

. . . to express our very deep concerns about the draconian powers proposed for extension to Sask Tel via Bill 13. A copy of this letter is also being released to the press in the hope that they may be able to use it to ensure that the Saskatchewan public is well informed about the implications of this legislation. As you know Bill 13 grants to Sask Tel fully authority to enter any sector of the communications equipment market that it so wishes, and to exclude from the communications market place whatever products it sees fit to exclude. Advertisements of such products could be banned by Sask Tel and the corporation would have the right to confiscate any equipment of which it disapproved and to terminate service to the user.

Surely you must grasp the horrendous ramifications for the people of this province if such powers were to be exercised. One area that concerns us as consumers of such hardware is that we could be forced into a closed,

noncompetitive market. We could be prevented from the acquisition of any communications equipment or service which Sask Tel did not choose to provide. And if Sask Tel did offer the product we could obtain it only at whatever price they decreed.

There is, first of all, absolutely no way that Sask Tel can keep its equipment offering completely current with existing technology even when there is competitive pressure to do so. This is not a slam at Sask Tel. Technology is simply advancing too rapidly in this area for any company to do this. Removing the competitive pressures would clearly do nothing but worsen this situation. This could very conceivably mean that we would be denied access to state of the art technology simply because Sask Tel has not yet opted to market the equipment.

With respect to the cost question, our experience in the computer industry and in previous dealings with Sask Tel has been that attractive prices simply do not occur unless the vendors are under strong competitive pressure. On the other hand Sask Tel has proven that it is capable of competing successfully when forced to do so.

Competition — very fierce competition — is the primary reason that we enjoy the low cost technology available today. It's continuation is absolutely vital if we are to enjoy even greater access to technology in the future.

Another area of concern is the extent to which full control over information flow would be possible with the passage of Bill 13. This bill gives Sask Tel the authority to deny access to carrier facilities to anyone it pleases, simply because it disapproves of the use that's being made of them. It may, for example, exclude access to such services as teledon unless the customer buys the service from Sask Tel. It may, by restricting what is possible at the users' end, deny to libraries and to private citizens using home terminals, the right to access information basis of their choosing. Newspapers, magazines, technical journals and trade publications advertising forbidden products could not be distributed in Saskatchewan. We seriously doubt, Mr. Minister, that Saskatchewan citizens would take very kindly to the idea that Sask Tel could control what information they have access to.

Our position, evidently supported by the supreme court and the CRTC in view of recent decisions with respect to Bell Canada and indicated by the trend in the United States and Britain, is that the phone company is a carrier. We do not dispute its right to market attachment equipment, but this should be done in a completely open competitive market. Furthermore, where the phone company has a monopoly as a carrier for a given market area, it has a responsibility to provide the service on a completely unqualified basis to whomever wishes access within reasonable financial constraints of course, such as distances that lines must be strung to service a single user. It has in such an environment no moral right to ask any questions or set any conditions on what use will be made of the facility or on what equipment will be used in association with the carriers' hardware.

Bill No. 13 should in fact be legislating more open access, not going counter to the international trend by imposing more restrictions. Before concluding this letter we wish to put to rest each of the points that have been brought to

our attention so far in defence of this legislation. The argument is sometimes made that Sask Tel knows best what the consumers of this province need. And it will ensure that customers receive the best services at the lowest possible cost, a cost which would be reduced by virtue of its monopoly position. This is purely and simply false. Regardless of any good intentions that it may have, there is simply no way that a monopoly in one province can produce the same low prices and rapid product advances that have and will continue to be realized in the competitive international market place for electronic equipment.

Events have demonstrated very clearly that Sask Tel, Bell and the other carriers are big boys who can operate quite profitably in a competitive environment, but that significant customer benefits simply do not materialize without that competition.

Another argument advanced is that Sask Tel must ensure that its equipment is not used for improper purposes — hog wash. This is analogous to arguing that car rental firms are responsible for preventing their clients from using their vehicles to commit offences. We have laws and police forces to carry this responsibility. Sask Tel has no business trying to act as a police force. The argument most often used by Sask Tel is that the integrity of their hardware is in jeopardy. In the first place, people who cut Sask Tel cables face liability regulations, and a similar situation would prevail for other equipment damages. Furthermore, we no more approve of granting to Sask Tel the right to certify communications equipment that could be used in Saskatchewan than we would of granting to IBM the right to certify which computers could be sold here, and this analogy is a precise one. It is absolute insanity to grant to one vendor the right for certification of equipment whose market they have a strong vested interest in. Certainly we have no objection to the creation of a body at the national level for the certification of attachment equipment so long as it is not operated solely by the carriers.

If Sask Tel really believes this to be a problem, we urge them to push for the establishment of such a body at the national level. Frankly, we are very skeptical about the extent to which this is actually a problem. Arguments typically expressed by government representatives are that Sask Tel will never use these powers or that private operators are skimming the cream from Sask Tel's high profit areas. The former is a non-argument. If the powers aren't going to be used, they are not required and you should have no objection to dropping the bill right now.

The second argument is a red herring intended to mislead the public into believing that Sask Tel's authority as a signal carrier is being infringed upon. Rubbish. We are quite content to continue using common-carrier facilities to carry the signal and to pay a reasonable tariff for the use of these facilities. We are not, however, prepared to concede that Sask Tel's carrier monopoly extends to generation and processing equipment and other attachments that we may wish to use in association with Sask Tel's lines. Nobody is interfering with Sask Tel's legitimate profits by marketing such equipment.

As we have already noted, Sask Tel profits by its participation as a vendor in this lucrative market as do the U.S. carriers whose profits have boomed since their strangle hold on this market was removed a decade ago.

In closing we would simply remind you that this legislation runs 180 degrees counter to the trend that is taking place elsewhere in the world. As expressed in the March 4, 1980 issue of Computing Canada this legislation is as ridiculous as if each province had decided independently what size of track to lay between its borders in the building of our national railroads. It is an exercise in marching back in time that could succeed ultimately in inventing the Morse telegraph. That it is probably not enforceable in any event is borne out by the experience of the staid British post office which is finally moving to legalize the sale of attachment hardware which has been going on illegally anyway to the extent of one billion pounds sterling per year.

The reference, by the way, for that statement, Mr. Chairman, is London Economist, April 12, 1980.

Sask Tel is a big boy now, much larger in fact than many of the small distributors with whom it is competing in this field and it is quite capable of profitable survival in an open market place. It is time for its management to break away from this Dark ages mentality and allow Saskatchewan to move forward toward the 21st century. You, Mr. Minister have the power to provide the necessary leadership and can take a significant step in this direction by withdrawing this legislation and making it very clear that you will be encouraging a free and open market in which Sask Tel may compete. The ball, Mr. Minister is in your court.

Now, Mr. Chairman, this was not signed by Bell Canada or by IBM or by any corporate company — big money supporters of the Progressive Conservative Party or whoever the Attorney General wants to say is supporting our cause. Who signed this letter? Well, let me tell you who signed the letter, Mr. Chairman. Mr. Colin Turnbull, Mr. L.R. Symes (and these are all doctors — Dr. Symes), Dr. Law, Dr. Maguire and Dr. Kreek. And who are these people? Here is a breakdown of exactly who they are. This was sent to me personally, saying:

I mailed Mr. Cody's copy of the attached, Monday evening at the main post office. Although we cannot make any pretense that our comments reflect the opinion of the university, you should know who the CIPS signatories are, to facilitate follow-up and assure some measure of credibility to our statements. We are: Colin C. Turnbull, manager, computing services, University of Regina; Dr. Larry R. Symes, chairman, computer science department, University of Regina; Dr. Allan G. Law, member, computer science department, University of Regina; Dr. R. Brien Maguire, member, computer science department, University of Regina (and who, by the way, is presently the Regina section CIPS president), and finally, Dr. Holger Kreek, member, computer science department, University of Regina.

AN HON. MEMBER: — Well, don't make your brown eyes blue.

MR. ROUSSEAU: — Just so nothing is hidden, Mr. Chairman, and so I am not accused

of not wanting to provide the information that's given to us, I'm going to read the rest of the note that was sent to me.

I believe it would be appropriate for Mr. Minister to provide a response to this in the House during question period later this week. Would you be so kind as to ensure that he is asked for same. Call Dr. Maguire or Dr. Law if you need further information before I return May 19. But I would like a copy of your question and Mr. Cody's answer as reported in Hansard.

MR. ROUSSEAU: — We didn't get around to asking it in question period at the time.

AN HON. MEMBER: — The minister was never in.

MR. ROUSSEAU: — He goes on:

It seems clear that the government is getting edgy over this one. With enough pressure we could see some watering down at least.

MR. ROUSSEAU: — I don't know, Mr. Chairman. I listened to the Attorney General a while ago going over the same rhetoric of what we would do with Sask Tel and why we want to see this Sask Tel (I think he said) dismantled. We had our ideological blinders on (I believe was the term he used). Well, if anybody showed up today with ideological blinders on it was the Attorney General.

