

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Nineteenth Legislature

Thursday, April 2, 1981.

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICE OF MOTION

MR. LANE: — Mr. Speaker, I give notice that I shall on Monday next, move:

That this Assembly, recognizing its support for the concept of a permanent independent office of Speaker, urges the Government of Saskatchewan to immediately establish a royal commission to study the concept of an independent permanent Speaker.

SOME HON. MEMBERS: Hear, hear!

WELCOME TO STUDENTS

MR. PICKERING: — Mr. Speaker, it's indeed a pleasure for me to introduce to you, and through you, 16 grade 12 students from the Avonlea High School. They are accompanied here today by their teacher, Karen Marsh and bus driver, John Hubbard. They are seated in the east gallery. Mr. Speaker, of course Avonlea is well-known in Saskatchewan as well as in Canada for being the home of the curling Campbells. Skip, Garnet Campbell brought the first Canadian curling championship back to Saskatchewan here in Regina in 1955; and also, Mr. Speaker, I had the pleasure of curling with him for some 17 years after that, which was perhaps his downfall. I hope the students and their chaperones find their visit here today educational and informative. I will be meeting with them in the rotunda for pictures, and downstairs for a drink later. I wish all members to join with me in welcoming them, and wishing them a safe journey back home.

HON. MEMBERS: Hear, hear!

MR. McLEOD: — Mr. Speaker, it gives me pleasure to introduce to you, and through you to all members of the Assembly, a group of 33 grade 11 and 12 students from the community of Goodsoil in the northwestern part of Saskatchewan in my constituency. I think these people are to be congratulated: their teachers here with them, Mr. Tanejai and Miss Naismith, their bus driver, Carl Holfes, and the principal of their school, who is not here. But the people in that school should be congratulated for seeing the educational good that a trip like this can do, when you consider that they've come over 400 miles down here. Certainly, we hope they enjoy their stay here at the legislature and find it educational and informative. I understand they will be going to Saskatoon to look at some of the sights there tomorrow on their way home. I hope they enjoy their trip, and I hope that you will join with me in welcoming them, and wish them a safe journey home.

HON. MEMBERS: Hear, hear!

MR. CHAPMAN: — Mr. Speaker, it gives me a great deal of pleasure to introduce

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through you to the Assembly, 45 students: 30 of whom are exchange students from the province of Quebec, and 15 from the Estevan Comprehensive High School. They are here today in the Speaker's gallery, and are accompanied by their teachers, Donna Duncan, Irwin Krueger, Yvon Richard, Jocelyn Bordeleau, and Doris Folbar on the administrative staff and the member of ECS. The students from Quebec are here on a one week exchange, and they are hosted by the Estevan Comprehensive School. Indeed, I am pleased that they chose to visit this Legislative Assembly of the province of Saskatchewan, and that I have the opportunity to welcome them, along with the students from the Estevan Comprehensive School to this Assembly. I hope that you have an informative afternoon in the legislature, an enjoyable visit to the city of Regina, and a safe journey home. On April 27, 30 students from the Estevan Comprehensive School will journey to the province of Quebec. I would ask all members to join with me in welcoming them to the Assembly.

MR. ROUSSEAU: — Thank you, Mr. Speaker. Monsieur L'Orateur, c'est un plaisir aussi pour moi, au nom des membres de l'Assemblée d'accorder une chaleureuse bienvenue à ces jeunes de la province de Québec. J'espère que vous alliez jouir de votre séjour ici. Aussi, j'aimerais vous souhaiter un bon voyage de retour.

HON. MEMBERS: Hear, hear!

MR. NELSON: — Monsieur le Président. Moi aussi je veux souhaiter une chaleureuse bienvenue aux 30 élèves du Québec, qui sont venus d'Ecole Polyvalente les Sergneuries, je crois, dans la ville de St. Pierre-les-Becquits. Je voudrais dire que j'étais dans votre province il y a deux mois. C'était un voyage qui était très, très agréable. Vous autres Québécois, vous êtes des autres par excellence. Tout le monde qui était dans le voyage avec nous, les trois autres députés de l'Assemblée ici, nous contemplons retourner à votre province bientôt. Nous espérons que votre séjour ici sera aussi agréable que le notre chez vous. Nous espérons aussi que votre visite dans notre Assemblée sera très intéressante et très agréable. Enfin, nous vous invitons tous à revenir bientôt nous visiter. Vous êtes toujours bienvenue ici. Merci.

HON. MEMBERS: Hear, hear!

MR. LANE: — Mr. Speaker, it gives me a great deal of pleasure to introduce to the Assembly, through you, some 55 grades 5 and 6 students from the Dr. George Ferguson School in Glencairn, in my constituency. They are accompanied by Mrs. Ferguson and Mrs. Gulka-Tiechko. I look forward to meeting with them later. We will be having refreshments and pictures. I am sure they will find the afternoon informative. Mr. Speaker, I hope all members will join with me in welcoming the students to this Assembly.

HON. MEMBERS: Hear, hear!

MR. DYCK: — Mr. Speaker, I very delighted to introduce to you and to the members of the legislature, 38 grades 6 and 7 students from Mayfair School in the Saskatoon Mayfair constituency. I apologize in advance for the pronunciation of these names. They are accompanied by their teachers, Mr. Van Meenen and Mrs. Byneskowsky. (And I got the laugh I sort of anticipated by mispronouncing those names.) I want to welcome them to this legislature. I hope they have an enjoyable afternoon in the legislature and in Regina. I also look forward to meeting them later on in the rotunda area. Perhaps we can have an exchange of questions. I hope you have a safe journey back to Saskatoon.

