

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Nineteenth Legislature**  
**Monday, June 16, 1980.**

The Assembly met at 2 p.m.

On the Orders of the Day

**INTRODUCTION OF GUESTS**

**HON. M.J. KOSKIE (Quill Lakes):** — Mr. Speaker, through you and to the House, it gives me a great deal of pleasure to introduce some distinguished guests from the constituency of Quill Lakes. We have in the Speaker's gallery Mr. Dan Loehr, the manager of the Watson Credit Union. Accompanying Mr. Loehr are a number of his staff: Vi McLean, Marion Wyant, Gertie Unilowsky, Marion Binsfeld, Elizabeth Hudolin and Amy Molle. I understand they are here to go through the facilities at Credit Union Central. I want to welcome them to the legislature. I hope they have an enjoyable stay here and a safe trip back.

**HON. MEMBERS:** - Hear, hear!

**HON. W.A. ROBBINS (Saskatoon Nutana):** — Mr. Speaker, I would like to introduce to members of the Assembly and you a group of 10 students from the Saskatchewan Council for Crippled Children and Adults. They are adult students seated below the Speaker's gallery. They are accompanied by their teacher Doreen Misseldt, Mr. Misseldt and Genevieve Ens. I understand they have had a tour of the building. I sincerely hope they will appreciate the opportunity of listening to the question period and the proceedings of the Assembly. I will be busy in the Assembly after 2:30. My executive assistant, Mr. Petersen, will meet with you to have pictures taken and serve refreshments.

**HON. MEMBERS:** Hear, hear!

**QUESTIONS**

**Oil Price Negotiations**

**MR. R. ANDREW (Kindersley):** — A question to the Premier in the absence of the Minister of Mineral Resources. Mr. Premier, you have consistently refused to provide the Assembly with the ongoing details of the oil price negotiations. I note in the Alberta Report this last weekend an article which indicated that Mr. Lalonde had offered to rebate to the province of Saskatchewan the federal tax which would amount to \$600 million to \$700 million a year from the export of heavy crude. Could the Premier advise the Assembly whether or not that offer was made to the province of Saskatchewan by Mr. Lalonde and if so, what was the reaction of the province of Saskatchewan?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I know of no such offer by the federal government to the Government of Saskatchewan.

**MR. ANDREW:** — I guess we will have to wait for the Minister of Mineral Resources. Mr. Premier, you have repeatedly said in this Assembly that you would like an oil pricing agreement less than the original Clark proposal but more than the present \$1 or \$2 increase. I take it you have read about the interim proposal advanced by Mr. Lalonde to the province of Alberta and the calling for a \$2 increase in July, a \$1 increase in

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October and then, I think, thereafter \$2.25 for every six months. Could the Premier advise the Assembly whether or not that price range would be acceptable to the province of Saskatchewan with regard to oil negotiations?

**MR. BLAKENEY:** — Mr. Speaker, may I first comment on the preliminary statement made by the hon. member indicating that Saskatchewan would desire a settlement less than the Clark settlement. If I have indicated that to the House, I apologize to the House since I have no recollection of so indicating. If I did, I clearly chose my words improperly. That is not the desire of our government.

With respect to the question by the hon. member, I am not familiar with the particular details of the alleged offer which he indicates, nor am I prepared to indicate whether or not it would be acceptable to the Government of Saskatchewan. Our position is that we wish to get a higher price for our oil and from the point of view of dollars per barrel we would look favorably on the proposal put forward by Mr. Clark's government, which was the basis of discussion in approaching an agreement.

### **Oil Pricing Talks**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the Premier. On February 13 Mr. Lougheed warned that he sees a serious constitutional and economic crisis this summer if oil pricing talks fail. You have stated that Alberta's Crown land situation is much different than Saskatchewan's; Saskatchewan has much more freehold land indicating that we probably don't have as much control over oil pricing. Are you indicating that Saskatchewan will have no problem on agreeing with Lalonde on the pricing of oil and are you meeting with Mr. Lalonde this week?

**MR. BLAKENEY:** — Mr. Speaker, my answer is no on each count. I am not saying we won't have any difficulty. I cannot anticipate the level of difficulty but very clearly there is going to be some and maybe a great deal. In answer to your second question, I am not meeting with Mr. Lalonde next week or this week. I believe my colleague, the Minister of Mineral Resources, either has an arrangement or is seeking an arrangement to meet with Mr. Lalonde this week.

**MR. LARTER:** — Mr. Premier, a supplementary. Is the interference from Ottawa on this non-renewable resource not continuing to set a precedent which not only goes against the Canadian constitution, but is also a precedent which will weaken provincial economic negotiations for all time?

**MR. BLAKENEY:** — Mr. Speaker, I agree with the hon. member that the stand taken by the Government of Canada with respect to oil pricing undoubtedly does weaken the provincial position and the position of the provinces in the Canadian confederation. I am not assured that it raises that many constitutional issues, although it may raise some. I think the Government of Canada probably has the constitutional power to set oil prices where oil enters interprovincial or international trade. I am not aware of any effort to challenge on a constitutional basis the Petroleum Regulation Act (I believe that's the name of it) under which the federal government purports to have the power to set prices. There may be other strong objections to that particular line of policy by the federal government. I am not sure they are based upon constitutional objections.

**MR. LARTER:** — Final supplementary, Mr. Speaker. Mr. Premier, do you not agree that by not standing together Mr. Trudeau is really making a mockery of our pricing of oil in western Canada? He has already signed an agreement with Mexico to purchase oil for

Canada for \$35 per barrel. As of October 1 we still will only be receiving \$16.75 for our oil.

**MR. BLAKENEY:** — Mr. Speaker, I entirely agree with the hon. member that the prices we are receiving for oil produced in western Canada are far too low and bear far too small a relationship with the world price for oil which the Government of Canada is paying to other oil producers. I do not agree with the hon. member's suggestion that this has come about because of any lack of co-operation between the oil producing provinces.

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Premier, following through on the oil questions. I believe you've been quoted several times within the last two or three weeks as saying publicly that you would be very surprised if an oil pricing agreement between the federal government and the provinces were not reached before the present agreement runs out. If I'm not mistaken, this agreement runs out the end of June or thereabouts.

Mr. Premier, in order for you to make this comment (and you have made it at a press conference; I'm sure you will recall it very well) you must have known something and may I therefore ask you, in light of the fact that we're probably only about two weeks away from that agreement running out, what the basis is for your saying that and have you in fact, from a Saskatchewan point of view, already reached some form of a formal or informal agreement with Mr. Lalonde?

**MR. BLAKENEY:** — To answer the last question first, the answer is no, we have reached no agreement, formal or informal with Mr. Lalonde. To comment on the earlier part of the hon. member's question, I would be less surprised than I would have been a couple of weeks ago if we do not reach an oil pricing agreement by June 30, 1980. My basis for my earlier expressions of confidence was that I felt it unlikely that the current federal government would offer less in any material respect (although it may be a different package) than would have been offered, at least for the time being, by the Clark government. Accordingly, I assumed that what would probably have been acceptable to the Government of Alberta (and I have no knowledge on that) would in some form be offered by the Trudeau government and would accordingly be the basis for a settlement.

I am not as confident as I once was of the likelihood of those things coming together and accordingly I express less surprise than I might otherwise have done at the prospect of June 30 coming without an agreement on oil pricing.

**MR. THATCHER:** — Supplementary question to the Premier. Mr. Lalonde has already indicated that while it would not be desirable, Ottawa may very well be forced to implement its own pricing system if an agreement is not reached with the provinces at the time of the expiry of the present agreement. Would the Premier inform the Assembly and make a formal statement on behalf of his government as to exactly what the response of the Government of Saskatchewan would be on such a unilateral move by the federal government?

**MR. BLAKENEY:** — Mr. Speaker, my understanding of Mr. Lalonde's position was not that he proposed to invoke the federal legislation if June 30 came and went without an agreement but rather that he proposed to consider (whatever particular choice of words he used) invoking the federal legislation if the province of Alberta (and I'm now attempting to quote him) moved to increase the price unilaterally. I listened as I'm sure

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other hon. members did to the question period yesterday afternoon and I'm attempting to paraphrase what he said during that question period. I'm not attempting to add anything new or fresh. So if I have erred in quoting him, the error is mine and I'm not ascribing to him anything other than what he has said.

The question asked by the hon. member is, what would our government do if there were unilateral action by the federal government? In this regard I think the fair answer is that we have not fully considered our position on this and are not in a position to give a statement of the Government of Saskatchewan with respect to this matter. We do not now hold the view that there would be strong grounds for attacking that particular course of action on constitutional grounds, and what other courses of action may be open to us have not been fully canvassed.

**MR. THATCHER:** — Supplementary to the Premier. Would you not agree that the stakes for which you are playing, along with the other western Premiers, as far as western resources are concerned are the highest any premiers have ever played for in the past or may very well do so in the foreseeable future? Would the Premier agree that the time has now arrived that this government should make a complete affirmation of support for Premier Lougheed's position and the Government of Alberta for the complete provincial control of resources? The time is no longer there for politicking; a united front is the best way to deal for western interests with the likes of Mr. Lalonde and central Canadian domination.

**MR. BLAKENEY:** — Mr. Speaker, I believe the record of our government in speaking on behalf of the people of Saskatchewan with respect to resource ownership and control is one of which we have every right to be proud. I further believe that our ability to co-operate with other resource producing provinces in pressing the cause of provincial ownership and control of resources has been very considerable. We have put forward substantially united positions at numerous federal-provincial conferences. There is not now any difference of view which we have made public or announced between ourselves and the positions put forward by the governments in Alberta, British Columbia or Newfoundland. Although we may have differences of emphasis with some of these provinces, we will continue to co-operate with other resource producing provinces in getting the greatest possible return for our resource. We will, of course, have to do that within the context of being provinces within the federation of Canada. We will continue our policy of pressing for the full benefit of our resources as we have done in the past.

### **Western Representation in Ottawa**

**MR. R.L. COLLVER (Leader of the Unionist Party):** — In keeping with the trend of the previous questions, which seem to indicate a slight shift in the position of the Premier of Saskatchewan, the Premier will recall comments he made in this Assembly about his attitude toward the Liberal government in Ottawa attempting to twin constituencies in western Canada to have eastern Canadian representatives represent western Canadians in Ottawa. Has the Premier changed his position on twinning as it relates to the Government of Saskatchewan and as it relates to members of this Legislative Assembly?

**MR. BLAKENEY:** — Mr. Speaker, I am not sure I fully understand the hon. member's question. As I recall, my earlier comment was I felt that assigning members of parliament, from let us say Quebec or Ontario to be the spokesmen in the government caucus for particular constituencies in western Canada, was unlikely to be particularly

productive. I still hold that view. Accordingly, if I answer the hon. member's question directly, I have not changed my view.

**MR. COLLVER:** — Is the Premier aware that a member of your cabinet has agreed to accept representation on behalf of another constituency besides his own, has done so publicly, and has stated that is the only way to get representation in so far as that particular constituency. I am speaking of the constituency of Nipawin. Is the Premier aware that a member of his cabinet has suggested that he should be a representative for Nipawin, thus twinning the said seat of Nipawin on behalf of the Government of Saskatchewan.