He keeps making reference (and I've heard him do it in this House several times) to the private sector (and I'd like to lay this to rest, Mr. Chairman), wanting the cream off the top. Let Sask Tel put the cable and the hardware in; they'll do the hook-ups and get the cream off the top. Well, I really (I believe it was in 1976) when they had the hearings of the CRTC here in Regina. I happened to be one of those who applied, one of a group, for the cable television licence for the city of Regina. I do not recall, except for the minister who is now the Minister of Culture and Youth, anyone in those hearings who said they did not want to install or would not install the hardware and the cable, I do not recall anyone saying they wanted Sask Tel to pay for the cost of doing that and all they wanted was the cream. I recall what our application was; I recall what our cost was going to be. I know what the cost for all the others was going to be and the costs included the hardware.

You keep referring, Mr. Attorney General, to the earth stations and to the small communities. Let you put the cable in and the private sector will take the cream. You know, we would have had cable in Saskatchewan a long time ago if it hadn't been for the attitude of your government. It was your government which delayed the installation of cable in this province and is still delaying installation. I dare say to you that there are many businessmen in this province today who will pay the full cost of installing the cable, the hardware, the earth station and the whole thing. And you say they will install it.

AN HON. MEMBER: — Where will they pay the full cost? In communities like Wilkie, will they pay the full cost?

MR. ROUSSEAU: — I dare say they will. You stop interfering and we will see how many they would turn down, like Unity, Wilkie and other areas that go along with it, Mr. Chairman, the responsibility for the delay in installing cable television in Saskatchewan should lie solely on the shoulders of this government. Because if they had wanted it,

they would have had it done a long time ago.

Mr. Chairman, I would like to compare Bill No. 13 (because it is only the first step) to the same kind of legislation coming forth from Sask Power. Can you imagine having to buy the light bulbs for my home from Sask Power? Can you imagine having to buy my refrigerator or my stove from Sask Power? That is what they are asking for. They want the monopoly. They don't want the competition; they are afraid of competition.

Anyone will tell you, a monopoly creates higher cost. Competition is what will lower the cost to the consumers. Mr. Attorney General, you keep forgetting (as you so often do) there are local businessmen in this province. You forgot that when the Cornwall Centre was handed out to your friends in Toronto. You're not interested in the local businessman. You're interested in the multinationals in Toronto or your supporters who give to your party. That is who you are interested in. Don't tell me about Ma Bell. No one on this side of the House has ever suggested that Ma Bell or your Sask Tel corporation should come in and operate cable television. You are the one who suggested that and continue to do so. When your government decides and accepts the philosophy of open competition, then we will start getting better results and better prices for the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Chairman, I listened to my colleague for Wilkie for many hours on the very excellent arguments he made. I am going to come back to the reasons because my colleague, the member for Wilkie, gave many reasons why this bill should be withdrawn or defeated. I am going to move on to another area and I am going to before the day is out (that might be 5 o'clock), propose an amendment to this bill. I would say there is another area of major concern in this proposed legislation. Mr. Chairman, if this legislation becomes law and our benevolent bureaucrats at Sask Tel choose to exercise the powers given to them in section 44(4) by ceasing unauthorized attachments and cutting off telephone services to the subscriber, then there are going to be a lot of unhappy people in this province. These people are going to include, not only the manufacturer of these attachments but also the ordinary individuals who find it useful, or convenient, to use such attachments. And also those hundreds and probably thousands who benefit in one way or another from computer systems which are now attached and are ever increasingly becoming attached, to the telephone system.

Mr. Speaker, the present government has learned over and over again through painful experience that people who have been made unhappy by what they think is unfair legislation will go to court to defeat this legislation.

In the inquiries which I have made, dealing with the implications of this legislation, a legal adviser of mine commented on the possibility that this proposed legislation, and perhaps a number of other portions of the existing act, may be beyond the powers of this legislature because under the British North America Act that power lies exclusively with the federal government, or with the federal parliament.

I am neither a lawyer nor an expert on constitutional law but I am aware of the huge expense and considerable embarrassment which the present government, and indeed the people of Saskatchewan suffered because of this government's misbegotten and ill-considered legislation respecting the taxation of potash companies and oil companies.

I would not want to see our province again suffer that kind of expense, that kind of embarrassment, that kind of chaos. Consequently, when my legal adviser raised this question I made further enquiries. I have been provided with certain information.

First, it was pointed out to me that paragraph 10 of section 92 of the BNA Act (British North America Act) gives to provincial legislatures the exclusive jurisdiction as to local works and undertakings, and then provides very specifically that if the work or undertaking connects one province with another or extends beyond the limits of the province, then that jurisdiction lies with the federal parliament.

Mr. Chairman, when I can pick up a telephone in Regina and call people in every other province in Canada, and in virtually every country in the world, it seems to me that our telephone system does connect Saskatchewan with other provinces and with other countries.

As a matter of fact, Mr. Chairman, I note that section 9 (1)(c) of The Saskatchewan Telecommunications Act, as it now exists, makes it one of the purposes of Sask Tel to establish, construct, and operate a co-ordinated telephone communications system in the province and in Canada and to provide connection and intercommunication between other telecommunication systems.

Secondly, I was referred to a recently published legal text by Professor Peter W. Hogg, who has a whole series of letters after his name indicating his scholastic achievement in the field of law, and who is a professor of law at Osgood Hall Law School, at York University in Toronto.

Professor Hogg's text has the title Constitutional Law of Canada. It was published in 1977. On page 343 of his text, Professor Hogg points out that the courts held, a long time ago, that Bell Telephone Company in eastern Canada falls under federal legislation because it is an interprovincial undertaking connecting one province with another. He points out that provincial telephone companies at the present time are provincially regulated, but he goes on to say:

Whether this pattern of regulation is compelled by the BNA Act or exists by the grace of the federal government is not so clear.

He points out that a local railway located entirely within a province but having connections with an interprovincial railway will fall under federal jurisdiction and then he says:

Obviously a similar argument would be available with respect to local telephone companies but no such argument has been made in a reported case.

Professor Hogg goes on to point out that another argument could be made which would bring provincial telephone companies under federal jurisdiction and that would be the same arguments by which the courts have placed aeronautics, radio and television under federal jurisdiction, based on the theory that these subjects from their inherent nature are of concern to the country as a whole.

Professor Hogg concludes his learned treatise on this subject by saying:

It would require a judicial decision to be sure of the legal position but there

appears to be no propensity on the part of the federal government or the industry to disturb the established pattern of provincial regulation.

Well, Mr. Chairman, we are all aware that it doesn't need to be the federal government or the telephone industry which must initiate the steps to get a judicial decision. Mr. Chairman, for the record, I am going to read exactly this reference by Professor Hogg:

Legislative authority over telephone systems depends upon section 92(10) of the BNA Act. We have already examined *Toronto versus Bell Telephone Company* (1905) and seen that the federal parliament has legislative authority over the Bell Telephone Company because it is an interprovincial undertaking under 92(10)(a). Bell provides service in Ontario, Quebec, the Northwest Territories and Newfoundland and its operations are federally regulated. The implication of the Bell Telephone case is, of course, that an interprovincial telephone system would be within provincial legislative authority as a local undertaking under section 92(10).

There are in fact many small privately owned telephone companies in Canada operating in Ontario, Quebec and the Atlantic provinces and they are provincially regulated. In each of the prairie provinces there is a telephone system owned by the province and regulated by the province. In British Columbia the privately owned British Columbia Telephone Company has been brought under federal jurisdiction by a declaration under section 92(10)(c) that it is a work for the general advantage of Canada and the company is federally regulated. The pattern of regulation of the telephone industry is therefore much the same as that of the railways, bus lines and trucking lines. The interprovincial systems are within federal jurisdiction while the local systems are within provincial jurisdiction, unless a section 92(10)(c) declaration has been made. Whether this pattern of regulation is compelled by the BNA Act, or exists by the grace of the federal government is not clear. It must be remembered that the small telephone companies are interprovincial only in the sense that their physical facilities, including their wires, are confined to one province. However, all of the telephone systems interconnect so efficiently that each is able to provide interprovincial and international service to its subscribers. This is possible for a small system because of both the physical connection with the wires of other systems and co-operative arrangements with those other systems.

We have already discussed an analogous situation in respect of local railways, and have seen that a physical and operational connection with an interprovincial railway can sweep the local railway into federal jurisdiction as part of the larger undertaking. Obviously a similar argument would be available with respect to the local telephone companies, but no such argument has been in a reported case. Its success would depend upon a question of fact and judgment as to the degree of functional integration between the connecting systems.

Another argument which has never been made in a recorded case is that all telephone systems, local as well as interprovincial, are within the peace, order and good government power of the federal government. The basis for this argument would be that telephonic communications is a matter which satisfies the Canada Temperance Test. That is to say, it goes beyond local or provincial concerns or interests, and must from its inherent nature, be the

concern of the dominion as a whole.

It will be recalled that jurisdiction over aeronautics, radio and television has been placed on this basis without any explanation of why those modes of transportation and communication are of greater national concern than trains, buses, trucks and telephones. The application of the Canada Temperance Test to modes of transportation or communication other than aeronautics, radio and television is a possibility which has to be taken seriously. It would require a judicial decision to be sure of the legal position, but there appears to be no propensity on the part of the federal government or the industry to disturb the established pattern of provincial regulation.