HON. MEMBERS: Hear, hear!

QUESTIONS

School Unit Mill Rate Increases

MR. THATCHER: — Mr. Speaker, a question to the Minister of Education. I am sure the minister is aware that within the past few days many school units in the province of Saskatchewan have set their mill rates. If I may, just very briefly, give some of the increases to the minister, in and around Thunder Creek: Thunder Creek School Unit, 9; Davidson, 14; (these are increases) Herbert, 20; Outlook, 14; Yorkton, 18, and the list goes on and on. My question to the minister is simply this. In light of these tremendous increases which these school units have found necessary to implement on their property holders, would the Minister of Education acknowledge in this Assembly today that obviously his grants to these school units are totally inadequate?

HON. MR. McARTHUR: — No, I would not acknowledge that the grants are inadequate. I think, as the hon. member is aware, the decision with respect to mill rates set by school boards is one which they make. The distribution of funds takes place through the foundation grants formula, which is basically an equalization system. Schools boards that wish to go beyond the levels of increases in funds which are associated with the foundation grant system are, of course, free to that. I do not have information at this time on why individual school boards have increased mill rates at the level they have, although I am certain that if the hon. member were to ask those boards, they could explain in detail some of the programming decisions they have made in association with those.

MR. THATCHER: — Supplementary question to the minister. Yes, Mr. Minister, I have asked them and this is the answer, and I would convey this to you in the form of a question. You've indicated a moment ago that it was a local decision. May I specifically use the case of Thunder Creek school unit? Its increase is nine mills. I am informed by the board that seven of those nine mills are specifically for salary increases to teachers. As the minister well knows, the salary increases, even though they have not been approved as of yet, are jointly negotiated by the teachers, the trustees and representatives of the provincial government. Since seven out of nine mills in Thunder Creek (and the same proportion would follow through, I'm sure, throughout the province) have been negotiated virtually by the provincial government since you hold the deciding balance, obviously your grants must be inadequate. Are you not, in effect, simply sending the bill back to local government when you, in effect, negotiated that increase?

SOME HON. MEMBERS: Hear, hear!

HON. MR. McARTHUR: — The hon. member should know that the teachers' salary increase, which I think is a justifiable one and a perfectly defensible one, is negotiated in conjunction with trustees as well as government members of the committee. If the hon. member is saying that the trustee members of the committee disagree with the level of salary that has been reached in the negotiations, then he knows something that I don't know. I have not received any such communication from them.

I would say to the hon. member that I think the salary change has been made in accordance with a perfectly acceptable system of bargaining those agreements.

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The hon. member should know that we contribute directly through grants close to 55 per cent, on average, of the costs of school operation in Saskatchewan. In addition we contribute the major part of the costs of capital construction. There is a down payment that school boards must raise in the first year of construction, which can affect mill rates in that given year on a one-time only basis, but other than that we pay those costs.

I think the proportion of costs we are sharing directly is hardly equalled anywhere else in Canada. In addition through the property improvement grants we contribute another major rebate on property taxes. In total, the provincial government is assuming 75 per cent of the costs of education in this province. I think that is a very adequate level of grants in support of education and I would defend that anywhere.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — Supplementary question to the minister. The minister knows full well that when these increases, as negotiated by the three levels, are passed on to the local school unit boards, the school units have only a few options. They can reduce the number of teachers; they can close schools; they can close classrooms. Is the minister telling this Assembly today that in rural Saskatchewan it is a satisfactory procedure to pass the bill on to the local school unit? Is he telling us he finds it acceptable, when they cannot raise the money except by making these huge increases, that they be forced to reduce the quality of education by either reducing staff or reducing the schools?

HON. MR. McARTHUR: — Mr. Speaker, I reiterate what I said before. We do not make decisions on behalf of the school boards about the number of teachers they should have or about the direct nature of the program they should offer. There was a time, and there was a government previous to this administration (just previous, I might add), which did try to operate a system like that. I would point out to the hon. member that practically every school board, if not every school board in this province, felt that system was not an acceptable one and rejected it. They asked that we go to a system whereby we provide a level of funds that is distributed to boards on the foundation grant basis, and the boards then make their decisions about the number of teachers they wish to have on staff, the extent of the program they wish to offer, and the mill rate that they set, freely, to finance that program.

I would say to the hon. member that system is accepted throughout Saskatchewan by school boards. I would hope the hon. member is not suggesting we revert back to the system that existed about 10 years ago, for it sounds dangerously like what he is suggesting.

Rise in Farm Credit Corporation Interest Rates

MR. GARNER: — Mr. Speaker, I have a question to the Minister of Agriculture. Mr. Minister, in light of the statement that was made by your federal counterpart, Mr. Whelan, yesterday, announcing that farm credit corporation interest rates will go up to 14 per cent from 12.75 per cent, do you now not agree that it is time for you, as the provincial Minister of Agriculture, to implement a program to help to enable young farmers to purchase land in the province of Saskatchewan?