**MR. BLAKENEY:** — Mr. Speaker, I do not believe that I am aware of any suggestion of any other MLA representing the constituency of Nipawin in this legislature, however much it may need representation different than it now has. I think the point made by the hon. member, and I believe reference is made to the hon. member for Melfort, was that groups in the Nipawin constituency, the Chamber of Commerce and some civic officials, suggested that they might feel easier and more free to communicate with the government through the member for Melfort. I think the member for Melfort, in keeping with his well-known devotion to serve his constituents and those who may be living just outside the boundaries of his constituency, has offered to be a contact person for those people, and I hope that he serves them well. I know he attends a good number of functions in the constituency and I expect, therefore, that he will be in a position, attending as he does the many functions in the constituency, to be able to respond to a good number of the concerns in the Nipawin constituency as well.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COLLVER:** — Since the Premier has by this statement announced a change of policy of his government and is accepting the twinning of constituencies in the province, may I suggest to the Premier of the province that the member for Nipawin would be most happy to twin with Regina Elphinstone and since Regina Elphinstone . . .

#### **Data on Pesticides**

**MR. P. PREBBLE (Saskatoon-Sutherland):** — Question to the Minister of the Environment. On Friday some doubts were raised in the question period as to whether the minister had been in contact with the federal government on the matter of fraudulent data being prepared by International Biotest Laboratories on pesticides and other chemicals used in Saskatchewan. Would the minister be prepared to clarify what correspondence he has had with the federal government and would he be prepared to table that correspondence?

**HON. G.R. BOWERMAN (Minister of the Environment):** — Mr. Speaker, I was a little surprised that the hon. member for Thunder Creek didn't start out with that question today in the House. He was pursuing it with some vigor the other day, except that I understand the hon. member for Arm River was confused as to what minister he should be calling in Ottawa, and brought back a rather erroneous report. Mr. Speaker, I did say in the House the other day that I had written to the hon. minister in Ottawa with respect to the question of uses of chemicals in Saskatchewan and the licensing and approval of those chemicals. I said at that time that I didn't think it was necessary to table the document. I would say that holds true today. I don't think it's necessary to table the document but I will give you the dates upon which I contacted the Minister of Health in

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Ottawa: on March 14, 1980 I wrote to the minister and again on May 16 I Telexed the hon. minister in Ottawa with respect to the same question. I have had a response only to acknowledge the letter of March 14. I've had no response from the minister indicating what chemicals were involved in the IBT (International Biotest Laboratories) matter, and what chemicals are included among the list of 96 or 100 chemicals that went through that process.

**MR. PREBBLE:** — Supplementary, Mr. Speaker. In light of the fact that we at least have a partial list of these chemicals, and also in light of the fact that the safety of some of these chemicals is now in serious doubt, would the minister require that a health warning be posted in every store in Saskatchewan that sells these chemicals, indicating the list of chemicals whose safety is in doubt?

**MR. BOWERMAN:** — Mr. Speaker, I find it difficult to accept that the Department of the Environment of Saskatchewan should assume that particular responsibility. I have no objection to doing so, but as I tried to indicate to the hon. member in my previous answer, we don't have a verified list from the minister responsible for public health in Ottawa as to the chemicals involved. We have a partial list of chemicals that have been identified but we don't have a complete list, and I think it is really incumbent upon the licensing agency, the federal government, to assume that responsibility. If they do not assume their responsibility, and if it is considered by the department officials that the chemicals are of a serious enough health and environmental hazard, then certainly I think it would be incumbent upon, and appropriate for, the Minister of the Environment, Saskatchewan, to consider whether or not posting of warning signs on the chemicals might be a useful and important step for us to take.

**MR. PREBBLE:** — Final supplementary, Mr. Speaker. On a couple of other occasions in this House, I've proposed the need for a royal commission into the safety hazards associated with the use of farm chemicals in Saskatchewan. In light of the constant series of incidents that are showing hazards in this area, and most notably this last one with respect to inaccurate IBT data, would the minister now reconsider my request to implement a royal commission into safety problems associated with the use of farm chemicals in this province?

**MR. BOWERMAN:** — Yes, I think it would be in order for us to consider, Mr. Speaker, but I would make no commitment, so far as the department or the government is concerned, with respect to the establishment of a commission to review this matter. Again, I say it is clearly the responsibility of the federal government, which licenses the use of the chemical in Canada, to be (in my judgment) much more careful about its licensing procedures. In this particular case, where there is evidence that the Biotest laboratories in fact did not do proper tests, or are alleged to have not done proper tests (I think there is evidence to show the reports are erroneous), the federal government really has the responsibility to deal with that subject. I think it is remiss in not giving a proper and correct list to the provinces of Canada, not only Saskatchewan, but Saskatchewan particularly because we are so heavily involved in the use of farm chemicals. That chemical list should be made available to us rather soon because of the concern which is being expressed by the hon. members in the House, as well as by the public, who are becoming more and more aware of the situation as it is today.

**MR. THATCHER:** — Final supplementary. Mr. Speaker, may I suggest, in prefacing my question, that your material be tabled? A phone call was made to the Minister of Health's office this morning to one of his highly placed staff by the name of Sheila

Zimmerman, one of his special assistants. After an exhaustive search by this individual, she was unable to find any correspondence, either at the minister or the deputy minister's level, from you. We do not suggest that you haven't sent it, but what we do suggest and what I am asking you today, is what has . . . (inaudible interjection) . . .

My question to you, Mr. Minister, is did you put a stamp on your letter? Would the minister hopefully account for why an NDP letter can't reach a Liberal minister on a matter of urgent public importance?

**MR. BOWERMAN:** — Mr. Speaker, I did indicate to the House that I did have a response from the office of the Minister of Health in Ottawa. It's addressed to my office and it's dated April 3. It says:

On behalf of the minister, the Hon. Monique Begin, I wish to acknowledge receipt of your minister's letter on March 14, 1980 concerning biocides. Please be assured that I will bring this matter to the minister's attention as soon as possible.

Now I don't know whom you may have spoken to in the minister's office this morning who indicated that a letter was not received. But obviously the letter was received by that office because she acknowledges receipt of that. All I can indicate to the hon. member is that I think it's not necessary to table the material in the House. We have had correspondence with the hon. minister's office in Ottawa. Even as late as May 16, we Telexed the minister's office but to that we have not had a response.

## SECOND READINGS

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services)** moved second reading of Bill No. 130 — **An Act to amend The Fuel Petroleum Products Act.**

He said: Mr. Speaker, I'm pleased to rise today to move second reading of Bill No. 130.

**AN HON. MEMBER:** — Wait, it's not being recorded.

**MR. SPEAKER:** — Order! I may say to the members that there's some trouble with some of the microphones but there will be a microphone on near the member. I see the member for Regina Victoria's mike is on. It will not be necessary for the minister to change chairs if it is within one desk of the member's chair. It will pick him up.

**MR. ROBBINS:** — This bill deals with gasoline and other motive fuel taxes generally considered to be the most significant item in the taxation of motor vehicles for the purposes of constructing and maintaining the road network within the province. Motive fuel taxes serve to complement motor vehicle registration fees in financing the development of the highway system and also the streets in the urban areas which are partially financed at least through the Department of Highways.

In the United States the dedication of similar revenues to special highway trust funds reinforces the connection between the utilization of highway networks and the cost of providing and maintaining streets and highways. Recent studies indicate that in the United States approximately 95 per cent of the cost of building, policing and maintaining the road network is recovered through the taxation of motive fuels and registration fees.

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I'm well aware that opposition members will legitimately argue we do not take the revenues from the gasoline taxes and from registration fees and set them aside specifically for the construction and maintenance of highways. They will argue quite correctly that the money flows into the consolidated revenue funds. That is correct. But the fact remains there must be some reasonable approximation between the revenues raised and the revenues expended in terms of maintaining and building the highway system. Since the gasoline or motive fuel taxes, plus registration fees of vehicles, are basically the only means by which we utilize resources for building and maintaining highways, there should be some reasonable approximation between the revenues that are raised from those sources and expenditures that are made.

I draw to the attention of the members that in the year 1970 the gasoline tax in this province was 19 cents a gallon. If you convert it to metric it was 4.2 cents per litre. In the year 1980 the gasoline tax in this province is 19 cents per gallon. If you convert it to metric it is 4.2 cents per litre. There have been changes in the intervening period but the tax today levied on gasoline and motive fuels is identical with the tax levied 10 years ago.

I point out to the members of this House that the cost of building and maintaining those highways has risen astronomically. In line with the inflation rate the cost of building and maintaining highways is rising rapidly. The proportion of revenue available to offset those costs in 1970 from gasoline and motive fuel taxes and registration fees represented 84.9 per cent of all expenditures made in building and maintaining highways.

In the current year that figure has dropped as low as 55 per cent, based on the estimates. Therefore, it is essential that we find a method of increasing the revenue flows from gasoline and motive fuels and from fee registrations. We recently made adjustments in the fee registrations and I take note of the fact that opposition members had some objection to those approaches. But facing the reality of facts it is necessary that these changes occur.

I point out and stress again, Mr. Speaker, that the gasoline tax and motor vehicle registration fees financed the equivalent of 84.9 per cent of the expenditures on highways and maintenance of highways in the year 1970. This year, taking into account the changes which have already occurred in relation to fee registrations and the proposed change in the gasoline and motive fuel tax basis, it will cover roughly 66 per cent.

One of the difficulties with gasoline taxes that has surfaced in recent years is the lack of responsiveness in this revenue source to increases in construction and maintenance costs. Because our fuel tax is levied as a rate of tax per unit of consumption, this presents a rather serious problem. Although the expenditures for highways and the maintenance of those highways and that road network have been increasing rapidly by the inflationary trends, fuel tax revenues have been increasing only by the amount of additional consumption. This results in a steady decline in the proportion of direct costs recovered from fuel taxation.

Mr. Speaker, the amendments to The Fuel Petroleum Products Act which have been introduced will rectify this problem at least to some degree.

I stress again that in 1970 the tax was 19 cents a gallon, or 4.2 cents per litre. In 1980



the tax is 19 cents per gallon, or 4.2 cents per litre.

This bill does not change the gas tax rate. It does introduce an administrative mechanism that will ensure that as costs rise, provincial motive fuel tax revenue will also rise. The principle of this amendment is to set the tax rate at 20 per cent of an estimate of the lowest priced gasoline available to the largest proportion of the population in the province.

Mr. Speaker, let me briefly outline how this will work in practice. A standard retail price will be published periodically and will be not more than the average of the 10 lowest retail prices of gasoline in each of the cities of Regina and Saskatoon. And I point out to the members that generally the price of gasoline in the cities is lower than in other areas of the province.

This price, of course, will be exclusive of the provincial tax. The standard retail price will be multiplied by a tax rate of 20 per cent and will then be converted to a rate of tax per unit of volume. I can stress that perhaps by giving an example. If, for example, the average price of the 10 lowest stations in Regina and the 10 lowest stations in Saskatoon was 25 cents per litre, you would deduct the current tax rate – 4.2 – out of that, reducing it to 20.8 cents per litre and you would then take 20 per cent of that figure, which would be 4.16 cents per litre, slightly under the current tax levy. However, we would also institute in that regulation a floor and not permit the floor to fall below the 4.2 cent rate simply because price wars may occur, which could cause problems in relation to the tax levy.