MR. CHAIRMAN: — Order. I'd ask the member for Estevan and the member for Saskatoon Riversdale to try to contain themselves, because the hon. member for Regina South has the floor.

MR. ROUSSEAU: — Mr. Chairman, it has also been brought to my attention that if our telephone system should fall under federal legislation then it would be covered by portions of the Railway Act, and section 321(2) of that act says that a telephone company as to its tolls, services or facilities must not unjustly discriminate against any person or company, and that the telephone company must not, and I quote:

Make or give any undue or unreasonable preference or advantage to or in favour of any particular person, or company, or any particular description of traffic in any respect whatsoever.

This same section of the Railway Act also says that a telephone company must not subject any person or company to any undue or unreasonable prejudice or disadvantage in any respect whatever.

Mr. Chairman, I am informed that on the basis of these provisions of the Railway Act, less than a year ago the federal court of appeal made a decision that Bell Canada had been properly found guilty of unjust discrimination in giving itself unreasonable preference in its competition and unreasonable prejudice when Bell Canada refused to permit certain equipment to be connected to the Bell Canada system unless that equipment was obtained from Bell Canada.

Mr. Chairman, I am sure that the Attorney General has read that decision. I am sure that the minister wouldn't want me to read all of that decision. Mr. Chairman, whether we like these provisions of the BNA Act and the Railway Act and whether we agree with recent judicial decisions that may affect our telephone system, surely on the basis of this government's tragic record in having its legislation struck down by the Supreme Court of Canada and the chaos which that has brought about, it would be foolish in the extreme to let Bill No. 13 become law without first testing its constitutional validity. Surely this government or any government has a responsibility to test the validity of proposed legislation such as Bill No. 13 before it becomes law; before it creates the unhappiness that must follow; before its obvious attempts to stifle competition goes into effect and before its greed for more and more of the taxpayers' money goes into its coffers.

I have no desire to further increase Ottawa's power. But I have even less desire to be part of a process which passes bad legislation — bad in principle and bad constitutionally. Mr. Chairman, there is an easy solution to the constitutional aspect of the problem, a solution which the government should have followed in its legislation dealing with potash and oil taxation, but stubbornly and to the detriment of the people of this province refused to follow. The solution, Mr. Chairman, is to make use (and I want the Attorney General to hear this) of The Constitutional Questions Act and have the Lieutenant-Governor in Council refer these questions to the Saskatchewan Court of Appeal prior to Bill No. 13 being presented to the Lieutenant-Governor for assent.

Mr. Chairman, I have a few more remarks that I want to make on this bill. However, I am going to submit this motion at this time, Mr. Chairman, I move, seconded by the member for Wilkie (Mr. Garner):

That the Lieutenant-Governor in Council be, and is hereby directed pursuant to the provisions of The Constitutional Questions Act to refer to the Court of Appeal of Saskatchewan for hearing and consideration the matter of the constitutional validity of Bill 13.

MR. CHAIRMAN: — Order. The question before the committee is the adoption of section 1 of the printed bill to which an amendment has been offered by the hon. member for Regina South. I would point out to the committee that this type of motion is a substantive motion, and substantive motions are to render it more generally acceptable.

I should inform the mover of the motion and the committee that such a motion in a

better drafted form would be acceptable at second reading and third reading but is not acceptable in the committee of the whole stage, and I therefore rule the motion out of order.

MR. ROUSSEAU: — Mr. Chairman, I am no doubt disappointed in your ruling, however I will accept it. May I ask a question? I don't know whether I am entitled to this or not, but would that motion be in order under section 7 and having section 7 becoming section 8?

MR. CHAIRMAN: — No. That isn't acceptable. I don't think I should take any questions or comments on the ruling. I made the ruling and if you want to challenge my ruling it's your prerogative to do so. The hon. member for Regina South.

MR. ROUSSEAU: — Mr. Chairman, I do not challenge your ruling. I accept it. We will be looking into the matter a little further. However, I will therefore continue debate on the present bill as presented or introduced.

Mr. Chairman, there have been many questions about the arguments the government in particular Sask Tel) has put forth in its desire to put this bill through and in its trying to justify the amendments of that particular act. I would just like to go through some of them and perhaps as well counter the argument put forth.

What would this restriction mean to the average Saskatchewan resident (not necessarily put forth by the government but by individuals)? Well the answer to that, Mr. Chairman, I say is fairly simple. All attachments to communication equipment not obtained from Sask Tel become illegal and subject to seizure by Sask Tel, unless Sask Tel provides specific authorization in writing for their continued use. Examples are answering devices, telephone speakers, automatic diallers, computer terminals, data sets and acoustic couplers. The coming of age of home terminals which will enable access to computers to provide a variety of home services will be legal only if the equipment is obtained from Sask Tel.

Mr. Chairman, in the Crown corporations hearings I recall discussing this particular subject at that time. I gave an example to the hon. minister and I'll give that example again here today of what this bill will mean to some people in our province.

There are people, in particular retired citizens, old age pensioners, many of whom today are ill, have handicaps, are arthritic, or for whatever reason, who have an automatic dialler installed on their telephone system. Now, an automatic dialler for these people, Mr. Chairman, means this. It means that that individual will have perhaps — I don't know the number but let's say 12 to 15 emergency numbers programmed into the automatic dialler. At the touch of a single button this automatic dialler will dial the emergency number the person requests. It could be the doctor, ambulance, hospital, mother, a son, or a daughter, a relative, a friend — anyone who can come to the aid of that person.

Now, I've heard this government say many times that they're concerned about the senior citizens of the province. I've heard them talk about compassion, I've heard them talk about the elderly and helping. Well, that automatic dialler, Mr. Chairman, is available on the market at a retail store at a cost of approximately, as I understand it, \$130. You understand the cost of the installation is approximately \$25. I also understand, Mr. Chairman, that they require, and no one objects to this, the coupler to be installed on this system by Sask Tel at a monthly cost to the ratepayer of \$6.50.

Feature this, Mr. Chairman. Purchase of the equipment at \$130, installation of \$25, rental cost of the coupler \$6.50 a month. The same equipment installed or rented from Sask Tel I am further told, is in the neighbourhood of \$30 a month, which includes, I understand, the coupler. I might be a couple of dollars out in my calculation one way or the other. But at \$30 a month, Mr. Chairman, that person will be paying \$360 a year. In one year that person will have paid what it costs to buy the same equipment, have it installed, and pay (in fact more than pay) the purchase price, installation, and monthly rental of the coupler, and every year thereafter will be gravy to the government, gravy not to the government but to Sask Tel.

The Attorney General talks about profiteering, piratization. What bigger form of profiteering and piratization is there than that example which I just gave? Competition, Mr. Chairman, would eliminate that kind of profiteering. But this government wants the monopoly. They don't want anyone else to compete in that area. They want to be able to have that monopoly so they can profiteer at the expense of the ratepayer, whether it be a businessman or a senior citizen or anyone who can afford it. They talk of compassion; they talk about profiteering; they talk about piratization.

When the Attorney General makes statements such as he did today, he should take into consideration who is the biggest of the multinational corporations. Who is the prime example of one? Sask Tel is, Mr. Chairman, I call it gouging the consumer. If the private sector were doing what this government is suggesting, they would be hauling them into court. But who is to haul Sask Tel into court?

What difference does it make who we buy these attachments from? That's another question. Mr. Chairman, it doesn't. The key is access to equipment at the leading edge of technology at the best possible price. I have no objection to Sask Tel joining the market place and competing for these sales and to some extent they already have, but I object very strongly to any moves which will eliminate market competition. I have no objection to buying from Sask Tel when they are competitive. But they must compete or let the consumer buy from someone who will.

Mr. Chairman, I have heard the Attorney General in this Assembly criticize the private cable companies and private corporations because they have raised and can at any time raise their prices and charge whatever they want. He refers to, when he makes that statement (he has made it many times), cable companies in particular. Well I don't know why the Attorney General doesn't at the same time remind the people and the members of this Assembly that in order for a cable company to increase its price it has to obtain that permission from the CRTC. They are regulated. He used that argument when we submitted and presented and introduced a motion for a public utilities price review board. Mr. Chairman, that is nothing short of misleading the taxpayers, the ratepayers and the members of this Assembly.

Another question: with a monopoly over distribution and sale of these attachments, would not Sask Tel be able to sell them to us at a cheaper price? The answer of course is, no. Any such claim would be a lie, pure and simple. The only situation in which Sask Tel has competed successfully and offered us the best price for terminals and other such equipment, is when they have been forced by the competition to do so or continue losing these sales. Does anybody really believe we would have lower computer prices in Saskatchewan by granting an exclusive licence to one vendor? Well, Mr. Chairman, I spent 35 years in that business. I would dearly

love to have the monopoly for selling automobiles. I would dearly love to have a monopoly for selling automobiles. I would dearly love to have a monopoly to sell anything. But we have laws which prevent us from having these monopolies. That is what the government, and in particular Sask Tel, is asking for.

A question: what is so bad about the government trying to eliminate corporate competition in the provincial telecommunications business? Mr. Chairman, Sask Tel already has a monopoly on the provision of telecommunications facilities — in their lines, etc., which allow communications to occur. What we are concerned with is the attachment hardware people use, together with Sask Tel's lines, in order to do useful things.