HON. MR. MacMURCHY: — Mr. Speaker, the policy of this government, with respect to programs for farmers to assist them to get into farming, is very clear. The program has been, and is now, a land bank program and a FarmStart program. We have left the area which farm credit covered to farm credit, as part of the national policy.

I would argue with the member that the problem with the increase in interest rates with respect to farm credit is simply a problem which should be focussed in terms of farm credit interest rates. But it is part of an overall policy of interest rates being established by the federal government.

MR. GARNER: — A supplementary, Mr. Speaker. Mr. Minister, it is quite evident that the federal Department of Agriculture is not concerned about the farmers in Saskatchewan, and I think you would be the first one to agree, in light of the total shambles that the herd maintenance program is in, in western Canada. Will you now not agree to implement a program — a policy of the Progressive Conservative Party of Saskatchewan — to allow young farmers to borrow \$350,000 at a mortgage rate of 8 per cent for the first five years, and 12 per cent, or market value, for the remaining 20 years (whichever is the lower) in order to enable the young farmers in Saskatchewan to buy and own their own land?

HON. MR. MacMURCHY: — Mr. Speaker, no, I do not believe we should consider such a policy. I'm not sure that the farmers in Saskatchewan are interested in such a policy. There have been policies of this nature around the province of Saskatchewan in the past, and there were opportunities to implement such policies, and the farmers of Saskatchewan did not have the opportunity to get the benefit of such policies. I think they would look at this policy proposed by the hon. member for Wilkie as something they would pursue with some caution.

I think it should be the purpose of members opposite, and this government, to focus their attention on national policies, as they relate not only to the issue of farm credit, but as they relate to the issue of overall interest rates. I note that the members opposite tend to be reluctant to do that for obvious reasons — because the spiralling interest rates began when their party was in power in Ottawa.

MR. GARNER: — Mr. Speaker, a supplementary to the minister. Mr. Minister, will you not agree that the provincial government is not protecting the farmers of Saskatchewan against the high inflationary rate by wanting to own all of the land in Saskatchewan? And are you not aware that there is a very large percentage of young farmers in Saskatchewan who do not want to be tenant farmers of your land bank program?

HON. MR. MacMURCHY: — Well, Mr. Speaker, I suppose one can argue about how much land farm credit owns, how much land land bank owns. It's not the purpose of the land bank program to be the only vehicle for assisting young farmers getting into farming. But it is one vehicle which has produced significant results in terms of the number of young farmers who are farming in this province.

We will continue to address land bank as one vehicle of assisting young farmers in getting into farming. There are conflicting arguments about the level of funding with respect to land bank. I hear more arguments that there is not enough money allocated to land bank to meet the demands than the argument put forward by the hon. member for Wilkie who says there is too much land bank money.

Farmers Pay For Machinery Twice

MR. SWAN: — My question is to the Minister of Agriculture in the absence of the Minister of Consumer Affairs. The question deals with an article in today's paper titled

"Farmers Must Pay for Machinery Twice," and I'm sure you are aware of the case in point. Has your department been taking a look at what the Government of Saskatchewan could do to avoid a circumstance like this arising again in this province? Have you looked at the legislation which is in place to protect farmers from unscrupulous implement dealers?

HON. MR. MacMURCHY: — Mr. Speaker, in reply to the hon. member for Rosetown-Elrose, yes, the issue is before the government. It has been brought to our attention by the MLAs from the area involved. As the hon. member knows, the matter has been before the courts of two of the unfortunate producers or farmers.

I can't respond to the hon. member today directly on what the government will be doing, but our intentions are to introduce legislation in this session to protect farmers in future circumstances. Presently we're looking at amendments to The Agricultural Implements Act as the vehicle to do it. I won't commit myself, nor can I commit myself, that that will be the vehicle. But our intentions are to introduce legislation; what form it will take, we will have to wait to see. I note in the hon. member's question that we can't do anything about what has happened, but it would strongly appear that we can do something to protect farmers in the future. I don't share the hon. member's point that we should focus on unscrupulous implement dealers. I have a good deal of respect for the agricultural machinery dealers in this province. Perhaps the hon. member hasn't. I am more concerned if we can do it by zeroing in on the unscrupulous finance companies, and there is a finance company involved in this particular case.

MR. SWAN: — Supplementary to the Minister of Agriculture. I have a notion, Mr. Minister, that you took my words out of context, and, if you'd like to come back, you may do so. I agree with the minister that many of our machinery dealers are very upstanding people. Are the machinery dealers in Saskatchewan required to carry a performance bond? If they are, how much is the bond?

MR. MacMURCHY: — Mr. Speaker, I apologize to the hon. member for picking up on his earlier remarks. The answer to the hon. member's question is that I don't know for sure. My understanding is that they are not required to be bonded. There is bonding in other provinces for machine dealers (so I'm told), but I would not want to commit myself to that. I would assume that the people who are drafting the legislation will take into account the bonding idea, and perhaps other ideas, in addressing this matter.

Natural Gas Hookups

MR. PICKERING: — Mr. Speaker, a question to the minister responsible for SPC (Saskatchewan Power Corporation). Mr. Minister, many farmers in rural Saskatchewan are inquiring about natural gas hookups. They are informed that estimated costs for one-half mile are approximately \$87 to \$100. For just under one mile one quote I have is \$16,800. Would the minister not agree from these quotes that you are not just providing a service but reaping a profit at the same time?