This conversion, Mr. Speaker, is necessary in order to take advantage of the efficient administrative collection method currently in force. I don't know whether members are familiar with that or not, but we do not have to collect that tax from the hundreds and hundreds of gas stations, service stations and bulk stations which might be operating in the province. We collect it at the refining level and the wholesaling level. In order to protect the province's tax base in the case of future gasoline price wars a per unit tax will be set at a minimum of 4.2 cents per litre, or 19 cents per gallon.

I stress, Mr. Speaker, for the members of the Assembly, the fact the diesel fuel tax of 26.6 cents per gallon is 1.4 times the gasoline rate. This differential has been maintained consistently and it has been done on the basis of the fact that a gallon of diesel fuel will take you a greater number of miles on the highway than will a similar measurement of gasoline. It reflects the engineering differences of diesel-powered units as compared to gasoline units and results in approximately (this is as close as we can get it) the same dollar value of tax per mile travelled for all vehicles. Under the proposed amendment this differential will be retained and the diesel fuel tax rate will be set at 1.4 times the converted gasoline tax.

The off-road fuel tax which might be used to operate a machine on a commercial venture, a construction site or for airplane usage, is currently at a rate of 5 cents per gallon. That will be converted at a 0.3 rate which keeps it on a comparable basis with the gasoline tax as it is currently levied.

Mr. Speaker, the variable fuel tax contemplated here has already been introduced into three other provinces. I might say we discussed this for some considerable period of time, even before the provinces introduced them. But Quebec, Manitoba and Prince Edward Island have already introduced an ad valorem percentage tax rate on their gasoline and motive fuels. The percentage rate is 20 per cent in Manitoba and Quebec.

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I would like to point out that the previous rate in Manitoba was 18 cents a gallon. Ours is 19 cents. We are going to 20 per cent; they went to 20 per cent. In effect theirs is a greater increase at the present time in relation to the tax which was levied previously. Prince Edward Island has gone to a 22 per cent tax rate which, of course, is the highest of all four. The other provinces which have introduced a variable fuel tax will also use a published retail price. But only Saskatchewan attempts to establish the lowest price. The other provinces will use an average of all prices throughout their provinces.

It is also important, I think, to note that the recent federal mini-budget (if you can term it as such), or statement of economic situation, will change the 5 cent per gallon federal sales tax to an ad valorem or percentage tax of 9 per cent on the price of gasoline to retailers.

Therefore, Mr. Speaker, to summarize, this bill will ensure the province's motive fuel tax revenues will increase in a reasonable approximation with the cost of maintaining and constructing our roads and highways. It will not initially result in an increase in gasoline tax rates. It will, of course, result in an increase when the price of gasoline at the pumps rises, which is anticipated in terms of increased crude prices when agreement is reached in the federal-provincial scene in this respect. I therefore move, seconded by the hon. member for The Battlefords, the Minister of Highways, that Bill No. 130 be now read a second time.

**SOME HON. MEMBERS:** Hear, hear!

**MR. P. ROUSSEAU (Regina South):** — Thank you, Mr. Speaker. It's the time of the year when we're all trying to leave this legislature. I'm not surprised that the minister would bring this kind of a bill in at this time of the year. I would much prefer, Mr. Speaker, to speak on it a little bit today and then adjourn debate after having reviewed the speech that the Minister of Revenue, Supply and Services has just made. However, in the interest of moving on with the business of this House I certainly will not be adjourning debate on it, but rather will do the best I can with the discussion on it today.

The minister attempted, in my opinion, to deflect the real issue of this bill today by referring to percentages and referring to the need and referring to other provinces. He referred to the need in the Department of Highways, because of an increase in costs of maintenance. Well, it's interesting to note that this year's budget, Mr. Speaker, does not allow for an increase in the Department of Highways' expenditures in the maintenance area.

It's interesting to note also that he talks about Manitoba and Quebec and I think he said Prince Edward Island. Well, for provinces that have no oil, except for a little bit in Manitoba, that's not difficult to understand. But when our Premier and our government are attempting to bargain for higher prices of our oil, at a time when they're putting forth these arguments with the federal government, to turn around and increase . . . And let's face it, the amendment to the bill, which is a 20 per cent change of formula or calculation of the tax for the gasoline, is actually an increase to the taxpayers of this province. It would be the same thing, Mr. Speaker, as a farmer asking or bargaining for higher prices on his wheat and the government saying, well, we'll tax you based on a percentage of that revenue. This is what they are doing with The Fuel Petroleum Products Act amendment, Mr. Speaker.

He did not compare, for example, Alberta, which has no tax at all. He did not bother to talk today, as this government has done so often in the past, about the heritage fund

money (their non-renewable resources) which is the money they claim they have to provide all of the services that this government so benevolently provides.

Let's face it. Oil is our non-renewable resource in this province. If they can talk out of one side of their mouths about such bonanzas as the revenue from the non-renewable resources, why change the story when it comes to taxation? We are the highest taxed province in Canada today. I could go through the list of the taxation. We have the highest personal income tax, the surtax on the income tax, sales taxes, and the taxes, taxes, taxes, taxes, in this province. And now that's not enough; the minister needs more money. He will argue all day, every time he gets up, Mr. Speaker, that we need the tax money to improve our highways. I believe he said the tax was a complement of the motor vehicle registration fees, the motive fuel tax and highway maintenance. That kind of taxation of one of the greatest resources to the people of this province is nothing but a sham. It is a regressive tax because as I said a minute ago, it is our resource. It is a resource which the government is attempting to increase our prices on, to increase our revenues on, and at the same time, soak and hit the Saskatchewan taxpayer.

He tried to explain (and frankly I couldn't really follow him too well) the calculation of the tax, how it was going to work. I don't know how it works in the other provinces, but I can tell you this. As we all know there are various fuel prices in this province from the western to the eastern boundaries. Certainly, those dealers on the western boundaries of the province to meet competition from the Alberta side are not going to be selling their fuel for the prices that Regina and Saskatoon do. The people on the Manitoba and the American border (I would presume perhaps not to the same extent) would have the same problems there when prices can fluctuate from one year to the next. So it sounds to me (and I would stand to be corrected, however I don't think I would be wrong when I say it sounds to me) that some of the dealers in the western part of our province will be paying a lot more than 20 per cent of that tax since the tax will be based on the prices arrived at by the two cities on their averages.

That would tell me, if the price of gas in a town 50 miles from the Alberta border is 15 cents lower than it is in the city of Saskatoon or Regina, they will still be paying the same tax, therefore, the percentage will be a lot higher. It also tells me that dealers really won't know what they are paying until after it has been established from time to time. I believe the act says no more than once a month.

I would just like to mention (and this has been discussed in this Assembly in the past, before my time actually, Mr. Speaker) I am astounded at the reasoning for the rate of tax multiplied by 1.4 times on diesel fuel. (I know the minister will probably comment on the fact that I happen to drive a diesel car myself, but not for much longer, Mr. Minister, so it really won't matter to me.) By your own explanation and reasoning, the diesel fuel operated automobiles are more efficient than those using gasoline. That being the case, why would you want to penalize owners of more efficient automobiles? I can't understand the justification for that kind of reasoning. I would think it should be the other way around. To encourage the use of a more efficient type of motor or engine, the tax should be less not more. That would make a lot more sense, unless you are not interested in efficiency or energy saving. Perhaps you are more interested in the greater use of fossil fuels or petroleum products. That, of course, would make sense for taxing the more efficient automobiles.

Mr. Speaker, I can only conclude my remarks by reiterating my points. We're coming to times when we'll be paying \$2 a gallon for our gas and perhaps that isn't too far away.

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We're looking at a 40 cent tax, then, for the government. At a time when the Government of Saskatchewan is boastfully telling the people and the taxpayers of this province that our social services and all of our services will be looked after by the revenues from natural resources, I fail to understand why this government would want to increase the tax on fuel petroleum products. Mr. Speaker, we will certainly be voting against this bill.

**MR. ROBBINS:** — Mr. Speaker, just a few brief comments with respect to the comments of the member for Regina South. I want to emphasize again the fact that the cost of building roads is rising rapidly and it is reasonable to expect the revenue flows from two sources, registration fees and taxes on gasoline and motive fuels, to approximate the expenditures that are spent on highways. Ten years ago we raised 84.9 per cent of the revenue for that; today it's down around the 66 per cent figure and dropping. It's dropping quite rapidly because of the fact the tax has been applied and increased only if consumption increased.

The member raised the point with regard to raising taxes on gasoline when we also derive a lot of revenue from crude sources. What else is new? If you look at the country of Great Britain, which happens to have a Conservative government — I don't know if it's progressively more conservative or conservatively more progressive — it gets huge amounts of revenue from oil in the North Sea. In fact the international reserves in Great Britain have climbed to \$28 billion. Only West Germany and Saudi Arabia have higher reserves internationally than Great Britain today. And they increased in their last budget their gasoline tax or road tax by 25 pence per gallon, which is about 50 cents per gallon. That's the increase in the tax and their total tax runs at about \$1.80 or more per gallon.

The member said that he had some difficulty computing how the tax would work. Well, may I use a few examples. Let's assume, for example, that the lowest price in Saskatoon and Regina was 25.2 cents per litre. You take out the present tax of 4.2 cents, knocking it down to 21 cents; you then would multiply it by 20 per cent, which would give you a 4.2 per cent per litre tax — identical with what it is today. As the price of fuel rises, if, for example, the price of fuel rose to 28.2 cents on the average at the pumps for those lowest in Saskatoon and Regina, you would take 20 per cent of the 4.2 cents out of the 28.2 cents, which would give you 4.8 cents per litre. Obviously it would raise more revenue.

He raised the point with regard to the fact that we should be encouraging people to use diesel fuel. The computation is made on the basis of the fact that equal miles of travel bear an equal amount of tax, as closely as you can approximate. The diesel motor car will travel farther on a gallon than will a car on gasoline. Therefore, since it does travel farther, it should bear the proportionate cost of building and maintaining that road, because travel on the roads wears them out, obviously. Well, that's how the approximation is worked out.

He made the comment that Alberta has no tax. That's true. That's why we pay \$1 million a year to 147 gasoline stations and bulk stations along the border to assist them in surviving. Members opposite were in support of that approach. Now that cost us \$1 million a year.

The federal budget introduced by the federal Conservatives under Prime Minister Clark proposed an 18 cents a gallon tax, with none of it to be spent on roads. It was simply to raise revenues. What did you fellows do at that particular time? You supported that

approach. So there's some illogic in your argument. I think it's perfectly reasonable to say that the amount of revenue that's raised from gasoline and motive fuel taxes and registration fees should bear some reasonable relationship to the expenditures made in building highways and maintaining them. On that basis, Mr. Speaker, I would ask all members of the Assembly to support the bill.