Advances in the computer industry over the past two decades have occurred largely as a result of cutthroat competition in the industry. It is a simple fact that today's cheap technology would not be available if any vendor had been able to legislate all competitors out of the market place. To believe Saskatchewan consumers would be better off depending solely on the benevolence and skills of any single vendor, Sask Tel or otherwise, rather than the open market which we have lived in through the past decade is to be a total idiot. Mr. Chairman, competition is absolutely vital.

Here is another question. Are you worried about Sask Tel getting too much power? Yes, I am, Mr. Chairman, yes. They have a monopoly on the provision of communications lines in the province, a legislated one, let alone economic factors which would deter anyone else from running an isolated line. In such an environment, Sask Tel, Mr. Chairman, has an obligation to provide these lines wherever they reasonably can and where they have a paying customer. It is absolutely none of their business what uses people choose to make of the equipment as long as they pay the standard tariff. Presumably, any attempt to apply these powers in a discriminatory fashion, such as shutting down companies they don't like and turning a blind eye to violations by others, would be halted by the courts. Nonetheless, I repeat, Sask Tel has no right to even ask people what they have connected to their phone lines and what use they are making of the facility, except in the context that any salesman might ask such questions.

There is also a question about Sask Tel's legality in preventing someone in Saskatchewan from using phone lines to connect computer facilities out of province. Mr. Chairman, our library and the provincial library and many others do this every day. Another question being asked is, would you like to see a public utilities authority to check on Sask Tel's operations? If I am out of order, Mr. Minister, the Attorney General was out of order for a long time, because he referred to many areas outside of Bill 13 and in particular the area I'm touching on now. Sask Tel would be subject to precisely the same controls and regulations as any other telephone utility. Both the AT&T in the United States, as the result of a Carter phone decision, and Bell Canada, as a result of the Harding decision, have been told they do not have the right to do precisely what Sask Tel now wants to do. A local controlling authority might be a very good idea in terms of rate control, but for any sort of sanity to prevail we must have Sask Tel bound by the same regulations as those which apply to nationally chartered companies such as Bell.

Mr. Chairman, I am also going to read into the record an article written on March 4 of this year in Canada's biweekly data processing newspaper called Computing Canada. The headline says: Saskatchewan criticized for anti-terminal attachment legislation; Canada whistling in the dark for a Carter phone decision.

And this is what the article says:

Describing hydro and water suppliers as common carriers just like the telephone companies, Robert Walton, president of Dictograph Manufacturing Corporation, said that the equivalent in these industries of the telephone company's monopoly on the supply of terminal attachment devices would mean paying \$18 per month for the life of your bathtub.

These remarks were made here recently at a Data 80 conference panel entitled, Canada at a crossroads — What Carter phone today would mean to Canadian technology. The title references the now famous Carter phone decision in the United States which opened up the competition in the supply of telecommunications equipment. Mr. Walton told the standing-room-only crowd that Canada had already had its equivalent of the Carter phone decision, and the only way we would achieve open terminal connection is for users to go out and buy the equipment and use it. There is no law that says you can't.

Formerly general manager of Harding Corporation, Mr. Walton was referring to his length battle with Bell Canada over attachment of equipment to the telephone network. We have terminal equipment in Canada today because I spent \$.25 million to do it he said, adding that the fight cost him another \$2 million when Harding was forced to close operations. Admitting that the regulatory mess in Canada made it difficult to implement, Walton stated that users can attach whatever equipment they want to, and shouldn't let anyone else tell them they can't. He explained that the point of the Harding decision was that carrier tariffs were not the law of the land, but were for the protection of all of us, not just for the sole purpose of Bell. Mr. Walton also noted that the main interconnect company in the world is Northern Telecom which is doing such a fine job in the United States while piously saying no to interconnect here. Northern Telecom is controlled of course by Bell Canada.

Also on the panel was James McDaniel, national sales manager of CNCP Telecommunications who said that because of the major and deep divisions in Canada over this issue, it was time for you users to speak out. Anyone who expects a Carter phone decision in Canada is whistling in the dark, he said. Referring to legislation tabled recently in the Saskatchewan legislature which would prohibit both terminal attachment and the advertising of terminal attachment products, the provinces are marching back in time, he said, adding that at this rate, they will soon invent the Morse telegraph. Likening the impact of telecommunications to the impact of the building of the railroad across Canada, McDaniel said the Saskatchewan legislation should not be allowed to happen. He suggested that Canada's regulatory jungle in general and the Saskatchewan legislation in particular, could lead to a situation as ridiculous as if each province had decided independently what size of track to lay between its borders in the building of our national railroad.

Other members of the panel included Stuart McPherson of the CRTC, William Hutchinson, chairman of Telecom Network Technology, Des Cunningham, president of Gandalf Data Communications Ltd., Murray Robinson of Murray H. Robinson and Associates, Brian Hewitt, vice-president for corporate development at Bell Canada and Thomas Carter former president of Carter Phone Communications Incorporated. (Mr.

Minister, I'm sure you have read it, but there are many here who have not.)

Carter told the audience that prior to the 1969 interconnect decision, the United States had been afflicted by the Telco monopoly and in 1969, literature 35 years old was on my desk which described operating features of terminal equipment made in foreign countries. At the same time U.S. carriers were offering the very same features to the public and calling it modern. He said that loosening the carrier's strangle hold on the industry has helped not hampered the carriers whose profits are now at an all time high. Carter stated that it took the U.S. industry about five years to bring to market equipment as sophisticated as that available from other countries, adding that in 1980 the independent telephone equipment supply industry in the United States will account for almost \$1 billion in revenues. He stated that the expected the same thing would happen in Canada when we open up the telephone network to free enterprise and suggested that Canada benefit from the experience of the U.S.

Referring to terminable committee meetings on such ponderous subjects as what to call a telephone, Carter said that Bell people are masters at delaying and that Canadians should not put up with any of that foolishness.

Thank you, Mr. Attorney General, thank you very much. I am getting very hoarse and I am getting very dry and my throat is just itching and aching. I am going to resume my seat for a few minutes. Hopefully the minister may wish to reply to some of the comments that I have made so far today. I am going to take a short break and resume my seat for a short period of time.

MR. L.W. BIRKBECK (Moosomin): — Mr. Chairman, I think it is incumbent upon the minister responsible for Sask Tel for carrying this particular piece of legislation to the House to answer some of the questions that have been posed to the government in discussion and debate, in particular just recently by the member for Regina South. As he said just before he was about to take his place, it would be appreciated if he was able to take a break and to receive some answers with references to the particular issues he raised in the debate that he had with the minister.

I'm sure the hon. member will be back in the House in due course. As he said, he was just slipping out to get himself some coffee and hopefully to alleviate the dry throat that he apparently has. He has been speaking quite a while and that seems to make a little sense. I'm sure that whether or not the member for Regina South is in the House, some of us over on this side of the House could take notes. Or we might refer him to the verbatim record; he could check that and receive the answers just as well. I don't think it's necessary for him to be in the House for the hon. member's reply.

Mr. Minister, I think that certainly there have been a number of very good concerns raised by the opposition with reference to this bill.

MR. ROMANOW: — Ha, ha, ha!

MR. BIRKBECK: — Certainly, Mr. Chairman, not a laughing matter, as the Attorney General sees it. Certainly there have been views, concerns, expressed by the opposition on behalf of concerned citizens of the province of Saskatchewan.

Now, Mr. Chairman, I suppose it's incumbent upon the government to make that into a debating point. You know, we heard a while ago hoots and hollers from the government side that it was just the Tory people in Saskatchewan who were making these arguments. But Mr. Chairman and Mr. Minister, we're certainly looking at a great number of people opposed to Bill 13, if in fact it's the Tories who are opposed to it across the province. Because as you well know, we represent a considerable number of people in the province of Saskatchewan.

Now the Attorney General is always talking about a poll. You should look at the latest polls. It is interesting to note that the Attorney General has not provided the courtesy to the members of the House of passing a copy of this particular poll across to the members of the opposition — this poll that he seems to be so happy about.

Well, Mr. Chairman, I don't think it's incumbent upon the Attorney General just to throw these particular numbers across. I think it would be more incumbent upon him to throw across the actual poll that relates directly to the bill because the members of the government are saying that it's the Tory people in Saskatchewan who oppose the bill and I suggested that that was a great number of people. The Attorney General disagrees because of an apparent poll. Mr. Chairman, in order to substantiate the Attorney

General's remarks it would be incumbent upon him to table that particular poll, whether it was a Gallup poll or an NDP poll. As well, it might be interesting to note whether it was done at taxpayers' expense or the party's expense.

Anyway, Mr. Chairman, I want to make the members of the House aware of a particular situation as it relates to this bill. I, not so long ago, took the opportunity of looking into a telephone answering service to answer the phone at my constituency office and my residence when I am not there. Of course, with this session being dragged out by the government and I suspect likely to be dragged out by the Unionist Party. It may well be that I won't be in my residence for a considerable length of time yet to come.