HON. MR. McARTHUR: — Mr. Speaker, the policy with respect to gas hookups of this sort is that, basically, in some form or other the costs will have to be recovered, because it is a very expensive system. We do provide some underwriting of the costs but basically those costs must be paid. The hon. member should know that the cost estimates which are provided are done specifically by calculating what has to be invested in terms of the capital facilities, the pipelines, the hookups, and so on

associated with providing that service. Those quotes, I assume, accurately reflect that. And so when farmers get those quotes they are getting a statement of the necessary costs for making those hookups. I point out to the hon. member that there is no way of eliminating those costs. We have looked at every possible way of cutting those costs down as low as possible, and there is no way of bringing them down any lower than those estimates.

MRS. DUNCAN: — Supplementary to the minister. The Foothills Pipeline main transmission line to the States is coming through the southwest portion of the province, and a lot of interest has been expressed by rural residents. Some have written to you and each of them has received the same letter that the cost of tapping a high-pressure line, the necessary reduction and odorizing equipment, and one-half mile of plastic pipeline, is about \$8,700. You are actually using this \$8,700 and deliberately distorting it as being the cost to one consumer, but the major cost is the cost of putting in a regulating station which is anywhere from \$4,000 to \$6,000, and not every consumer requires a regulating station if the thing is designed properly. Would you not admit that you are distorting these figures to discourage rural residents from pursuing the feasibility of changing to a less costly energy form?

HON. MR. McARTHUR: — No, I would not agree at all. I don't understand the reference to "exactly the same letter." I think the hon. member knows, or perhaps does not know and I could inform her, that there are quite a substantial number of farmers along the Foothills Pipeline who have worked out arrangements with Sask Power whereby they may tap off the line and do connections into their farms. We have agreements on those, and the costs are not all the same, from my recollection, but are costed out on the basis of the individual connections. There are also a very substantial number of farmers who are investing in taps on the lines, so that in future, if the decision is made that they wish to carry from those taps into their farms with lines, they will be able to do so. Each of those is designed by the engineers in accordance with what is required and the costing is done specifically as it applies to that hookup.

MRS. DUNCAN: — Supplementary. Well, I'm aware that a lot of them are investing \$250 or whatever to have that valve put in, or that tap-off put in, for future consideration. But the \$8,700 that you are quoting — could you give me a breakdown, Mr. Minister, of that, because in it you say that the \$8,700 is made up of the necessary reduction equipment, your valves, odorizing equipment and what I'm saying to you is that we do not agree when you send this out to individual farmers or ranchers. You are actually distorting the actual cost, because not each consumer requires a regulating station which makes up between \$4,000 and \$6,000 of that \$8,700. So you are actually distorting that figure.

HON. MR. McARTHUR: — I'd have to check as to whether or not the individual farmers would be prepared to be identified, so perhaps I can't identify farmers individually, but I'd certainly be prepared to provide the member with information regarding the hookups that have been arranged, the associated costs and the way those costs are established, as well as the program with respect to tapping the lines so that people may do future connections. There has been not only communication with my office but SPC officials have been meeting these individual farmers and discussing with them the necessary arrangements. I will get that information for the hon. member and I will provide the hon. member with as much information as I possibly can provide on each individual one without contravening the individual farmer's interest in not being identified.

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MR. PICKERING: — Mr. Minister, I don't think you got the point of the hon. member for Maple Creek. What she is trying to tell you is that you are putting in a reduction station for each individual farmer and charging him that price of \$4,000 to \$ 6,000. What she is saying is that there can be three, four, five or six hooked on to any one station. So, in fact, the price should be somewhere around \$1,700 for a hookup. That's exactly what she's trying to get across.

HON. MR. McARTHUR: — If it is technically feasible to use one reduction station for more than one hookup we are more than able to do that and prepared to do that. That assessment is carried out by the engineers, by the gas engineers. I am not of course a gas engineer. They carry out that assessment and where they can provide the lowest cost possible hookup, they do so.

Location of Indian Land Settlements in Saskatchewan

MR. THATCHER: — Question to the minister in charge of treaty Indian land entitlements. Mr. Minister, today your department has announced that 142,000 acres are going to be made available to the federal government for possible land settlements with the bands that are entitled. Mr. Minister, the only information available is that this is somewhere south of the northern administration district. I also understand that this will be the first land which is presently in agricultural production or agricultural use to be offered in this fashion. In essence, Mr. Minister, would you tell us where this land is?

HON. MR. BOWERMAN: — Mr. Speaker, I don't have with me here all of the land selections which are involved in that 142,000 acre commitment of land that the hon. member talks about. I'd be prepared to take it as notice and bring that information forward for the hon. member.

With respect to the issue of Indian land entitlements, I think it's not a new subject to this legislature. Saskatchewan has developed what has come to be known as the Saskatchewan formula for the fulfillment of outstanding Indian land entitlements in our province. We have developed that formula on the basis of the requests made by the federal government, under the provisions of the resources transfer agreement of 1930. The hon. member will know that in order for us to finally fulfil all of the outstanding entitlements in the province there is a potential 1.2 million acres to be set aside at some future time.

The 142,000 acres, of which the hon. member comments, is land which has been selected by various bands and does have some third-party interest that now affects the land in question. What we are doing is committing the land at this point in time, providing it is acceptable to the band and to the federal government, for the purposes of transferring it at some future time to the Indian band or to the federal government for the establishment of Indian reserves.