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

**Yeas – 29**

Blakeney	Pepper	Allen
Bowerman	Kramer	Robbins
Baker	Skoberg	McArthur
MacMurchy	Mostoway	Banda
Hammersmith	Kowalchuk	MacAuley
Feschuk	Byers	Vickar
Rolfes	Tchorzewski	Koskie
Lusney	Prebble	Long
Johnson	Nelson	Poniatowski
White	Solomon	

**Nays – 12**

Larter	Lane	Taylor
Rousseau	Swan	Muirhead
Katzman	Duncan	Andrew
McLeod	Collver	Ham

**ADJOURNED DEBATES  
SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins (Minister of Revenue, Supply and Services) that Bill No. 85 – **An Act to amend The Queen's Printer's Act** be now read a second time.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins (Minister of Revenue, Supply and Services) that Bill No. 84 – **An Act to amend The Department of Revenue, Supply and Services Act** be now read a second time.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski (Minister of Finance) that Bill No. 113 – **An Act respecting Corporation Capital Tax** be now read a second time.

**MR. P. ROUSSEAU (Regina South):** — Mr. Speaker, I will not unduly delay this bill any longer. I would point out and reiterate what I said the other day: there is absolutely no need for this legislation. Again, it is another regressive type of legislation that opens the door to the government for further taxation and to increase taxes as time goes on. They use the argument that Ontario, Alberta and British Columbia have similar legislation.

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Just because they do is absolutely no reason for Saskatchewan to do so as well. It will still drive away investment and although Alberta, British Columbia and Ontario can afford, I suppose, to drive some of their investments away, certainly the province of Saskatchewan cannot afford to. We cannot afford to drive away any of the much-needed investment that could be coming to the province of Saskatchewan.

Once again, for the amount of revenue we are going to be deriving from this, we are going to be looking at another large bureaucracy. Having argued the points the last time I spoke on this bill, we will not be supporting the bill.

**MR. R.L. COLLVER (Leader of the Unionest Party):** — Mr. Speaker, I have a very brief comment to make about this particular bill. I was most interested to hear the views of the member for Regina South with reference to this piece of legislation and his announcement that the Progressive Conservatives will not support this bill. You will recall on previous occasions I mentioned that, from time to time, parties and members of the legislature change their views from the time of the last election until the present time. Interestingly enough, we will be in support of this bill and the reason we will support this bill is that the platform of the Progressive Conservative Party in October, 1978 suggested that this kind of legislation be introduced in this House. Since I was a part of that party at that time and since I ran in the constituency of Nipawin under that banner, I wouldn't want anyone to suggest that I should no longer represent Nipawin, because they elected me on the basis on this part of the platform.

**MR. SPEAKER:** — Does the minister want to speak on it? If he has finished, I'll put him down as having spoken.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Bowerman (Minister of the Environment) that Bill No. 120 – **An Act respecting the Control of Drainage of Surface Water** be now read a second time.

**MR. R.H. PICKERING (Bengough-Milestone):** — Mr. Speaker, in rising this afternoon to speak once again on Bill No. 120, an Act respecting the Control of Drainage of Surface Water, I would like to serve notice to the government that there are virtually hundreds of concerned farmers and citizens in the province of Saskatchewan who have very serious reservations concerning this particular piece of legislation.

I do not think it is fair to the farmers, and to the people of this province, to ask this legislature to deal with this bill so late in the session, especially at this serious time in our province's history when we are facing one of the most serious droughts since the depression. It is not fair to farmers. When I spoke on this bill on May 22, I said to the House that we, in the official opposition, wanted time to carefully scrutinize this legislation. It is now very evident that there are many farmers and citizens who would also like an opportunity to carefully scrutinize Bill No. 120. I ask, Mr. Speaker, would it be fair to the farmers and other concerned people to deny them that opportunity?

Would it be fair to ram this bill through the House without concern for the public? I should say not. We on this side feel that the people of Saskatchewan should be given an opportunity to view this bill and to present their suggestions, criticisms, ideas and concerns.

Later on, in the course of my remarks, Mr. Speaker, I shall make a positive proposal as to

how this Legislative Assembly might deal with Bill 120. For the record, I would like to point out that I have taken the liberty of sending this bill to numerous R.M.s throughout Saskatchewan. The R.M.s which have replied to my communication are against this particular bill. I think the government should take that fact into serious consideration.

After having carefully studied Bill No. 120, and after having been in close consultation with those who are concerned with the bills, I should like to review for this Assembly some of the concerns which have been expressed about the bill.

In general, Bill No. 120 is not bad, except for the criteria used and the extensive powers given to the cabinet. All one needs to do is look at Part II. I pose the question, just what is the criterion used to establish watershed areas, and on what grounds? In section 4 of Part II, I would wonder who is eligible for watershed commissions? Then, Mr. Speaker, there is the matter of the powers of the minister. I wonder, if the power exists for outside areas, then why designate watershed areas?

Under section 7 of Part II, I pose the question, what will be the budget, the expenses of the watershed commission? Then, under the section dealing with meetings of the watershed commission, I wonder how you police vested interests? I am referring to the section which reads:

Any member of the watershed commission who has an interest in any question or matter that comes before the commission, shall immediately disclose his interests in that question, and is not eligible to vote on that question.

I say such a clause is honorable indeed, but how do you realistically enforce it?

Under the drainage control section 17, I pose the question of paying the cost of administering the watershed commission, just how will it be funded? Should it be 100 per cent funded provincially, or combined federal and provincial funding? Just how should this matter be taken care of? I am sure many farmers would like to have an answer.

Mr. Speaker, in section 19, dealing with review of apportionment and levy, I can see instances where the appeal for review could be reviewed with little or no consideration.

Moving on to appeals to the Saskatchewan Assessment Commission, I contend it is a long, drawn out process which could be taken out if the watershed commission was 100 per cent funded by senior government, meaning the federal and provincial governments.

Mr. Speaker, I wonder if the government has taken that into consideration? I also wonder, Mr. Speaker, what the criteria for the Saskatchewan Drainage Appeal Board are, and I am sure others would also like to know. What really concerns me about this board is section 25 which reads, and I quote:

The appeal board may, subject to the approval of the Lieutenant-Governor in Council, make its own rules of procedure . . .

Mr. Speaker, that is a dangerous move.

In Part 4, section 43, I would like to see a copy of every application made available to the

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R.M.s where any works affect a particular R.M. The R.M. might be able to offer additional information.

Under section 46, I believe a copy of the decision should be sent to the affected R.M.

Mr. Speaker, section 60, I say is tough. Nobody should have the right to do any act necessary. That is putting too much power in the hands of a few.

I would also take issue with section 62, which gives far too much power. Has the government taken into consideration that search warrants might be necessary to make such a clause legal?

Mr. Speaker, another concern expressed to me is that the concept of issuing permits is good; however, how effective will it be when the time element is taken into consideration? Application must be made; then the commission must consider it. There could be quite a time lapse depending upon meeting dates. I could see serious problems arising from this.

Mr. Speaker, many rural municipalities have expressed the concern that they would like more involvement by the R.M.s – not so much decision making but rather being kept abreast of any works which are situated in their communities.

Mr. Speaker, I wonder why the water rights division of the Department of the Environment could not administer the issuance of permits and have this whole procedure brought under their scope and jurisdiction? It seems to me this bill creates more red tape, more bureaucracy, more headaches for the public.

Mr. Speaker, when I spoke on this bill on May 22, I said legislation dealing with the control and drainage of surface water is long overdue. I stand by those words. However, I also contend that we must not ram this bill through this Assembly in such haste. There are many concerns and reservations being expressed with regard to Bill No. 120. There are many farmers, R.M.s and other interested parties who would like some input on Bill No. 120.

Mr. Speaker, I believe we in the official opposition have a positive solution, which I am sure the government could support, a solution which is in the best interests of the people of Saskatchewan. As I stated earlier in my remarks, Mr. Speaker, there are virtually hundreds of concerned farmers and citizens who would like the opportunity to express their views on Bill No. 120. Therefore, I should like to move the following amendment to Bill No. 120, seconded by the member for Rosthern (Mr. Katzman), that all of the words after 'that' be deleted and the following substituted therefor:

Bill No. 120 not be read a second time and that the subject matter be referred to the standing committee of agriculture for hearings to be held during the summer of 1980, and for the committee to report to the legislature at the next session of the legislature.

Mr. Speaker, that is a positive motion and I would ask this Assembly to pass it.

**SOME HON. MEMBERS:** Hear, hear!

## **INTRODUCTION OF STUDENTS**



**MR. J.R. KOWALCHUK (Melville):** — Thank you, Mr. Speaker, and also the rest of the members of this House. On behalf of the Minister of Municipal Affairs (Rural), Mr. Edgar Kaeding, I want to introduce 60 students who are here from Esterhazy, Saskatchewan. They are here with their teachers, Randy Schram and Doreen Haubrick.

I understand they've been visiting a number of places around Regina this afternoon. I sincerely hope they will have a very good afternoon in Regina. I will be meeting with them on behalf of Edgar Kaeding in the rotunda and having pictures taken. On behalf of the members of this House and you, Mr. Speaker, I want to wish them a very good afternoon here and a safe journey home.

**HON. MEMBERS:** Hear, hear!

## ADJOURNED DEBATES

### Bill No. 120 (continued)

Amendment negatived on the following recorded division:

#### Yeas – 13

Thatcher	Larter	Lane
Taylor	Rousseau	Swan
Pickering	Muirhead	Katzman
Duncan	Andrew	McLeod
Collver		

#### Nays – 32

Blakeney	Pepper	Allen
Bowerman	Smishek	Kramer
Robbins	Baker	Skoberg
McArthur	MacMurchy	Mostoway
Banda	Hammersmith	Kowalchuk
MacAuley	Feschuk	Byers
Vickar	Rolfes	Cowley
Tchorzewski	Koskie	Prebble
Long	Johnson	Nelson
Thompson	Engel	Poniatowski
White	Solomon	

**MR. R.L. COLLVER (Leader of the Unionest Party):** — Very, very briefly, Mr. Speaker, to say the bill, as it has been presented by the government, makes absolutely no provision for local input into drainage problems. I can say, Mr. Speaker, that in so far as the people of my constituency, (which is probably the most materially affected by any sort of drainage legislation) the lack of the ability of local people to become directly

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involved in the matters of drainage, to become directly involved as not only local individuals but local organizations, will bring about, I fear, a tremendous backlash by those local individuals toward the overall program which we know must be put into place. So the problem with this bill is that it's too soon. The bill should be brought in after, not before, the local input is received toward an overall program, an overall plan, if you want the kind of co-operation which you must have from those local areas.

Now I might say, Mr. Speaker, that the member for Melfort, although not having the same kind of problems as we have in Nipawin, nevertheless has some areas where drainage is a serious and material problem – some areas. Mr. Speaker, I predict that not only the member for Melfort, but other northern NDP members are going to find themselves in very, very bad shape as a result of bringing in this bill in advance of obtaining the kind of local input which is needed before implementation of a plan. The reaction of local people to that will be a lack of co-operation. I don't care how many policemen you put out there, I don't care how many laws and regulations you pass, if you don't have local co-operation in any drainage program, you are going to have serious and material problems in effecting the changes which have to be effected.

So, Mr. Speaker, I urge all hon. members, to vote against this bill at this time, not because the bill itself is necessarily bad, because we all know that an overall program for drainage is essential in Saskatchewan, but at this juncture, before we get that local input, those individuals are going to react badly against the bill. We're bringing it in too soon.