Therefore, it being quite necessary to have an answering service, I proceeded to investigate Sask Tel's provisions for telephone answering services. I found that I was able to lease a product from them that would provide this type of service. I thought, well, I should look at other companies and other outfits which may provide telephone answering services.

I checked in with General Recorders here in the city of Regina. General Recorders said, well, yes we have a telephone answering service. We have a telephone answering service that is exactly the same as that leased by Sask Tel.

MR. THATCHER: — I just wish I could talk about the latest dumb one you guys are doing. You know what I am talking about. I can't and you know it.

MR. CHAIRMAN: — Order! We've been kind of carrying on this afternoon back and forth across the House. If people want to visit or something maybe they could go behind the bar. They're distracting the speaker. The hon. member for Moosomin has the floor.

MR. BIRKBECK: — Thank you, Mr. Chairman. I very much want members of the Assembly to hear this particular situation because it does relate directly to Sask Tel's Bill No. 13.

As I said, I went to General Recorders to check out what kind of recording systems they had. Mr. Minister, they said they had exactly the same recording device that you offered for lease. But there was an added advantage to leasing from General Recorders, that being that I was able to purchase the particular machine which cost in the neighbourhood of about \$800 or \$900. I would be able to purchase it at the end of a three-year contract for 10 per cent of the purchase price at that particular time. So comparing that with Sask Tel I thought, well, that's an advantage over leasing it from Sask Tel. I may as well own it after three years is up so I proceeded to lease the particular machine from General Recorders for a period of three years.

I picked up the answering service and I asked the serviceman and the salesman with whom I was dealing what I would have to do to hook it up. I asked if it was difficult to hook up. Oh no, no problem at all. You plug it in here and there's this colour of wire coming into your little rosette on the baseboard; put that one there and this one here and away you go; as far as we're concerned, they said. They qualified the statement with — as far as we're concerned.

I said, what do you mean, as far as you're concerned? Who else am I dealing with here? Well, you're dealing with Sask Tel. And I said, oh, I see. How does Sask Tel come into it? Well, it turns out that I am going to be required by Sask Tel to use a device which is designated by Sask Tel to protect Sask Tel's hardware.

So, I said, all right, that's fine. I took the outfit home one weekend, hooked it up without this protective mechanism and proceeded at that time. When I came back I was in conversation with the minister responsible (the minister we are dealing with here today), and he suggests, if you have leased it from General Recorders you are going to have to put this little device in there. That's to protect our system. I see. Well, I asked, how is it when an individual leases that identical machine from Sask Tel your repair men, when installing that particular machine, do not put that device on the wall to protect your system?

Mr. Minister, you had no argument for that, except to say we want to monopolize the industry. I was appalled at your saying that to me; you and I know we had that telephone conversation, and it doesn't matter if anyone else knows because you and I know we had it. And you know that you said you wanted to monopolize the industry. Yes, you did, and that's fine and dandy. If you want to sit there and tell me you didn't say that, let that be on your conscience and not mine.

Now, Mr. Chairman, the simple fact of the matter is that if you lease it from Sask Tel you don't need this little gizmo on the wall, but if you lease it from General Recorders you must have it. And Sask Tel is charging me \$6.50 a month to have a device on the wall which does absolutely nothing, and that's to put it mildly. It does absolutely nothing and I challenge the minister to prove to me that machine is doing anything on my wall. And I mean that. Prove to me it's doing anything except costing me \$6.50 a month. That's the penalty I am paying; \$6.50 a month is the penalty I must pay for leasing from a private entrepreneur instead of leasing from Sask Tel. Now, how does that affect us in Bill No. 13? Any devices which were hooked into Sask Tel hardware in the last number of years will have to be taken out in direct relation to this bill. And I have pretty good substantiation for that statement, because I received a telephone call early one morning. In fact, having spent some pretty long hours in this legislature and some long hours in my riding, and since it was a Saturday morning I was going to make sure I had a good sleep and I wasn't too concerned about getting up the next morning. I said, I am going to sleep as long as I sleep because I need it. So I put my automatic answering service on, and I'll note that it was before I had this little gizmo, or whatever you want to call it. I don't know what you call it. What is it?

AN HON. MEMBER: — It's a coupler.

MR. BIRKBECK: — It's just a coupler. Well, all right, we'll call it a nothing coupler. Before I had that nothing coupler on my wall, I had a phone call and the answering service took it; all right, it's down the hall from my bedroom far enough that I couldn't hear who it was. But I got up about half an hour later and I played this thing back, and it was a Sask Tel operator wanting me to call her back. Well, all right, I called her back, and she said, Mr. Birkbeck I understand you have an answering service in your residence. I said yes, that's correct. Then she said, I would assume you do not have the protective coupler installed? I said, that's correct. Then she proceeded to say that if I did not make the proper request through Sask Tel to have this particular coupler put on the wall she was going to cut off my telephone service. Well, being a little early in the morning and I'm not just in the . . .

Mr. Chairman, this is rather unique because usually when I speak the government gets mad at me. Today, they're not. But nonetheless, as funny as it may be, sometimes I do this. At any rate, she said she was going to cut off the telephone service. I said, well, you go right ahead and cut it off. Before you do, you're better call the minister in charge of

Sask Tel and let him know what you're proposing to do. At any rate it was only a matter of an hour or two — all right you guys, straighten up here — before the repairmen were out and they installed a coupler to the answering service. In fact, I am now paying \$6.50 a month for that device.

I suppose the basis of my argument is that it seems to me unnecessary to charge the taxpayers of Saskatchewan a considerable amount of money for such a device; the minister can respond to that, and I ask you to please respond. The device is not doing anything, technically or otherwise, except costing me \$6.50 a month. If we extend that into the other aspects of this bill, I think we can very easily see why members of the opposition are concerned about Bill No. 13.

The only other point I will make very quickly is that if we were to apply the ramifications of Bill No. 13 to yet another Crown corporation, like Sask Power — the member for Regina South alluded to this, and it's a very valid point — then in reality this government could be in total control and have a monopoly over the sale of all appliances. Now, when you put it in that context, certainly it's not palatable. I want you to reply, Mr. Minister, if you would, to those two basic arguments. Number one, explain to me the necessity for that device which is costing me \$6.50 a month. Prove to me it's doing anything to protect your system in this particular instance, when you're using exactly the same recording device and I had leased it from you. I wouldn't have to have that coupler. Number two, I would like you to respond to the idea of this particular bill being applied to Sask Power. Do you not agree that analogy is reasonably accurate?

MR. CODY: — Well, Mr. Chairman, it's nice to be able to get up and stretch a little (it has been hours) and answer a question or two. I will try to answer; as soon as you're finished, I'll start. In answering the member for Moosomin with regard to the answering service, there is a little question, but he makes a point which is exactly what we are trying to get at here. And that is the illegal attachment of equipment to our lines, for two reasons. One, we have to make sure that the attachments on our lines are in fact safe and will not blow out the lines, that they are not going to damage the equipment in our switching stations or what have you, and as a result of that damage, not allow anyone else to use the telephone system (which could happen). If the particular piece of equipment he has from General Recorders is, as he indicated, attached to this line, that is the one reason why we need to have a coupler. Because the coupler will keep from damaging our lines. That is number one.

Number two — is the member saying he believes anyone should be able to put anything he wishes on to Sask Tel's lines and not receive any revenue for it? After all, we have to put the line into your home. We have to bury the cables throughout the city in which you are using this service. We have to put in switching equipment. We have to have people to maintain this equipment. We have answering people in the telephone offices and so on and so forth.

So surely the member is not saying we should have no revenue from the kinds of attachments he talks about. That is the reason we have to have a coupler so we can: (1) protect the system, and (2) derive some revenue. However, the point he made about the answering service and the fact that he had it in his home illegally is very interesting. He had it in his home illegally.

But Bill No. 13 has not passed. Bill No. 13 is not law. Sask Tel still found it necessary to ask him to withdraw this service or to obtain a coupler. Now the member is saying to us,

if Bill No. 13 comes into effect, if it becomes law, then there will be no other attachments. Well, I am telling you there were no attachments before.

We had a tariff before which told you the same thing as this bill now tells you. All we are doing now is making law from what we already had in our tariff. So it is pretty obvious the member is 100 per cent on the side of this bill. He also indicates that by saying he didn't believe he should be using it illegally. He went to get a coupler because he knew he was doing something that shouldn't have been done. And bill No. 13 wasn't in fact in place at all. There was a tariff in place.

Then he talks about Sask Power. The member for Regina South talked about it as well, about light bulbs. Well, you can screw a light bulb into your socket. Obviously, it is not going to do any harm to any system. I don't care if you put in a 40-watt bulb, a 100-watt bulb, or a 250-watt bulb. Obviously, it is not going to do anything to your system.

Only a member from the opposition, I think, would bring in an analogy such as that, only that kind of a member would do this. The refrigerator is another example. You can plug anything you wish into a wall socket. It is going to do nothing to your system.

This is a different situation completely. When we attach something to our system, it does something to the system. It puts weight on the system. It has something to do with the switching station. Pretty obviously, the analogy you make is very, very weak and not very valid.