MR. THATCHER: — A question to the minister. Mr. Minister, since the federal government has indicated that all of its land and holdings in this province are subject to selection by the Indian bands involved, it raises an interesting point, since the PFRA (Prairie Farm Rehabilitation Administration), for instance, has extensive holdings in community pastures. Would the minister elaborate: what would the situation be with Crown land which is presently being used extensively for community pastures in this province? What effect would it have on the livestock industry? In other words, Mr. Minister, would you tell us, approximately (and I'm not going to hold you to those) how many acres of community pasture are involved in your offer — in this 142,000 acres —

to the federal government?

HON. MR. BOWERMAN: — Gentlemen, I'm not sure that I can give the member a realistic answer, or even an approximate guess, as to what number of acres would be involved in community pastures. But I would suggest that perhaps most of the acres set aside will be lands that are related to community pastures. And the provision which we have made or stipulated is that third-party agreements must be satisfied. This is what I would suggest is happening in areas where there have been discussions and undertakings both with the band and the pasture patrons which are nearing agreement. There has been an understanding reached between the patrons and the Indian bands that the only real difference that will be put into practice is that the patrons will be paying their dues to the Indian band rather than the provincial government. But the pasturing of cattle will continue. In fact, there is provision negotiated where the Department of Agriculture in some cases will continue to administer the pastures for another 5-year period, at which time they will be turned over to the bands to administer on their own. But there is some agreement being reached in various stages with community pastures and PFRA pastures, as I understand it; where there is a PFRA pasture, the PFRA will continue to administer the pasture on behalf of the band. Patrons will still pasture their cattle. Moneys received for grazing fees, grazing dues and so on will go to the Indian band rather than to the provincial or federal government.

STATEMENT BY MR. SPEAKER

Point of Privilege

MR. SPEAKER: — Yesterday the hon. member for Souris-Cannington raised the point of privilege to the effect that the reply to an oral question was misleading. I deferred my ruling at that time. I want to take this opportunity to stress to all members that the protection of the privileges of the members of the Assembly itself is paramount. It therefore follows that to raise a point of privilege is of great importance, and should not be taken lightly.

On several occasions lately I have been asked to rule on whether an answer to an oral question was sufficient. The point is actually a dispute over fact, which should lead to debate. It is the role of members to debate issues, but it is not the role of the Chair to ascertain whether an oral question or answer is based on fact. This is for the House to consider. Actual points of privilege arise very rarely and pertain to instances where the rights and privileges of members have possibly been infringed upon. If the member feels that an answer to a question is vague or not the answer he would like, the opportunity is there for the member to ask a supplementary question or new questions on subsequent days. I would ask all hon. members not to involve the Chair in a dispute of fact.

I have reviewed the point raised by the hon. member for Souris-Cannington, and find that no *prima facie* case for privilege exists. I refer all hon. members to Beauchesne's *Parliamentary Rules and Forms*, Fifth edition, page 12, paragraph 19, sub (1), and paragraph 114, and paragraph 322.

MR. BERNSTON: — Naturally you have made your ruling and I accept that. I would just wonder why in your ruling there was no reference made to the letter to which I referred and, in fact, provided you with a copy. You were asked to review that and make your

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ruling based on the letter and the comments in *Hansard*.

MR. SPEAKER: — I sought advice from a number of locations. One of them was the letter which the member presented. The other ones were the *Hansard* of March 27, 1981, and the raising of the point of privilege on April 1, 1981. All were considered.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 50 — An Act to amend The Rural Municipality Act

HON. MR. KAEDING: — In introducing the amendments to The Rural Municipality Act, I'd like to indicate at the outset that these amendments result, for the most part, from close consultation between the Department of Rural Affairs, the individual municipalities and their administrative arm, the Saskatchewan Association of Rural Municipalities.

We are very pleased, Mr. Speaker, to have such close communication exist between the two levels of government, in matters of concern to municipal governments. This government has always made a point of providing the greatest amount of local autonomy possible. The amendments proposed here continue our efforts on their behalf. They are required to meet the ever-changing needs of local governments to enable them to serve the people of Saskatchewan more effectively.

One of the most significant amendments to the bill is legislation to provide for uniform weights for vehicles using any road within the province. Up until now, The Highways Act governed the weight regulations on provincial highways. Each municipality, by-law, subject to the approval of the highway traffic board, could restrict the weight of vehicles with their loads on municipal roads and bridges within the boundaries of the municipality. The Saskatchewan Association of Rural Municipalities, after discussion with member municipalities at district meetings and after a trial period of two years, has requested that legislation be enacted to establish uniform weight restrictions on all vehicles using any road in the province.

These amendments to The Rural Municipality Act will place secondary highway weight limits on all municipal roads. The weight of vehicles using roads will now be governed by the weight restrictions established by regulations or orders issued by The Highways Act. This achieves the objective of uniformity as requested by the municipalities. This is possible because of the extensive, uniform, high-quality municipal road system we enjoy across this province. The high level of technical and financial assistance provided over the years by this government to the rural municipalities has enabled those municipalities to develop a rural network which we believe to be second to none on this continent. The total of all the upgraded rural roads now considered capable of handling secondary highway weight limits is approximately 54,000 kilometres in the municipal system.