**MR. J.G. LANE (Qu'Appelle):** — I'd just like to make a couple of comments. This legislation indicates a serious weakness in the practice of the government opposite. Occasionally, if the government sees a political problem where it is going to allow some public input, it will hold public hearings before a select board. The legislation is then brought in. Of course, the public does not have an input into the final result of the government's policy. And I suggest to the members opposite that they are making a serious mistake in not allowing the matter to go before the agricultural committee for further public hearings.

The government as well is making a serious mistake in presenting this highly controversial policy without public input. It affects many, many ridings throughout the province. I suggest you have a situation where you have neighbor pitted against neighbor. The government's Department of Highways is changing water flows on a continuous basis, disturbing municipalities, adding higher costs to municipalities and pitting neighbor against neighbor. When the government has made its policy determination it should go back again for further public hearings. And I suggest that the government opposite is making a serious error in not giving the people of Saskatchewan a further opportunity to have input into this legislation which is going to affect many farmers and many municipalities in Saskatchewan.

**MR. N.E. BYERS (Kelvington-Wadena):** — Mr. Speaker, I hadn't intended to participate in this debate until I became aware of the fact that the opposition has really not been in tune with what has been going on in Saskatchewan over the last four or five years and longer.

Perhaps the Tory policy for water management is the drought. That seems to be all they have to offer. This legislation, in my mind, is not coming too soon. It is long overdue and I will be one who would say that better water management programs could have been in place much earlier than this legislation.

The opposition has raised the question of no public input into this legislation. During the wet years of 1975 and 1976 the groups in this province which are concerned with water management – Saskatchewan Association of Rural Municipalities, SUMA (Saskatchewan Urban Municipalities Association), the NFU (National Farmers' Union), the conservation and development associations and the wildlife federation – came to the government and asked that the present laws respecting drainage be changed because the question of unauthorized drainage had become a very serious problem throughout Saskatchewan.

The groups I referred to had indicated to the government that there had perhaps been a gap in legislation to manage the water resources of our province. But the key problem those six groups identified was the problem of unauthorized drainage. And as a result the government of the day then agreed to set up a comprehensive review process and the six groups worked very closely with a group of public servants and ministers to bring forth the proposal for legislation.

This legislation in my mind, Mr. Speaker, is an example and illustrates how, using the process of consulting groups who are knowledgeable and interested in a particular field, they are virtually given the authority to write their own laws. Over a four year period this government worked very closely with the six groups – SARM, SUMA, Wildlife, the NFU, and the C and D group – to bring forth this proposal for better management of our water resources, and it does precisely what they asked us to do.

First, they asked that permits be required before drainage could take place. Secondly, they asked that watershed commissions be established and that the commissions represent roughly the natural drainage basins of the province, of which there are seven or eight in the farming area. That is what this legislation will permit. As a matter of fact, this legislation goes further than was recommended by the public advisory committee, in that it allows the establishment of drainage areas that do not necessarily have to be as large as one of the natural drainage basins in the province. Again, this legislation does meet the requests of the public advisory committee representing those six groups:

1. That a permit system be required;
2. That a commission, a group of local people, be established with the authority to approve applications for drainage.

The hon. member for Nipawin clearly does not understand what this legislation is designed to do. He said there will be no local input. I want to say to him that the commissions will not be development agencies; the development agencies that are now in place will not disappear when this legislation comes into play. The main development agencies now, as he very well ought to know, are twofold. They are watershed associations and they are conservation and development associations, the latter named conservation and land improvement branches. There are a good many of those operating in his constituency, whether he knows it or not, and there are a number of them operating in mine, whether he knows it or not.

Under this legislation the C and D associations will continue to be development agencies, and they will go to the commission and obtain approval for their drainage as they do now, so there is no loss of authority here for the C and D associations in this legislation. The commission merely becomes a regulatory agency, and there is no loss.

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The C and D associations will continue to be, and can continue to be, development agencies.

Another point I want to make is in reply to the suggestion that there has been no public input. Well, the Saskatchewan Association of Rural Municipalities has been involved for four years on this, as has SUMA . . . (inaudible interjection) . . . Yes, the wildlife federation, the C and D associations, the National Farmers' Union. This is virtually a moulded model of the proposal that they brought to the government to enshrine into legislation. I want to say this, Mr. Speaker, that in the summer of 1979 the public advisory committee, the representatives of SUMA and SARM and the C and D branch and the wildlife federation held hearings all over this province – 35 or 40 in number. And I attended one of those meetings which was held in my own constituency. It was held in Wadena. There were 140 farmers at that meeting.

I am told, Mr. Speaker, that there wasn't one single opposition member who attended a single meeting open to the public. They could go to those public meetings and hear the proposal. The proposal was not explained to the public by any official of the government; the proposal was explained to the public by the members of the public advisory committee who come from SARM and SUMA and the NFU. There wasn't one single opposition member, I am told, at one of those meetings. The public hearings were held a year ago. They were held a year ago this summer, Mr. Speaker. And the hon. member says that this legislation is coming too soon, that we now ought to set up another road show, so he'll have something to do this summer.

They will have as much interest in public hearings this summer as they had in public hearings last summer, and that was none.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BYERS:** — Now, Mr. Speaker, this legislation, I hope, in the long run will do more than simply regulate the drainage of water. Those of us who have grown up on these prairies and parklands ought to know that we live in a virtual desert, that we need to take steps to really improve the management of water. Drainage is only one aspect of the management of water.

I hear the hon. member for Rosetown-Elrose standing up in this House in estimates and pleading with the government to take action to accelerate the expenditures for drainage, or for irrigation, in his part of the country. That may well be justified. All the economic studies undertaken before the Gardiner Dam and Lake Diefenbaker were constructed indicated, if he has read any of that literature, that the economics of irrigation for agriculture were simply not there.

But I want to suggest to all members of this House, and this year ought to be a year which will impress this upon us more than ever, there is need for better water management programs in Saskatchewan, our agricultural province. I hope that the establishment of commissions will prove to be the vehicle by which the province, working in conjunction with the federal government, which has a responsibility here as well, can develop and design and put in place better water management programs so we're better able to cope with dry cycles as well as the wet cycles.

One can learn a few lessons from other countries. The people of the Nile have been studying the mysteries of that river for hundreds of years, developing water management programs for food production and to enhance agriculture. I think if the

hon. members of the opposition will look at the initiatives in other countries they will find that sensible water management requires that water management programs and drainage programs to be undertaken in a rational way must be done on a watershed basis. We have begun that, to a sense, in this province.

I would be very, very surprised if the hon. member for Qu'Appelle has enough courage to stand up in this House and vote against the bill, because he represents a constituency which borders on the Qu'Appelle Valley where the federal government and the province undertook a major study. They are now in the process of implementing a \$40 million water management program, over a period of 10 years. That is a logical way to go about the managing of water as a resource. I don't know whether or not the provincial government of the future will be able to work out programs like that, in conjunction with the federal government where applicable, to develop similar programs on our drainage basins in Saskatchewan. But certainly there is a model for all to follow. I invite all hon. members to take a look at the Yorkton Creek Watershed Association.

**AN HON. MEMBER:** — Look at the tourists. See what you have done there.

**MR. BYERS:** — Well, I will come to that.

**AN HON. MEMBER:** — You had better come to it. You haven't satisfied anybody down there. I will guarantee you that.

**MR. BYERS:** — Mr. Speaker, Yorkton Creek watershed was an area which was experiencing severe flooding problems. There is an example where the province, as a result of sort of an ad hoc study, developed a water management plan and is in the course of putting it into place. It has, for the most part, satisfied the recreational interests. It has alleviated the flooding which has been bothersome there for many, many years. By working with the local government groups and the local individuals in resort interests and the like, it has certainly made good headway in resolving a problem which has plagued the residents of that area for a long, long time. Therefore, I wanted to answer some of the criticisms raised by the opposition because they are criticisms which are unfounded. They are unfair. They are made without any appreciable understanding of the process which has been at work to get this legislation into place.

I therefore hope that all members, particularly those who represent the rural constituencies in this province, whether you have drainage problems or the water is periodically scarce, will regard this legislation to establish commissions as a vehicle not only to deal with drainage, which is a problem in the odd wet year, but as the means whereby we can begin to apply the resources of the province to solve critical areas such as the Souris basin and the like which have been undertaken through joint studies to come to grips with these problems. I, therefore, hope all members, particularly the opposition, will have second thoughts about their position on this. If I were particularly the member for Bengough-Milestone, who has a constituency a portion of which periodically has very serious flooding problems, (on the upper reaches of the Souris River) I would support the management legislation which will deal with the management of our water resources in a logical way.

**SOME HON. MEMBERS:** Hear, hear!

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Speaker, I respectfully suggest to this

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Assembly that all members should accept the member for Kelvington-Wadena's comments in the same spirit as did his deskmate, the member for Melfort, and the prospective member for Nipawin. I suggest to you that perhaps his comments hit the rest of us in a fashion similar to the fashion they hit the member for Melfort.

Mr. Speaker, this is a bill that in some respects . . . (inaudible interjection) . . . If somebody else would like the floor, I would suggest that perhaps you stand up instead of . . . (inaudible interjection) . . . You'll get your opportunity, but what about some of those thinkers in the back row who are great talkers. Usually about this time in the afternoon and this time in the session, they are starting to be pretty good talkers – from the seats of their pants. So if you have something to say gentlemen, I would be happy to yield to any one of you, excluding the minister, who closes the debate. I notice that as the session has dragged on, and we have reached this time and date, the back end tends to get a trifle more talkative. I'm sure we've all noticed that.

Mr. Speaker, if there was ever an issue in the province of Saskatchewan that over the years has set farmer against farmer, neighbor against neighbor, and region against region, it has been the problem of drainage. It is a problem we simply have to come to grips with at some point in time. But it is a very complex and difficult problem, not an easy one. Over the years, I have heard a variety of speakers challenging the Department of the Environment to face up to the problem.

Now, as you may have noted from a variety of speakers on this side of the House, we really don't have the epitome of respect for the Department of the Environment. Frankly and I'm speaking more personally right now (but I think it is shared by the vast majority over here) anything that has come by way of the Department of the Environment they have fumbled, on every occasion. I suggest to you they are fumbling the ball again here. Nobody is going to dispute the fact that drainage legislation is needed in Saskatchewan. We've probably heard less talk about drainage this spring for the most obvious of reasons, namely the drought.

I think the member for Kelvington-Wadena is being most unfair to the opposition when he says that the Tory answer for drainage control is drought. I think the member for Kelvington-Wadena knows better than that. But this bill points out the basic philosophical difference that exists between the government on that side and the opposition here. The basic, fundamental difference is local control. We believe very fervently that the R.M.s in this province have been the best form of government that this province has ever seen, certainly when you compare them to the provincial or federal level. No level of government anywhere in Canada has been more successful than the R.M.s in controlling their costs and in controlling their tax rates. They have been far more successful than the boards of education, far more successful than the hospital boards, far more successful than the government over there and, certainly far more successful than the federal government.

Mr. Speaker, we believe that R.M.s are best equipped to handle this sort of legislation. As the member for Nipawin indicated, and I agree with him, without local support down there at the R.M. level there's no way this legislation is going to solve anything.