MR. BIRKBECK: — Well, Mr. Chairman, I would just like to respond. Firstly, he says screwing a light bulb into a light socket or adding some appliance to Sask Power's system isn't going to do any harm and doesn't put a load on it. That is absolutely false . . . (inaudible interjection) . . . O.K., the Minister of Labour says, well, you'll throw a breaker or something if you overload the system. Now, the Minister of Labour, for once, has made a very good point. How he made it, I don't know, through that volume of gum. But he did. He made a very good point that there is an overload breaker built in to that Sask Power system in a person's residence.

Now if the minister is listening I will just tell him this. In no way is the telephone which you may pick up from any distributor, other than Sask Tel, going to hurt your system. You can't tell me that. It is not going to hurt your system. If it is (if we can take that as your example) overloading your system or if it is damaging your system, then I suggest to you that you adhere, Mr. Minister, to the CSA (Canadian Standards Association) standards which I believe you do. The standards say that any equipment which is going to be plugged into Sask Tel hardware must be CSA approved. If you like, you can set the standards by which it must be approved so that you are assured it doesn't do any damage to Sask Tel hardware. I don't take any objection to that argument. I agree that you must protect your hardware. That is important and there is no question about that. But there must be some other way of protecting your hardware without saying, well, it has to be the equipment we provide because that's the equipment which we say isn't going to hurt our system. I say you could set up, through the approval system whether it's CSA or what it is, a system by which you could be assured that it isn't going to hurt your system.

You talk about illegality. What about the individual who today has half-a-dozen different plugs scattered throughout his house for telephones? What are you going to do? Are you going to send someone out to each house to see if a Radio Shack telephone

is plugged in? Are you going to do that? Because if you don't then the law is going to be broken. That's just a simple fact of the matter; it's going to be broken. So I think you have a problem in that regard. That might be a pretty good question for you. What penalties are you going to be imposing, and to what extent are you going to assess them financially? Are you going to put them in jail? What penalties are going to be assessed for hooking up (if I may use the word) foreign, at least foreign to you, hardware to Sask Tel's system?

MR. CODY: — Well, Mr. Chairman, we don't have any penalties as such in our act now nor do we have any penalties as such in the tariff. The only thing that would be done is the service would be cut off. Really what the member is indicating to us here is that there are a lot of people in Saskatchewan who are not law-abiding citizens. We trust the people in Saskatchewan who are our subscribers. We don't believe there are very many who have illegal telephones.

We do, however, have various mechanisms within the switching station where we can put a load test on a line or several lines to find out if there is additional equipment on these lines. We can do that. We also have servicemen going to homes from time to time and they check to see if there are illegal telephones. They know how many telephones are supposed to be in the home or in the business and what kind of equipment is supposed to be there and they will do this checking. However, on a general basis we're not going to wander throughout the province looking for illegal telephones or illegal equipment. It's simply not going to be done because we believe that the people of Saskatchewan are basically honest. Sure there are some who will try to have an illegal piece of equipment. By and large we don't believe there are that many. We think that there are fairly law-abiding citizens in the province and we trust our subscribers. In that regard we plan no great amount of going into homes looking for illegal equipment.

MR. C.O. WHITE (Regina Wascana): — Thank you, Mr. Chairman. The longer I've had to wait the more I have to say. I listened to four hours or so of comments from the opposition which really cast little light on the bill before the House. The last speaker, if you might just review what he had to say, told us that opposition to the bill exists; then he had some comments on polls and drew a rather irrelevant analogy to the SPC (I'll give him a better one before I sit down) and then confessed to illegal activities.

The speaker before him read a number of letters and again had very little to say about the bill. If I may just take a minute to review his speech. He spoke of the bill at the beginning referring to it as a repulsive bill. He then read a letter. If I may just read you some of the adjectives and then make a short comment on the letter — adjectives and phrases — Sask Tel knows best, no moral right, Dark Ages mentality, full control over information flow by Sask Tel, monopoly, deny, decree, rubbish, hogwash, horrendous and draconian. That sounds to me, Mr. Chairman, like a letter written by a committee of university professors during a rather hot faculty debate.

We had some other discussion about problems for old age pensioners and automatic dialling. That was grossly oversimplified, to say the least. Then there was something about a Mr. Carter, likening, as I recall, the telecommunications industry to the building of the CPR. I can see parallels here which the opposition would like. They would like the telecommunications industry built up the way the CPR was — lots of public funds and a lot of private profit.

Then before that, we had the member for Wilkie twice. It is rather interesting (I won't try to describe it), but the first time he was up he spoke of concentration camps and

fascism. Then the last time he spoke of total control, (to use his words) state control of Saskatchewan, government out of control. He accused Sask Tel of using fear tactics. But what was he himself doing raising various bogeys, trying to create irrational fears? He spoke of the Regina Manifesto. I won't go into that. He hasn't read it; that's quite clear from what he had to say. He spoke of public hearings and had nothing of substance to say. He quoted some partial and rather uninformed sources.

Where he did shine (and now I'm referring to the member for Wilkie) was when he acted as mouthpiece for the privately owned cable TV interests and CNCP.

AN HON. MEMBER: — Can't stand private enterprise, can you?

MR. WHITE: — Oh, by all means! He spoke of Sask Tel attempting to deny or deprive people in Saskatchewan of services. But what he really opposes is end to end ownership of the delivery facilities by Sask Tel. He is supporting those who would like to cream off large profits by taking over a highly lucrative portion of the Sask Tel system. I just want to tell him we had outfits just like that in the telephone field in Saskatchewan in the past. We started out with them. We were served by Bell, and we were served by Sask Telephone Company. Whom did they serve when we were served by those companies? A few cities — there were some telephones in them. There was a long distance line between a couple of cities, but there was no long distance line to Manitoba, no long distance line to Alberta; the majority of communities had no telephone service. There was no telephone service for farmers in this province. That was under Bell and the privately owned Saskatchewan Telephone Company. They served only the most profitable part of the market. That was private ownership of the telephones in Saskatchewan.

Now, I just want to draw an analogy or two, and I have a number of them here. I want to draw an analogy with something you are very familiar, namely rural electrification and how that has served the whole province. David Cass-Beggs (and he was a pretty remarkable fellow), when he came in here to talk about setting up a rural electrification system, compared private enterprise with public ownership. When he was describing private enterprise he said, you know, they go into a lucrative area and set up. They serve the choicest area, then they will pick out an area there and take a look at it. If it pays, you serve it; if it doesn't, you don't. So progress is very slow; there is very little expansion, there is very limited service, and what expansion there is, is unplanned and rates are high. On the other hand he said, if you go for public ownership you plan for an entire area, a large area; you establish reasonable rates. You serve it all even if this customer or that customer doesn't pay; you serve it all, with the idea that after a time the whole works will pay. Now he said that in 1947, and just look what happened — he was right on. The same thing can apply with Sask Tel. You integrate facilities and it pays.

We did, as I said, have the old, privately owned telephone companies — Ma Bell and the Saskatchewan telephone company. People would simply not put up with their performance, and they got rid of them. So we had Sask Government Telephones set up and not very long after that Saskatchewan people used telephones more than anyone else on the continent because rates were low and service was good.

Manitoba and Alberta were much the same. Sask Tel is attempting to do the same thing here — integrate telephones, cable TV and other services. It will make cable TV accessible to smaller communities just like Sask Tel made telephones available to smaller communities.

Now the member for Regina South and the member for Moosomin were drawing some analogies with the SPC, but I don't think they have drawn the right analogy here. What the gentlemen opposite are calling for is to allow the cable TV private operators to take signals directly from a satellite and bypass the Sask Tel facilities. They want to take over a very lucrative portion of Sask Tel's delivery system.

Mr. Chairman, it's not all that different than if we were to take Regina and Saskatoon out of the SPC natural gas system and turn that over to private enterprise (give private enterprise the most lucrative part and then give SPC the responsibility for serving the rest). Do you know what would happen to gas rates? They would be going up. It would be good, very good for the private operators.

If you want another analogy, it would be like taking Regina and Moose Jaw out of the electrical system, and then, through the utility board the gentlemen opposite want to set up, setting rates at or near cost for SPC to sell to this private company. The private company will come out very, very well; that's what they would like. The SPC would be responsible for supplying power to them cheaply and serving the rest of the province. This is exactly what they are proposing for the future of Sask Tel — take out the lucrative parts and leave the costly responsibilities, so we know what will happen to rates. I think those are the relevant analogies you want to draw with Sask Power, and not light bulbs being screwed into sockets or things like that.

Mr. Chairman, there is another matter I'd just like to comment on. We hear about this opposition out in the country. But I'd like to inform the House that I have been in touch with a number of ham operators, including the president of two ham societies among others. We've talked over the telephone; we've corresponded. I visited them. There were concerns among the ham operators.

But there are no concerns now with the ones I've talked to. There may be a little in the country because some have told me there are attempts by a few being made to politicize this. But I suspect you might find some Tories out there who are trying to make a political issue of this. As near as I can find, that opposition is gone. People are satisfied with it.

I think you have a very good bill here, Mr. Minister, a very desirable and very necessary bill, and I support it 100 per cent. Through this bill we will, I think you can say, achieve the greatest good for the greatest number in Saskatchewan. That's what the NDP stands for.

SOME HON. MEMBERS: — Hear, hear!