In addition to the power outlined above, each municipality will also be given the authority to issue overweight permits, under authority delegated by the Minister of Highways. Carriers of intermunicipal loads, using municipal roads, will have an opportunity to know what weights are allowed on any municipal road at any given time.

The municipality will be given the power to delegate the authority given to it by the Minister of Highways, to any person designated by the council. We believe that this is necessary in order to avoid any undue delays in obtaining an overweight permit by any carrier of goods or materials.

To retain local autonomy, the municipalities are also given the authority to establish a committee of two members, with powers to issue orders in accordance with the regulations, to prohibit the operation of tractors on specific municipal roads or bridges, or to restrict the weight of vehicles travelling on municipal roads or bridges. Under the legislation, rural municipalities will be given additional new powers to enable them to protect these roads. In cases where, in the opinion of the council, certain haulers of bulk commodities within or through the municipality are causing considerable damage to the road system, they may require those persons to enter into a maintenance agreement. The agreement would require such users to pay certain charges which would relate to the damage in excess of normal being caused to the road system. It will be an offence, under this act, for the hauler to continue to use the road until such an agreement is signed, and penalties are prescribed in the legislation for failure to sign such an agreement.

Up to the present time, very little of the financing of rural municipalities has been accomplished by way of debenture debt. In fact, in 1979, only eight rural municipalities had any substantial debenture debt. However, as the cost of road equipment escalates and as councils attempt to enter into contracts for longer stretches of expensive road construction, there is a need to provide more flexibility in rural municipal financing. With this in mind, we are removing some of the restrictions regarding the borrowing of funds for both operating and capital expenditures.

Under existing legislation, rural municipalities may only make loans for operating expenses up to 75 per cent of the estimated total of taxes levied without the consent of the local government board. These amendments permit loans of up to the full amount of taxes levied in the previous year and these loans may be extended for two years. In the case of debenture debt, the amendments permit an increase from 5 per cent to 20 per cent of the total taxable assessment. This will update borrowing power in rural municipalities to the same level as that now enjoyed in urban municipalities.

There is also an amendment to the act which removes statutory limitation on remuneration paid to members of the council absent from the municipality on business of the municipality.

Amendments to section 324 of the act provide a special lien upon land on which a building owned by another person is situated, where taxes levied in respect to that building remain unpaid.

These, Mr. Speaker, are the basic elements of the amendments and I am pleased to move second reading of Bill No. 50 — An Act to amend The Rural Municipality Act.

MR. MUIRHEAD: — Mr. Speaker, I have read through the explanations of this bill and there are parts that I want to study. The first part of it, section 1, is fine. When it gets into weights on road and such changes, I want, because of the record of this government on having bills go through without consulting the farmers, to make sure we have consulted them this time. So I'm going to take time to discuss this bill with municipalities. At this time I beg leave to adjourn the debate.

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Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow that Bill No. 39 — **An Act to amend The Department of Intergovernmental Affairs Act** be now read a second time.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rolfes that Bill No. 47 — **An Act respecting Dental Therapists** be now read a second time.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Koskie that Bill No. 48 — **An Act to amend The Residential Tenancies Act** be now read a second time.

MR. TAYLOR: — Mr. Speaker, in addressing this bill, there are a couple of things I want to point out to the minister regarding the plight of some people in this province who rent apartments. The situation is that people who are forced to live in rented accommodation are, in many cases, the unattached people in our society, and if we look at the most recent statistics, 37.2 per cent of the people who live below the poverty line in Saskatchewan are unattached. Many of these people are widows, and I find in my constituency that they are having a tough time meeting the demands put upon them to have adequate accommodation.

I don't think it should have to be the tenants, or those in society who own the apartments, who should have to subsidize the rent in anyway, shape or form. When we see this happening, it must indicate one or two things to us. It may be that that 37.2 per cent, those unattached people living below the poverty line in this province, need some type of rent subsidy. That could be one of the avenues that we perhaps have to look at, or it also might mean that we do not have enough adequate rental facilities in some of the areas (and I'm speaking of small towns in Saskatchewan, and I'm sure the same holds true in the cities).

I just wanted to point out to the minister, in relation to this bill, that I hope he will take into consideration the remarks I have put forth, because I certainly feel that there is a need out there. A number of these people have nowhere to turn. As I say, many of them are widows whose husbands might have been working at a time when pension plans were not very good, and they simply do not have very much money. The rents are taking a large portion of their income, so I would suggest that perhaps you should be looking at something which can help these people, so they can enjoy the dignity of life in this province that we all want to enjoy.

Those are the only remarks that I would have on this bill.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

COMMITTEE OF THE WHOLE

Bill No. 13— An Act to amend The Community Colleges Act

Sections 1 to 3 inclusive agreed.

Section 4

MR. TAYLOR: — Something has always bothered me, Mr. Minister, with regard to the community colleges. I must say that I believe the community college is a very worth-while educational venture and, in the main, they are beginning to satisfy a need that exists in Saskatchewan, especially in the rural areas. It is affording an opportunity for people to take basic upgrading skills, to take more training in fields of interest, and I think this is good. But I notice one thing that has bothered me for some time. I would put it forward as a suggestion to you and I'd like to hear your remarks on it.

In here it says:

... to establish community colleges in regions for the purpose of providing adult education programs and services either indirectly, in co-operation with existing adult education agencies, or directly in order to meet the particular needs of the adults in those regions.