Now I'll acknowledge one thing to the Department of the Environment. At least we have something in front of us and, as the member for Kelvington indicated, there's a model there. We disagree with many aspects of this bill, primarily the lack of local input into it. Mr. Minister, I'm not going to make a motion or an amendment, but you can reply to this as you're closing debate. I accept what the member for Kelvington says when he

indicates there's a model that we can perhaps build on. Because this is the initial legislation, obviously it has to have some deficiencies or some loopholes that may have to be plugged somewhere down the road.

Mr. Minister, this year we had an abnormally early spring in Saskatchewan, as far as farm work is concerned, in virtually every area. About the time that this bill was introduced, most of the farmers were on their land and busy with their agricultural operations. Right now, the farmers simply don't have time to pay the sort of attention to this legislation that they should. Now you may very well argue that some form of a hearing was held a year ago and that it was not properly attended. That may or may not be true, but let's assume that it is. We all know that when something is being proposed, it's far better to have a model from which to start to build on.

All right, Mr. Minister, let's say we accept this as that model. May I suggest to you that you take this bill to second reading. May I suggest that you proceed no further in this session of the House. I am not suggesting that action not be taken on the drainage problems in Saskatchewan or that they be left until next year. Next year is another spring. But take this bill to second reading and then take it to the country through the summer and through the fall, as a model, the model that the member for Kelvington was suggesting.

Take it out to the country. Get their comments. Get their suggestions. If those suggestions are that it's a good bill, heavens, what can we say over here. We think it has some deficiencies. I think it has some deficiencies. But Mr. Minister, I respectfully say to you, rather than me telling you that it has some deficiencies, I would have the R.M.s in my constituency, or in Qu'Appelle, telling you about those deficiencies because those people are closer to the problem than perhaps you or I or some of the bureaucrats who are proposing it.

Mr. Minister, traditionally we meet in the fall. Always we have some business to do. Mr. Minister, let me make the suggestion to you, for you to reflect upon for a moment, and I hope you'll accept this in the spirit that it's made. Take this bill to second reading and drop it. Then put it out in the country as a flyer. That's not an uncommon procedure. Put it out in the form of a white paper if you wish. Get local comments. We don't need this legislation for July, August, September or October. We need that legislation for March, April and May.

Mr. Minister, I suggest to you that there is time to get that local input. It is pretty unusual when we don't sit in the fall. If you get that legislation out there, get your local comments, I know that speaking personally, if your comments are favorable on this, we'll support you when you bring it back. Hopefully, if the comments are unfavorable, you'll have an opportunity to make the necessary changes.

Actually, Mr. Minister, I shouldn't be suggesting this because it's very, very good politics, extraordinarily good politics, on your part for you to do so. But none the less, the question of drainage in Saskatchewan is far too complex and far too important to be left to the very narrow, partisan political differences we may have. And I ask you, as somebody who has a constituency which is affected by this, as have many of us, to take this to second reading and put it out in the country for comment and hopefully for improvement. I say this to you in the spirit of co-operation. I want to emphasize I am in no way suggesting we don't take action before next year because I agree action must be taken. But we don't have to take it for July, August, September, October, etc. I invite the minister to reflect on it for a moment before he comments.

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**HON. G.R. BOWERMAN (Minister of the Environment):** — Mr. Speaker, I very much appreciate the comments of all members of the House. I particularly thank my colleague, the member for Kelvington-Wadena, who spoke with respect to the bill. He gave a fair overview of the background to the bill. I think it is not necessary for me to go into a lot of detail and I won't take a lot of time. I do want to comment on some points made by members of the opposition.

I want to start out by saying the draft of the bill was virtually prepared in its present form by the public advisory committee. The public advisory committee is made up of the six groups from the wildlife federation, conservation and development associations, from SARM, SUMA and so on. They virtually put this bill into words with the exceptions of the legal drafting which went on subsequent to it coming to the House. In addition to that, this bill, (before it came to the legislature in its draft form put together by the public advisory committee) was submitted back to the sponsoring bodies for them to review the draft legislation. They gave their assent before it came forward in its final draft. There were some changes made by the legislative draftsmen and the government, then the bill was adopted.

Before I make any further comment I want to say that here are the results of the drainage and flood control study report. In May 1980 the final report was put into my hands. These are the additional reports made by the group which did its review with public input. The points raised by the members of the opposition saying there are serious reservations by the farmers (I suggest that there might well be some serious reservations by some farmers out there), that public review needs to be done and the R.M.s are against the bill, I think (pardon the pun) doesn't hold water in the sense that there has been public communication.

I want to go back to the introduction of the study and I quote from the study:

A comprehensive study on drainage and flooding was authorized by the cabinet early in 1976 (So the study has been under way for about four years.) partly because of concerns expressed during the previous two years by individuals, agriculture, farm and municipal organizations and other interest groups. Concerns were expressed by individual complaints, by resolutions passed at meetings of various organizations and by meeting and formal submissions to the government officials.

So this study was brought about by a problem which was out there, a problem which was recognized and it was conceived by those persons in the rural areas that something must be done, something needed to be done, to resolve this outstanding problem of surface water drainage, and water management and control. The study was basically under the direction of a cabinet committee of four ministers – agriculture, environment, municipal affairs and renewable resources – so there was a combination of government thought given to it. But in addition the other agencies were brought together to obtain their input as well. So the report was commissioned back in August of 1976.

As of the end of August, '76, the branch had on record requests to investigate, survey and design 288 water development projects. That is what was outstanding. Farmers, municipalities, and people were requesting the government to get on with some sort of a program to resolve them. In addition 43 projects have been surveyed, designed and presented to local conservation and development area authorities for consideration.



Fifty-one additional projects are presently in the construction and development stage. So there was a problem out there. There is no question about the problem in 1976 and the ongoing problem in the years since.

Many provincial government departments and agencies have received complaints with respect to drainage and flooding during the past two years. The water rights branch of the Department of the Environment alone has recorded receipt of a total of 855 drainage complaints coming into the Department of the Environment up to 1976. There was no capacity or organization within the government to deal with this plethora of complaints and the sorting out of the problem. The water rights legislation was not adequate to deal with the problem, nor was there the public servant staff in the government to handle the situation which was out there to be handled. The report goes on to say:

Concerns have been expressed about the increased amount of drainage being carried out by individuals and groups of individuals, without planning or approval: the increased flooding of agricultural lands in the lower or flat areas, the increased volumes of water and flooding in urban centres, the increased amount of soil erosion and the lack of good water and soil conservation practices. At the same time it's known that up to 60 per cent of North America's waterfowl is produced in Saskatchewan. Thus concerns were expressed that wildlife habitat and waterfowl production areas are being destroyed by land clearing and indiscriminate drainage, and that the impact of drainage in land development is not given proper assessment. Opinions have been expressed that the increase in agricultural drainage has been a direct result of the above normal run-off, the higher cost and inconvenience of farming around sloughs and low areas, and the lack of specific legislation to control drainage.

These were the identified problems, Mr. Speaker, and as I indicated to you, the public advisory committee, which was a group of public citizens (not government people although government people were there to assist them), came up with this report. I'd like to read portions at least of the report's final acknowledgements to the House, Mr. Speaker.

The successful completion of this study is attributed in large part to the co-operation and guidance received from the ministers committee and the concern which they showed towards developing acceptable solutions to the many conflicting problems.

The valuable assistance of the members and alternate members of the public advisory committee must be underscored. To date the committee has met formally on 18 occasions when those public groups came together to deal with the water drainage and flooding problems of this province, beginning back in 1976.

I don't understand, again, how the members over there have perceived this to be a non-public-involvement program. But as it says, Mr. Speaker, they came together on 18 occasions and an additional 11 joint meetings were held with officials of the government, and ministers of the various departments that I mentioned earlier.

The members appreciated the wide range of concerns related to drainage and flooding, and dealt with the elements of controversy, while recognizing

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the views and concerns of others. Their help in identifying and analyzing the problems, evaluating alternate solutions and arriving at conclusions was very helpful. I want to say sincere thanks are expressed for the co-operation and the contribution made by staff of the various provincial departments and agencies contacted during the course of the study, and to the contribution of individuals, groups, and organizations that identified drainage and flooding problems and suggested solutions.

A helpful contribution also resulted from material and information provided by various departments of the Government of Alberta. They not only reviewed the problem in Saskatchewan, but from 1976 they reviewed the problems in Alberta, in Manitoba and in Ontario, as well as in several states of the United States of America.

I think it should please the hon. member for Nipawin that we got some advice from the northern states bordering on Saskatchewan, which have drainage problems similar to ours.

I want to say also, Mr. Speaker, as the acknowledgment points out, thanks are expressed to the 1,180 people who attended 23 public information meetings held by the public advisory committee (not by the government) in June 1979. That was a year ago. None of the opposition members attended any of those meetings. Not one of the MLAs who sit opposite attended one of those 23 meetings. They were held in your constituencies, as they were held in mine. Mr. Speaker, 547 people attended and submitted questionnaires and comments on the key proposals resulting from the study.

Mr. Speaker, the best opposition the members opposite could come up with was that there was no public consultation. I don't know what they would recommend. I don't know what they would suggest we do in addition to what we have done. I indicated to you and to members of the House that in 1976 the cabinet recognized a problem out there, and my colleague, the former minister of the environment, put together a group of people representing a number of interest groups – the wildlife federation, the conservation and development associations, SUMA, SARM, the farmers' union, and some others which perhaps I have left out – to develop public drainage and control of surface waters in this province.

In addition to the 18 meetings they held among themselves, they reviewed the legislation. In addition to going to Alberta, Manitoba, Ontario and to the United States, they went to the public in Saskatchewan and held 23 meetings around the province, which almost 1,200 people attended. None of the meetings which they held opposed in any way the bill which we now have before us. In fact, this bill is a result of that group of people sitting down in many meetings. They virtually wrote the act which you now have before you, except for the legal jargon and the legal surveillance that went into the bill following their draft.

Some members say we have it in reverse; now, after it has been passed, we should go back to the public. I indicate to you that we went back to the public with this bill in its draft form.

**AN HON. MEMBER:** — You never advertised meetings in . . .

**MR. BOWERMAN:** — Oh yes, we did. But the hon. member is with this bill like he is telephoning Ottawa — he doesn't know which department to telephone to find out whether or not they have received the correspondence.

The bill did go back to the public, Mr. Speaker, and SUMA and SARM had an opportunity to review the bill. I did indicate in my opening remarks that while SARM passed a resolution expressing some reservations to the bill, they nevertheless passed a subsequent resolution after meeting with the officials who put together the report, members who sat on their council, as well as other members who approached them subsequent to passing their first resolution, and they modified their stand. When I spoke to SARM at their annual convention (in fact, they dealt with the issue there) they wished the government to proceed with the legislation that now stands before you.

I indicate, Mr. Speaker, that the hon. members opposite are not up to date nor are they current with respect to the issues regarding flooding and drainage control.

I do want to say that there is no question about the fact that one of the things which has helped or assisted in pitting neighbor against neighbor is the legislation which we have had in effect. The legislation which we have had in effect left it up to the neighbor to take a civil action against his neighbor should he have drained water downstream.