MR. R.L. COLLVER (Nipawin): — Mr. Chairman, I have a couple or three questions for the Minister. Certainly the bill is all-inclusive and all-sweeping in its statement. Is the Minister telling the Assembly in presenting this bill that Sask Tel is going to require that all private computer companies which have on-line computer facilities obtain their

computers through Sask Tel?

MR. CODY: — Definitely not.

MR. COLLVER: — Mr. Chairman, that is not what this bill says. The minister will know that an on-line computer is an electrical attachment and that electrical attachment attaches to the telephone lines. What I'm asking the minister is, is he saying that all on-line computers must be purchased through Sask Tel? If that is not the case, may I ask the minister why that is not in the bill?

MR. CODY: — I just don't know where the hon. member is reading. I can't find where it says that all attachments have to be owned by Sask Tel. It doesn't say anything near to it.

MR. COLLVER: — It says that all attachments have to be approved by Sask Tel. Well, let's put it another way. Would the minister be prepared to table in this Assembly the regulations which Sask Tel would establish prior to passing this bill? Would he be prepared to establish the criteria, or put the criteria in the bill, so that the questions wouldn't be asked of the minister in the future? In other words, the minister will be aware that there might be some people who are a little suspicious about a government which says all electrical attachments to Sask Tel must be approved by Sask Tel.

Surely, the minister can expect the people of this Assembly and the people of Saskatchewan to understand the criteria. He says he doesn't want to own the on-line computers. Then what criteria will be established? Will you put it in the bill?

MR. CODY: — Well, Mr. Chairman, I think the concern of the member is 44.2 of the amendments. It says:

No person shall attach or connect to, or use in conjunction with, any part of a telecommunication line of the corporation, any attachment without the express written permission of the corporation.

If the member had been here in second reading (I'm not sure whether he was or not), I did indicate to the member for Wilkie that I was going to be proposing an amendment so that you would not have to give express written permission. However, that would be in the regulations. I also at the same time, in second reading, tabled the proposed regulations to this bill. If the member didn't receive his, I could ask the Clerk or someone to pass these on. That is basically what is going to happen. You will now know, through the proposed regulations that I cannot give you specific regulations here because it has to have an order in council. I can't, obviously, do that. But the proposed regulations, I all likelihood, that is how they're going to be. That's simply the answer I can give the member.

MR. COLLVER: — I think that one of the concerns being expressed by the opposition is (the minister will be aware and I'm sure everyone in -Saskatchewan is aware) that the coming field in terms of the provision of services to people is going to be the utilization of home computers. Now that is coming in various jurisdictions. The members to my right are suggesting that competition is the only way to bring that to the people at a reasonable cost and the minister I'm sure will agree with that. The concern is that Sask Tel is going to use its power to monopolize that new and coming field. Would the minister not be prepared to provide an amendment (if he says that's not the intention) to the bill which specifically outlines that criteria for attachment to Sask Tel lines? And if not, why not?

MR. CODY: — Well, Mr. Chairman, I just don't see any reason why one would want to have that particular or specific amendment in a bill. I don't think that's the way legislation is written. Legislation is written on a broad basis and then you have regulation to it, or in Sask Tel's case, they used to have tariff to it. In this particular case now, some people made representations to us saying they didn't want to have it in a tariff but wanted it in regulation (if you put it in a regulation that's fine with us) and that's exactly what we have done.

With regard to the competition, we welcome competition. There's no question about that. We'll compete in the computer business just like anyone else; no problem to us in that regard. But we have no intentions whatsoever of owning and controlling all the computer hardware. That is silly. The more computers that are out there, the better we like it. The more we can have attached to our lines, with our permission through the regulations, the better we like it; simply because it gives us revenue. And what are we all about? We want to derive some revenues so that we can keep the rates throughout Saskatchewan on a reasonable average basis.

MR. COLLVER: — I have two questions that arose out of the minister's comments. I think that the minister is misunderstanding my question. I truthfully want to know why this bill is being brought in, in this form? The fact is that we all understand (I think on this side of the House, although we may not agree with it) the Government of Saskatchewan's attitude toward cable television. Fair enough, that's your stand; that's your policy. You've had it for some years. We may not agree with it. That, I don't think, is being changed by this bill. At least I don't understand that this bill is changing your policy towards cable television.

What concerns the opposition and what concerns me is that the Government of Saskatchewan has the lines and is going to charge for the lines, fair enough, fair game. The Government of Saskatchewan says, we're going into the computer business and competing fairly with all of the competitors. We want lots of competitors out there, fair enough.

But what assurance does the opposition or the people or the competition have that the government's not going to make special regulations behind closed doors for its own computer company, thereby doing the others out of business? If the regulations are up front, if they're part of the bill, if they say this is what we accept, we want competition, we welcome it, and everybody's in the same boat — there's nobody on this side of the House at least who believe that your corporation can compete fairly with a private sector corporation. Now you may believe it but we don't. We say fair competition; you want to throw the government in there. Everybody's charged the same rate and Joe Schmuck down the street wants to open up a computer facility or sell private computers to individuals, fair enough. You go and compete with him; we think he'll whip you — as long as its fair competition.

But if you are able to make (through these regulations) a law that is special for your organization and not the same for the others, then all you're saying is you don't want computer companies and you don't want on-line computers (which is going directly against your stated objective in this House). I think perhaps if that were part of this bill . . . You have also refused a public utilities commission, for the information of the member for Saskatoon Riversdale who so eloquently portrayed Alberta, Manitoba and New Brunswick a shaving the same law (and even if they do they also have a public utilities commission that has an independent outside review of what the corporation

does).

You have refused that here so the people don't have . . . (inaudible interjection) . . . Ah, the member behind the minister says, come on Dick. That's a fact; they do have a review and it's independent and outside the scope of that corporation. That may be acceptable to most members of the opposition at this stage. I think we've already debated the public utilities commission bill and I think you should have accepted it. I still think you should accept it. I think it's a mistake to go on allowing public utilities to operate independently without that kind of review, but that's another debate; we're talking about this debate.

You don't want to get into the on-line computer business; you want to compete fairly if you are in the computer business; you want to operate even up. Why won't you put your regulations in the bill to give assurance to those very competitors, to the opposition, and to everybody in Saskatchewan that you're not behind closed doors getting into the new field as a monopoly? We, in the province of Saskatchewan, have to watch every other area in North America develop this new technology far more rapidly because of competition, while we sit and have some dumb board decide whether they'll take up apple computer or whether they'll take some other computer. And it will take them 10 years to get it out to the people. This is a new field; the people are entitled to it. The competitors are coming into the field and we say, you don't want to get into it, fair enough. Why don't you put it in the bill?

MR. CODY: — Mr. Chairman, as I indicated to the hon. member, I said that I tabled at my second reading that we would have regulations to the bill and after all legislation can be changed. Maybe it can only be changed once a year, but it can be changed. There is little question in my view that what we are doing here is open to the public as much as is legislation. I just want to read for the hon. member the pertinent section within this regulation. It's the regulation governing attachments, regulation number 2:

The following attachments may be connected to or used in conjunction with a telecommunication line of Sask Tel subject to the conditions hereinafter described.

Then it goes down and talks about connections to private lines and connections to public switch networks and on to the pertinent one you are talking about, which is subsection 2(b):

Computers and associated equipment connected to a telecommunication line of Sask Tel by means of interface device supplied by Sask Tel, again using the coupler.

All we're saying is use our coupler; you can use any kind of computer that you wish, and we want them to do that. We don't have any computers for sale right now and what would be the point in saying, don't have any computers unless they're ours, when we don't have any for sale? It just simply makes no sense. We want lots of them out there so they can attach to our lines through an interface device. We can then collect the revenue that we should have from them and everything goes along the same as it does today in the tariff. There will be no change from that which we have today.

In answer to the hon. member for Nipawin with regard to the utilities board, I'm not going to get into that debate. But if you look at the utilities board in Manitoba or if you look at the utilities board in Alberta, they don't have the opportunity or the alternative to look at whether an item can be attached to their line or not. That is not within their

jurisdiction. Their jurisdiction basically is rates. So having a utilities board in so far as Bill No. 13 is concerned would do you no good whatsoever.

MR. COLLVER: — Mr. Chairman, I'm sorry but we're not debating the utilities board. In Bill No. 13, the minister will know that if there are couplers attached to Sask Tel's line and Sask Tel has a charge for those couplers, the utilities board could review what the charge was. So don't say for a minute that you couldn't put everybody else out of business by saying the coupler is going to cost you \$1 million per month, if there is no utility board to review that with reference to cost. We are not talking about that right now.

What I am attempting to get to the minister is this — the regulation he read from (and I saw him pick up the sheet) is very short. It's a short regulation. Tell me why that very regulation you just brought here cannot be part of this bill?

MR. CODY: — Well, as I indicated to the member before, legislation is always of a general nature — always. You can go to any bill you want. Go to the Alberta bill; go to the Manitoba bill; they are the same. It tells you the same kinds of things as this does. But we are talking about attachments. You are saying that you want assurance computers will be allowed to be attached to our lines. That's what you are saying. The utilities board has nothing to do with indicating whether they can or cannot be attached. Sure, they'll say you can either charge \$6.50, \$10.50, \$50.50 or whatever per month, or per day, or whatever, for the use of the coupler. They may be able to look at that. But that has nothing to do with which piece of equipment can be attached; nothing at all.