It disturbs me a bit that the community college in this province is directed at the adults only. When we have declining enrolments in the schools, and schools in the rural areas that cannot offer as wide a curriculum as may be needed, I wonder why we don't mesh the community college and the school together.

Let's take art for an example. We can go into the schools and find a lot of students who have ability in art. They have the ability to become fine artists in their own right. And you know as well as I do that the existing art program in many of the schools does not develop this potential. They may try; some schools don't even have art programs. But I've often wondered why, in a town under the auspices of a community college, they will bring in a fine instructor and he will teach oil painting or water colours or whatever. (I'm using art as one example. I think we could think of many more things such as night classes in welding; I took one in meat cutting.) Now, in that same town, those students in the school have approximately seven or eight subjects to choose from. It only makes common sense to me that the two of them should be meshed together.

I don't know what the regulation is at this time. When I was teaching, there was a regulation that the students could not take a community college course. I had a girl in my high school who was a darn good painter. I said, "Baloney on that regulation. You can be absent from class at this time if you so wish. You go down and you take that art class." Now I think that was educating that girl. I think we should be looking at this and taking advantage of the community college to add to the school curriculum. I don't like to see an act that's entirely geared toward the adults of this province. I think it should be geared toward the people of this province and it should be used as a complement and a supplement to the existing school system where it can add to the curriculum.

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I know the fear. Some say that the kids will all stay away from school and go to community college at night or something of this nature. I don't think that would happen. I think their parents and the people out there, the principals and the schools, would direct those students into using what they could of the community college so that it would serve all people, not just the adults. I'd like to hear your comments.

HON. MR. McARTHUR: — Well, certainly it's not the intent that this section preclude that possibility and I don't believe it does that. I agree with the hon. member that there is an opportunity for co-ordination and for tying together the services. Essentially this section tries to establish the fact that the kindergarten to grade 12 school system has the responsibility for the young people and children. It has clearly established legislation and other support framework for ensuring that the needs of the young people are met and that there is involvement of parents and so on. This section essentially establishes that the services of the community college system will be directed toward adults and, as well, to their dependent children if that ties into the services, but the adults become the responsible people to whom this system relates. There is a distinction there. This does not mean that there cannot be services provided to young people, but the assumption would be under this provision that the families and the adults will be involved in determining the kinds of programs and services that will come through the community college system.

The families and adults could do that through their school boards and tie together the community college programs with school board programs. We have an advisory committee that's looking at that very question. But this is not restrictive in that sense; it just establishes the kind of relationship that the community college system will have with people; and it is not the responsibility of the community college system to deal directly with young people, but rather to deal through adults and parents and so on, if that is deemed advisable.

MR. TAYLOR: — You feel it would weaken this act if we dropped the word "adult" from there and just put in "services to the people of Saskatchewan." You would like to maintain that connotation of the adult in there. Is that correct?

HON. MR. McARTHUR: — Yes. I would prefer to leave it this way in that it does make the distinction. I would not object to the hon. member's change, and perhaps he could leave it with me to think about for future amendments to the act. I would not object to the hon. member's change if we also then referred to other sections of the act that provided for the opportunity of parental participation and that sort of thing, in the programming as it affects young people — children. I would not object to that kind of change. We could pursue that if the hon. member would let me think about that for our future amendments to the act. But I would not like at this time just to make that single change, because I think it then opens up the possibilities of another system delivering programs to children without making the adequate provisions in the act, which are not here, for the involvement of the parents, and for the decision-making structure that would relate to how children come into the system.

MR. TAYLOR: — That's acceptable to me. I'm not going to push that we have to change this clause. I take it that you will look into this suggestion, look at the entirety of the act and see if it can be designated toward the people of Saskatchewan. I'll go one step further. If that is not possible, by the powers of your office or of your influence, I would hope that the suggestion, where feasible, could be used as a complement to the school system.

Section 4 agreed.

Section 5

MR. TAYLOR: — I'd like the minister just to verbally explain what this means, if he would.

HON. MR. McARTHUR: — Yes, Mr. Chairman, the previous section of the act indicated that the community college board would be made up of the appointments of the Lieutenant-Governor in Council, plus the chief executive officer or principal of the college. It is our considered view at this time that there is no longer good supporting reasons for the suggestion that the chief executive officer, that is to say the principal, who is accountable only to the board, should also be part of the board. I feel, and we on this side feel, that it more appropriately establishes accountability and responsibility and the division of those things therein, if the board does not include the chief executive officer, and if the chief executive officer directly reports to the board, as is the case in the school system now, for instance, in the K to 12 system.

However, in the original proposal, we also excluded other employees of the college from any possible appointment by the wording of the section. It has been indicated to me, by a certain number of people (and I have sympathy with their argument) that there is no reason in principle that we should exclude all possible employees of the college from possible appointment to the board. It may very well be that staff and existing board members themselves find reasons to experiment with participation of employees on the board. That kind of possibility could arise; we don't have a specific proposal at this time. I would not like to preclude that possibility by this act. The bill which we had originally tabled here did that. So I have made the change which simply says, "the board shall consist of those people who are appointed," and it does not eliminate the possibility now of appointing an employee of the college to that board.

MR. TAYLOR: — Okay, do I have this correct, now? What the act says is that the chief executive officer can be on the board, and an employee can be on the board. It would seem very strange if the chief executive officer were excluded and an employee could be on. That would really hamstring him. This means that the board can consist of people from out there in society, and the chief executive officer can but does not necessarily have to be an employee of the board. Is that correct?