This bill isn't going to be able to solve all the problems; there's absolutely no question about that fact. It is a controversial piece of legislation. It's a piece of legislation which is going to have to be administered with some delicacy because of the problems which still exist out there. And this whole matter of drainage is a problem that is not solved by legislation, as the hon. member for Nipawin has pointed out. It won't be solved by legislation alone, but one has to have the basis in order to proceed with solving the problem. This, we believe, to be an appropriate basis upon which to proceed.

I do want to point out additionally that as we enter the years when this bill will become law in Saskatchewan (and we trust and hope that it will) the implementation of the act will obviously have to be undertaken with some care. Nevertheless, it's the basis for establishing watershed commissions, as my colleague pointed out. And there again the commissions are in control. They are locally appointed commissions and look after a particular watershed area.

I said at the outset I didn't know whether we were going to proceed with those commissions yet. In fact, we were going to reserve the right to proceed with those commissions until we have further consultation with the concerns expressed by SARM and we're going to try and resolve those concerns with them before any commissions are appointed.

In addition, and finally, Mr. Speaker, I want to point out that this bill seeks to solve some of the problems which we have been confronted with for some time. We know the extent to which the bill goes and some of the problems which will be associated with it because of the problems that have been inherent in the draining of surface water. But I repeat, in closing, the same point that I made at the opening remarks at the second reading. That is, we must proceed from the standpoint of the fact that drainage is a privilege and not a right, and I repeat that with some emphasis. A member of the agricultural community out there, if he does have water on land which has been a natural pond, which has been there from time immemorial, cannot expect to take a ditcher and hook on to it with his four-wheel-drive tractor, and run across the country, and as a result drain 30 acres or 40 acres of water onto somebody else, or into a

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watershed like the Qu'Appelle River system, so that it ultimately ends up piled up in the back yard of some farmer downstream.

So, we proceed on this bill from the basic and fundamental position that water drainage is a privilege and not a right. Therefore, farmers or others (including urban centres as well as highways, municipal governments, and so on) who proceed to ditch and take no care and no thought in what the end results will be in the draining of waters onto other people's property, will become concerned; it must become a matter of some concern and responsibility for them to take care.

Mr. Speaker, I take a good deal of pleasure in moving **Bill No. 120, An Act respecting the Control of Drainage of Surface Water.**

**SOME HON. MEMBERS:** Hear, hear!

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

**Yeas – 26**

Blakeney	Pepper	Allen
Bowerman	Robbins	Skoberg
McArthur	MacMurchy	Mostoway
Banda	Hammersmith	Kowalchuk
MacAuley	Feschuk	Byers
Vickar	Rolfes	Cowley
Tchorzewski	Long	Johnson
Nelson	Thompson	Engel
Poniatowski	White	

**Nays – 14**

Larter	Lane	Taylor
Rousseau	Swan	Pickering
Garner	Muirhead	Katzman
Duncan	Andrew	McLeod
Collver	Ham	

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow (Attorney General) that Bill No. 124 – **An Act to amend The Queen's Bench Act (No. 2)** be now read a second time.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow (Attorney General) that Bill No. 127 – **An Act to amend The Small Claims Enforcement Act** be now read a second time.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cowley (Provincial Secretary) that Bill No. 131 – **An Act to amend The Members of the Legislative Assembly Superannuation Act, 1979** be now read a second time.

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, reading the bill through, it seems to indicate that those who preceded the present members in the House will be allowed to receive benefits even though the amount of money they would have put in at the time when they were members (not being put in at that time and now being placed in) will not accrue the interest. Therefore, this will put a burden upon the provincial treasury for unfunded liability.

And therefore, Mr. Speaker, the concern I have is that the people who will be benefiting had the option of placing money in earlier and didn't take it and now are going to be given the option again. That's the real crux of the matter. Some individuals like the past member, Mr. Whelan, who just left the House, will proceed in making his pension larger than he would have received in wages in the House, and some other members also. That's my concern about the bill.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cowley (Provincial Secretary) that Bill No. 134 – **An Act to amend The Business Corporations Act** be now read a second time.

Motion agreed to and bill read a second time.

## **COMMITTEE OF FINANCE – REVENUE, SUPPLY AND SERVICES – VOTE 18**

### **Item 1 (Continued)**

**MR. P. ROUSSEAU (Regina South):** — Mr. Minister, when we left the Department of Revenue, Supply and Services back in early May, I had started to ask you some questions on the automobiles that you were purchasing this year. You indicated that you had only two vehicles in your entire fleet that were subcompacts. What do you consider a subcompact in terms of makes and models? Could you give me that information please?

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services):** — The size of a Chevette.

**MR. ROUSSEAU:** — Do you consider European or Japanese cars (imports) as subcompacts?

**MR. ROBBINS:** — Well, a car like the Honda Civic, or the Chevette, or the Volkswagen Rabbit, would be classified as a subcompact.

**MR. ROUSSEAU:** — Would all Japanese cars be subcompact? Like Toyota, Datsun?

**MR. ROBBINS:** — No, some of them would be considered larger than a subcompact. The Toyota Crown, the Honda Prelude, I think they're called, I'm not sure.

**MR. ROUSSEAU:** — All right. My next question on that then is do you own any Japanese or European cars at the present time other than the two? I don't know what these two are

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that you talked about. These two subcompacts might be Chevettes for all I know.

**MR. ROBBINS:** — We have two Rabbits – Volkswagens.

**MR. ROUSSEAU:** — O.K. Well that brings me back to the question I asked you at that time. I don't think even you would give me an argument that those cars are far more economical to buy and to operate than most North American cars. You could probably make an argument that you buy North American cars because they are built here and we are going to provide the employment, or help to provide that employment, and so on and so forth.

However, we do a lot of business with the Japanese, the Europeans and other countries as well. I was just reminded that the Volkswagen now is a North American car. Why then would you not, in other makes of European or Japanese cars, or for that matter North American cars, the Volkswagen, or others that are built over here, and that are more economical, increase your fleet of that size of car?

**MR. ROBBINS:** — Well, Mr. Chairman, what we've been doing is moving from standard sedans down to what we term compacts: Ford Fairmont, the AMC Concord, etc. We currently have a very large number of those in the fleet. In fact, we've gone from 18 per cent of the fleet that could be classified as compacts in April 1977, to 47 per cent by January 1, 1980. We will be at 60 per cent by January 1, 1981. We have moved from the standard Chev, Ford and Plymouth sedan down to Concorde, Fairmonts, Aspens, that sort of car with a 108 inch wheel base or smaller.

**MR. ROUSSEAU:** — Mr. Minister, you did not answer my question about why you don't increase your size of fleet to the subcompact. Those are very economical cars that will give you perhaps 30 per cent, 40 per cent or 50 per cent more economy in the operation of them.

**MR. ROBBINS:** — Of course, one of the reasons is often these people are transporting equipment and things in their cars. I suppose they'd have more difficulty with the smaller car. We've just not moved to the subcompact to any large degree, but we have moved appreciably from the standard sedan to the compact.

**MR. ROUSSEAU:** — Mr. Minister, if that is your reason, I'll give you a pretty good argument to counter it. As you well know, I've been in the automobile business for many years of my life. I will venture to say that many of those small cars, subcompacts, have as much volume, and some have more in the trunk area for example, than do the North American cars. Now there's no question about that.

I haven't seen too many government cars driving around this country (and of course I can recognize them, particularly when it comes to the Concord; 95 per cent of them are owned by the government, and that's true) with more than one person in it. Now, you're driving around in many cases, with one person in the car. They are not being shared by employees of the government.

Those subcompacts, and I just last week looked at some of them as far as trunk volume space is concerned, are far bigger than most of the North American standard cars. So that excuse is a very lame one. As I say, I can counter your argument very easily. Again, if we have a much more efficient automobile in operation (I'm talking about operating costs), why not increase (I'm not saying all of them) your percentage from two vehicles to a percentage of some of those vehicles? I think, if I recall correctly, you're operating

around 4,500. Why not increase that percentage to even 5 per cent or whatever to give you that much more efficiency?

Now here's the other point I would like to make. You indicated that you've gone from the standard automobile to the compact. Again, I will remind the minister that going from the standard automobile to the compact hasn't increased your economy on those cars. The economy of a compact today, with the exception of perhaps the odd model (and you mentioned one that I agree is not bad), is not any better because they have the same power train as do the standard automobiles in most cases.

**MR. ROBBINS:** — No, we have improved the economy to some degree. We save about two miles per gallon in the operation of a compact car over a standard sedan. The total mileage driven last year was some 44 million miles. Therefore, it has some measurable impact on it. I should perhaps point out to you that two years ago the central vehicle agency didn't even break even. Last year, it cleared about half a million dollars. So we have been making some progress in that regard.

In so far as going to subcompacts is concerned, I have no argument against it. I'm quite willing to drive a subcompact as long as it gets me there and back. If it does it more economically and does it in reasonable measure, I'm not the least bit worried about that approach at all. I do know that they had some Japanese cars in the fleet, some Datsuns and some Toyotas. They have to be acceptable to the user agencies obviously, because CVA doesn't just buy the cars and say you're going to use them. They have to be acceptable to the various departments that are going to be utilizing them. We will attempt to draw to their attention the value of going to subcompact cars. We will certainly push that approach. If that's the reasonable and rational thing to do, we're not opposed to it at all. But you do have to get general acceptance from the departments. It's a process that you don't just change overnight. We've spent considerable time switching from standard sedans basically to compacts.

**MR. ROUSSEAU:** — Mr. Minister, I don't think it is incumbent upon the employees to tell the government what they're going to drive. I think the government has the right to indicate to the employees the automobiles that they'll have for next year. Cabinet ministers are the only people who have the right to go and pick their automobiles. As you know, when a tender is submitted, it's the low tender that gets the order. So therefore they're not asking for a particular choice of automobile. What you're saying is that they may not want to drive them. Well, if that's all they have to drive, I suggest to you that maybe that will be the case.

Now you also indicated that by going from standard to compact, you improved your efficiency or economy by two miles to the gallon. Again, I would remind the minister that by going to the subcompact you will improve by at least 10 miles to the gallon.

One more point I want to make while I'm on my feet. You indicated a half-million dollar profit last year in the central vehicle agency. I suggest to you, Mr. Minister, that you should not be looking for a pat on the back. If you were doing proper cost accounting on your aircraft, for example, that half million dollars might easily be wiped out.

**MR. ROBBINS:** — I wouldn't agree with the member, but I want to make a comment, if I may, with respect to the fact that employees have some say in terms of the automobiles they drive. A former premier of this province attempted to get the civil service using Volkswagen Beetles, but he was very unsuccessful with respect to it. A lot depends on

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taking those people along with you and getting them to accept the concept, so that they do use the vehicle that they're driving in a rational and reasonable manner. I should also point out to you that it's not always feasible, of course, to use a subcompact car. We send out four and five auditors at a time on audits and they carry briefcases, fairly bulky ones, with them, and they would have some real difficulty in a subcompact car, particularly if we had auditors the same size as the member for Meadow Lake.

**MR. ROUSSEAU:** — Even he wouldn't have any problems, Mr. Minister. I'll just make this one comment on that subject and then I'll carry on with something else. Please don't try to compare what happened 10 years ago with today. It is a well-known fact that the European, Japanese or the small subcompact automobiles, some of them North American (as we discussed earlier) are well accepted today by the public. Ten years ago they were not; today they are for several reasons. People today are going from a large car to the standard or subcompact automobiles because of the cost of operation. The rides are much improved; the front-wheel drives, for example, are a better handling car than some of the standard rear-wheel drive cars. Everything changes in time and to compare today with 10 years ago is not realistic in any way.