Their bill is like this and it has a tariff attached. Our bill is like this and has a regulation attached. We are going to give you people the opportunity to look at it in the gazette whenever a regulation is made. It does give an opportunity for the public to view it at any particular time; it's just a little different than the tariff was, which is now there in Sask Tel. So we think that the regulation is a little better route and does give the public a little better insight as to what's going on and what changes we may be making. Therefore we feel that there is no problem, so I don't see any reason for changing it.

MR. COLLVER: — Mr. Chairman, the minister may not believe this but I'm actually attempting to help him with this bill. He's showing me a regulation. He reads me a regulation that is very short and which inserts into this bill what the minister's stated intent of the bill is.

People on the opposite side of the House and others in Saskatchewan are concerned about it. The member for Regina South read from a letter today from some very eminent computer technologists who are concerned about the change in regulations that may occur behind closed doors and which will seriously and materially affect the provision of computer and other kinds of service that attach to the telephone line. They want you to assure them, more than just standing up in the House, by saying, I don't intend to get into the computer business — we want all kinds of computers out there. I must take the Government of Saskatchewan's word for it that that is true.

You read from a very short list of regulations. This is not a regulation which is 20 pages long — well three pages long. Surely a three page regulation could be inserted into a bill. That means, Mr. Minister and Mr. Chairman, those people who are concerned need not fear that if you wish to change that again or jump into these other businesses in future, that you will have to come back here to the legislature and face the opposition. Is

that too much to ask on such an important issue as this, when in fact you say your stated objective is that there is absolutely no way you want to get into that business? Wouldn't that be a reasonable request; and couldn't the people of Saskatchewan believe that if you refuse to put it in the bill, that the suspicions expressed by the computer technologists and the opposition might be true and probably are true. Wouldn't this keep competition out of Saskatchewan, if you have a law here which specifically prohibits those computer organizations from coming in unless they fall into your regulations which can be changed behind closed doors? They might have to expend very large sums of capital in order to bring that kind of business into the province of Saskatchewan.

So what I am saying to you is, if that's your stated objective, are we really asking you much to make it part of the bill? If you want to make more regulations, you have the power under the bill to make more regulations. Put those regulations which people are concerned about into the bill and you're not going to make so many people suspicious. Maybe you'll get the competition here that you say you're looking for. Is that too much to ask?

MR. CODY: — I just don't think it's necessary. After all, if you can see before your eyes that this is going to be the document which the public is going to work from, it's like any other regulation. If we did this it would be the first time I'm aware of that a regulation had to be put in a bill. I don't believe this is necessary because . . . (inaudible interjection) . . . The member says Bill No. 101. I don't know what Bill No. 101 is. But I simply say I don't think it's necessary. You see it here before you. I tabled the document in the House for all to see.

At any particular time a change can be made, and there are going to be loads of changes made to the regulations. There are bound to be changes. After all, the computer technology and the technological industry are growing so quickly that there are bound to be new kinds of gadgets which we'll have to add to this as permitted attachments.

If some entrepreneur comes along and says to us, look, we have an attachment here, what do you think of it? — if we think it's O.K., fine, let it go. But we don't want to wait for a year or two until we pass legislation. We want to be able to accommodate this person immediately. That's what we want to do and that's why we have it in the regulations.

I think it's a commendable way to handle the business of Sask Tel. In all sincerity I really believe that we must have a piece of legislation which is wide and broad. Then you narrow it down by your regulations. I think that's the way legislation works. And in this particular case I think we have been out front by giving the thing a second reading and allowing the people throughout the province to have a look. I just can't see that we can be any more open and any more specific than we are in this regulation.

MR. COLLVER: — Is there any piece of equipment which attaches to Sask Tel lines that is CSA approved which Sask Tel does not approve?

MR. CODY: — You know, there are so many pieces of electronic equipment that I can't really tell you if there are any or not . . . (inaudible interjection) . . . Yes, it is. Because I can tell you one which you use every day and that's your telephone. It's a CSA approved piece of equipment but you cannot buy a telephone and put it onto our lines. It's simply not permissible.

We have monopoly control over telephones so that's one piece of equipment. I can't tell you. There are thousands of pieces of equipment that we have hanging on our lines attached by way of couplers or acoustically attached, etc. But I wouldn't want to make a blanket statement that there is nothing. But telephones is one example and that's about as definitive as I can be for the member.

MR. COLLVER: — Would the minister be prepared to have the regulations subject to approval by the legislature?

MR. CODY: — Well, then they are no longer regulations because they are a part of the act. Regulations are obviously not approved by a legislature. Regulations are always approved by an order in council through cabinet. I think we need that flexibility because if someone comes along with a new piece of equipment we don't want to keep them waiting for a year. From time to time governments are refused anyway for being slow, for fact dragging or what have you. We don't want to have that happen. If someone come in with a good piece of equipment we think is going to help the public of Saskatchewan, we want to have the opportunity to pass the regulation quickly and allow him to hang the thing onto our lines. It is good for the people; we get the revenue and at the same time the private entrepreneur who has this piece of equipment can get on with the job he set out to do and that is, I am sure, doing something for the public of Saskatchewan.

MR. COLLVER: — Is the minister telling this Assembly and the people of Saskatchewan there is no way, other than his word in this legislature, that he can assure the people of Saskatchewan and the opposition that this bill will not be used . . . Because I suggest to the minister he is not just thinking as a government official; he is the government. I am not the government. But you can assure the computer people, who are concerned that you want to gain the monopoly power on that, that you don't. You have been very adamant about that, which I think is commendable. Are you telling me there is no way you can think of to add to this bill to assure them that it is not your intent, somewhere down the road, to use this bill to rule everybody else out of business? Are you saying there is no possible way to do that in the bill as far as you are concerned?

MR. CODY: — That's right. As far as I am concerned, there is no way other than putting it specifically in the bill. I don't think it is necessary to put it in the bill. I think we have a piece of legislation we want to keep broad and we have regulations to it. I believe that is simply the way it should be.

MR. BIRKBECK: — Mr. Chairman, obviously you do not seem to find it possible to come to an agreement with the member for Nipawin in terms of how you might assure the people of Saskatchewan and the opposition with respect to their concern. I wonder then, Mr. Minister, would it not be appropriate and could you not consider making the regulations subject to the approval of the regulations committee?

MR. CODY: — Regulations are never made subject to approval of the regulations committee. The regulations committee is to make sure that all legalities have been looked after with regard to the legislation, and to make sure the regulations are according to the legislation and don't usurp and power from the act. But making them subject to the regulations committee simply wouldn't work.

MR. BIRKBECK: — Well, Mr. Chairman, I understand what the regulations committee is all about. Certainly, I have seat on the regulations committee before and I know what its function is. I am wondering, Mr. Chairman, if it is not possible for the government to

utilize the regulations committee utilize the regulations committee in this particular way with respect to this bill, so that any regulation changes required, as far as the minister or this government is concerned, as they relate to the bill could be put to the regulations committee for their approval. That way members of the opposition and certainly the public would have some input.

MR. CODY: — I don't know what public input there has ever been any time I was at the regulations committee. I didn't see any public input. In my view at least, there were a couple of lawyers and they went through the regulations to make sure they were legal. That is all that was done. I don't believe there was ever any public input that I am aware of. I don't know where the member gets his idea that going through the regulations committee would all of a sudden allow the public to view the regulations. I just don't think it would happen. I think the public would have a better input through cabinet then they would have through a regulations committee. I don't think that is the function of this regulations committee.

MR. BIRKBECK: — In concluding this particular argument, Mr. Chairman, the fact of the matter is that the lawyers who bring their recommendations to the regulations committee are representing the people of Saskatchewan. Their job is to assure the regulations committee that the regulations being applied to a specific piece of legislation passed in the legislature are in good faith and in keeping with the bill in protection of the public. That's where the public input comes, through the couple of lawyers you so flippantly make reference to.

It's that committee which could have a very meaningful input in terms of taking a look at the regulations you may propose from time to time. And certainly the concerns are well expressed from the opposition. We want to be assured, because you can change regulations by order in council any time you feel it's necessary.

This is what we are looking at here — a situation where you can just up and change the regulations and make acoustic couplers or whatever kinds of couplers far more expensive for one particular group than for another, or for yourselves, particularly in regard to computer technology.

Mr. Minister, you say that's nonsense. Obviously we don't think it's nonsense or we wouldn't be expressing these concerns. In conclusion I think that the regulations committee could be utilized in this particular way.

Certainly it's incumbent upon the minister to provide some means of assurance to the members of the opposition and the public that regulations will not be changed that will favour the government in a monopolistic way.

MR. ROMANOW: — Mr. Chairman, nowhere in the six months of debate on Bill No. 13 has the official opposition suggested the incorporation of the draft regulations in the legislation. It has only been mentioned since the member for Nipawin raised it. And I say the position of the PCs has been philosophically and fundamentally opposed to Bill No. 13.

The committee reported progress.

The committee adjourned at 5:03 p.m.