I think you should take another look. You have indicated you may do this and I hope you will because I certainly am not standing on my feet here today speaking for any automobile dealer or manufacturer in this country. I am speaking as a member of this legislature who is concerned about the cost of operating the vehicles. You do have a large fleet; you indicated a minute ago yourself that your vehicles put on some 45 million miles last year. That is a lot of money to spend on transportation for civil servants so I suggest to you that a more efficient and cost-saving method be used or looked at. If you find savings, go after it, because there are many of those small cars today which are desirable automobiles. They handle well; I have driven some of them myself as recently as last week because I am going to be buying some. I suggest to you, Mr. Minister, they are well-performing automobiles so I am sure civil servants will be very happy with them, particularly if we can save some 20 per cent or 30 per cent in your department.

**MR. ROBBINS:** — One other point I should perhaps make is that the capital cost of a lot of those foreign makes is still relatively high and the service on them is not always the best. I don't have to be convinced, though, by the member for Regina South; I was driving a 90-inch wheelbase car in 1951 and the one I have now is a 96-inch wheelbase car, so you don't have to convince me.

**MR. ROUSSEAU:** — I am well aware of the fact that I don't have to convince the minister. I am just saying that I have to convince you to convince the others — the people who will be owning and driving these automobiles. Just to touch again on your comment that the capital cost is relatively high, it is still less, in many cases, than the North American cars . . . (inaudible interjection) . . . Oh, in some cases, yes. I can name you some that are less money; some are a little higher, that's true. As far as service is concerned, I don't think today that is a valid excuse any more. It used to be at one time; when you only had three or four dealers within the province, it was a problem. But look today at the number of dealers within the province selling these different automobiles and you'll find the service is available. As a matter of fact, even North American jobbers are handling many of the electrical parts and other parts for these foreign-made automobiles, so it doesn't have to be done by one particular dealer; it can be done by service stations and other places where you can have your service done.

To move on to another area, we asked you also, back in early May, if the government



were contemplating the purchase of any executive aircraft. At the time you replied no. I'm just going to ask the question again today. Has it changed since that date?

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

**MR. ROUSSEAU:** — I hate to pursue it . . . I'll leave it alone because I could get carried too far and I don't think the time will permit.

Your department acts as the purchasing agency of the government, is that right?

**MR. ROBBINS:** — Yes.

**MR. ROUSSEAU:** — Does the purchasing department also handle purchasing for the Crown corporations?

**MR. ROBBINS:** — Generally not. If a Crown corporation wishes to use the purchasing agency, it can; but they're not required to.

**MR. ROUSSEAU:** — How many are using it?

**MR. ROBBINS:** — Sask Tel, Sask Power, are two that do.

**MR. ROUSSEAU:** — Does the potash corporation use it?

**MR. ROBBINS:** — I can't tell you at the moment. We'll check that out.

**MR. ROUSSEAU:** — Is it the practice of the government today to use low tender on most tenders?

**MR. ROBBINS:** — Yes, Mr. Chairman.

**MR. ROUSSEAU:** — I'll go a little further then, on all?

**MR. ROBBINS:** — We have instances where it doesn't necessarily apply, for example a supplier within the province who has given good service, who may not be the low tender. If that individual firm did not get the tender it's possible that you'd have jobs cut out. I can give you one example. I suppose there's no harm in mentioning one, and that is for paint supplies for the highway. It's a good example.

**MR. ROUSSEAU:** — Mr. Minister, is it the practice of the purchasing, revenue supply, or the government, or any agency of the government to investigate in any way, shape, or form, firms which tender for government contracts, as to whether or not the principals of any of those firms are employees of Crown corporations or department government agencies?

**MR. ROBBINS:** — No.

**MR. ROUSSEAU:** — Well I don't suppose this is the estimate in which we should pursue the matter. You know the feeling of the opposition when it comes to conflict of interest of deputy ministers or any employees of the government who are shareholders in companies that are doing business with the government. Certainly I believe this will be coming up at a later date, Mr. Minister.

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I would suggest to you as minister in charge of the Department of Revenue, Supply and Services that perhaps it might be a policy or regulation that should be looked at for the benefit of the taxpayers in the province of Saskatchewan wherever favoritism could be shown to certain employees of the government who are also shareholders or owners of certain companies that are doing business and tendering on contracts with the Government of Saskatchewan.

**MR. ROBBINS:** — I don't disagree with your contention but it's pretty difficult for us to investigate the ownership of companies in terms of contract needs. I don't know how you'd go through that process without finding yourself in some difficulty.

**MR. ROUSSEAU:** — Well, if you don't know, I'll explain it to you very simply Every company in Saskatchewan is registered and a list of shareholders is at the registry office of the Provincial Secretary. Therefore, any time a tender is to be awarded it would be a matter of a five minute telephone call to inquire whether or not any officer or shareholder of that company is in fact employed in a department or Crown corporation of the government. That's how easy it would be.

**MR. ROBBINS:** — We are quite willing to provide a list and compare it with the Provincial Secretary's list of shareholders in Saskatchewan, but you might run into some peculiar situation. You might have a person who had five shares in an organization, having very little impact, if any, on that organization (votes in terms of his shares). Well, I suppose I could use an example where you might have 2,000 shares and have 1,000 shareholders with 999 of them holding one share each and the other fellow holding 1,001; he would have control of the company. That often happens. But I share your concern that we should not have people, who are employees of the government, dealing with the purchasing agency. As far as we know, that is just not occurring.

**MR. ROUSSEAU:** — Mr. Minister, I appreciate the fact you share my concerns. However, the fact of the matter is, if that shareholder of that company which is going to be receiving a contract from the government, is an employee of the government, he has a better opportunity to influence the direction of that contract than does an MLA on this side of the House who is not allowed such luxuries. I say to you that any member, particularly at the management level (deputy ministers down) of the government who has shares in companies, which are doing business with the government, has a choice. He can either quit his job or sell his shares, and not to a member of his family. I suggest to you that could be looked at. I am not asking for a list of all of them; I am asking you when you award a contract to a firm involving any number of dollars, that the shareholders of that firm be investigated to find out whether any of them (and that wouldn't take you any more than five minutes) are employed by the government.

**MR. ROBBINS:** — I am not, of course, arguing against your argument. I agree. We don't think it is happening. You say it has a possibility of happening. We will take whatever steps we can to ensure that it doesn't happen.

**MR. CHAIRMAN:** — Order. I wonder if the hon. member for Shaunavon could introduce some students in the gallery.

#### **INTRODUCTION OF STUDENTS**

**MR. D. LINGENFELTER (Shaunavon):** — Thank you, Mr. Chairman, and thank you to the member for Regina South for giving me the opportunity to introduce a group of

students. They are Grades 4 to 8 students from the Aneroid School in my constituency. They are accompanied here today by their teacher Robert Young. They are with us here today to observe the Assembly and to tour Regina. I am sure all members will want to join with me in welcoming them here and to wish them a safe return to their constituency tonight.

**HON. MEMBERS:** Hear, hear!

**COMMITTEE OF FINANCE – Revenue, Supply and Services – Vote 18 (continued)**

Item 1 agreed.

Items 2 to 4 agreed.

**Item 5**

**MR. ROUSSEAU:** — Just a quick question on that one. Other expenses have almost doubled. I wonder if you could give me an explanation as to why.

**MR. ROBBINS:** — There are two items basically: salary adjustments of \$117,810 which were the standard increments during the year related to the contract; secondly (and this is the major item), there was \$321,500 for the systems development in a new revenue reorganization related to E&H tax, fuel taxes, tobacco taxes, etc. We are also looking at a systems development which would centralize revenue collection and maybe take it out of other departments as well, rather than have some departments doing some of their revenue collection with all occurring revenue, supply and services.

**MR. ROUSSEAU:** — Is that an expense for this year and once it is established it will go back to the old one? Or is this going to be an ongoing additional expense?

**MR. ROBBINS:** — It doesn't recur except that this is phase two and there is a third phase. Then it is finished.

Item 5 agreed.

Item 6 agreed.

**Item 7**

**MR. ROUSSEAU:** — Again, Mr. Minister, this is five times what you had last year in other expenses. Is there any reason for that?

**MR. ROBBINS:** — Yes, it is basically again the systems development on the revenue monitoring which we are talking about and I mentioned previously.

Item 7 agreed.

**Item 8**

**MR. ROUSSEAU:** — Just two questions, one refers to all of them. I noticed you have used about 10 per cent in personal services this year. Is that pretty well the standard rate? The wages I don't think have gone up 10 per cent, but you have 10 per cent in here.

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**MR. ROBBINS:** — 8.5 per cent.

**MR. ROUSSEAU:** — Well, with all due respect, the calculations I have made work out to 10 per cent. For example, on item 1, it is the same number of people and yet \$71,000 over \$641,000. As a matter of fact it is a bit more than 10 per cent; it is about 12 per cent. If you look all the way down, it is about the same thing.

The last question I have on that is, why the doubling of your staff in the central revenue collection?

**MR. ROBBINS:** — The extra people there, Mr. Chairman, are related to the capital gains rebate program which involves rebating a portion of the tax collected at the federal level, the proportion which comes to the provincial . . . Pardon?

**MR. ROUSSEAU:** — You had that before.

**MR. ROBBINS:** — No, this is the first year.

**MR. CHAIRMAN:** — Agreed? Item 9 . . .

**MR. ROUSSEAU:** — Mr. Chairman, the minister did not answer my other question.

**MR. ROBBINS:** — The standard adjustment was 8.5 per cent but there were other increment adjustments as well.

**MR. ROUSSEAU:** — What did the total work out to in percentage? Mr. Chairman, if it is going to take some time, I will accept it tomorrow or at a later date.

Item 8 agreed.

Item 9 agreed.

### **Item 10**

**MR. P. ROUSSEAU (Regina South):** — Mr. Chairman, I have just two questions. With the new act, The Fuel Petroleum Products Act, being brought in today, will this increase by a significant amount next year? And secondly, are you still using the 3 cents and will you continue to use the 3 cents under the new calculations?

**MR. ROBBINS:** — At the moment, yes. We are still using the 0.6, no change.

**MR. ROUSSEAU:** — What about the other question? Are you anticipating a significant increase next year or the year after?

**MR. ROBBINS:** — No, because it's fixed in legislation.

Item 10 agreed.

Items 11 and 12 agreed.

Vote 18 agreed.

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**REVENUE, SUPPLY AND SERVICES – SUPPLEMENTARY – ORDINARY EXPENDITURE –  
VOTE 18**

Item 1 agreed.

Supplementaries Vote 18 agreed.

**PUBLIC SERVICE SUPERANNUATION BOARD – VOTE 34**

**Item 1**

**MR. ROUSSEAU:** — Just a minute, Mr. Chairman. Will you give me a minute, please?

**MR. CHAIRMAN:** — It now being 5 o'clock, I leave the Chair until 7 o'clock.

The Assembly recessed until 7 p.m.