HON. MR. McARTHUR: — You are reading it correctly in terms of wording. I don't want to mislead the member, though. I think he and I have a little disagreement there. I happen to believe that we should not be making the appointment of the chief executive officer to the board, because the chief executive officer can only report to the board. I don't believe he should be part of the board. There are, theoretically, ways you could experiment with worker participation in the operation of the colleges by appointing some employee to the board. I don't have any formal proposition in that regard, but I want to leave that possibility open.

MR. TAYLOR: — I want to say that maybe we do have a little difference of opinion here. I have served in the same type of capacity as the principal of a consolidated school district, where I was not on the board, of course. I was accountable to the board. I think I would have been put in a very difficult position administering that school division, had one of my teachers been my boss. I think there can be a real problem. I think you are hamstringing your chief executive officer. You can't be two things. You can't be both the boss and the employee very easily. I see a problem in this.

HON. MR. McARTHUR: — I point out to the hon. member that this is the question which would have to be considered before you would appoint a member of the staff to the board. I am not saying that at the present time we intend to appoint any members of the staff. But all of the approaches to industrial democracy or employee participation in board direction of institutions or corporations have to address that question. There are many successful experiments in employee participation at the board level in the management of operations. I just don't want to preclude that possibility, if someone comes up with an interesting proposal, as it applies to some particular college. This section does not propose to appoint anybody at this point as an employee. But if there is an interesting proposal, I would like to be able to consider it as a possibility if everything works out, and we can deal with some of those questions you raise.

MR. TAYLOR: — Yes, well, I think we could probably debate this for a while, but the proof will be in the pudding. Let's see what happens.

There is another matter here that you should be looking at with regard to the boards of community colleges. If you will remember in my introductory remarks, I said I thought community colleges are doing a good thing. I think you agree that there is more that can be done. There is a whole horizon out there for them. They are becoming an important part of our society. I think it is time that the word "appoint" was dropped, and the word "elected" was substituted. I think we are at the point where these boards, because we get into the funding later, collect tuition fees. They are also financed by direct grants. Why not have them elected just the same as we in this society elect our school boards and municipal councils. This is what Canada and Saskatchewan stand for, I could understand when the community college was in its infancy that probably one had to appoint the people to get the thing going and get it built, I think it's functioning now. I think it's a very good movement, and I just wonder why we're still sticking with the appointment procedure. I think in the true, democratic spirit of education in Canada, the election method is still the way of getting the feeling out there.

HON. MR. McARTHUR: — As I understand the history, and certainly as I feel the current situation, in principle no one can deny that elected boards have certain attractive features to them. However, there are two specific problems that arise, and I don't think we have the solutions to them yet.

One is whether or not you could get voter participation in an additional system of election for educational or any other kind of institutions. That's one problem. There certainly was a feeling when the colleges were set up, and there still is a feeling, that we have a lot of work to do to get a higher level of participation in school board elections and local government elections and so on. Another system of elections may simply be too difficult to handle. We may get a very low participation and, therefore, not really adequate representation of the different cross sections of society, and so on, that are involved.

The second problem relates to the question of fiscal responsibility. Almost without exception, any elected board responsible for programming needs an element of fiscal responsibility. I suppose you could argue that, but nevertheless it seems to be true. We have not yet found a way, by taxing or other means, whereby these boards would at least have an element of fiscal responsibility in order to develop that fiscal discipline between the elector and the representative.

So, at the current time we are still proposing to continue the boards with this structure. I have not yet come up with answers to those two questions. But, I would be prepared to

consider, at some time in the future, such propositions and have another look at them.

Section 5 as amended agreed.

Section 6 agreed.

Section 7 as amended agreed.

Section 8

MR. TAYLOR: — The only reason for the amendment is that you've changed the deal on the employees? I guess that's in section 9, isn't it, about the terms? Are they staying the same, the three years and so on? There's no change? Okay.

Section 8 as amended agreed.

Section 9

MR. TAYLOR: — Does this mean that the appointed board is responsible for both the expenditure of the tuition and the grants? Just explain the expenditure of funds; that's what I'm concerned about.

HON. MR. McARTHUR: — The reason for this amendment is something that was raised by the trustees. The current section in the old act, prior to the amendment we are proposing, says that the board is responsible for expenditures made by it for the operation of the college from the funds provided. In fact, in the interpretation of the legislation, that is read as meaning funds provided by the department. They also get tuition funds, for instance.

A strict reading of this act would mean they cannot operate the college out of those funds. So, we're just removing that section to make it clear that they can operate on the basis of all the funds.

Section 9 agreed.

Sections 10 and 11 agreed.

The committee agreed to report the bill as amended.

Bill No. 45 — An Act to amend The Registered Nurses Act, 1978

Sections 1 to 3 inclusive agreed.

Section 4 as amended agreed.

Section 5 agreed.

The committee agreed to report the bill as amended.

Bill No. 32 — An Act to amend The Saskatchewan Oil and Gas Corporation Act

Sections 1 to 8 inclusive agreed.

Section 9

MR. ANDREW: — I wonder if the Attorney General will advise the Assembly as to why he wishes, or the government wishes, to have an outside, private sector auditor do the auditing for the Crown corporation, SaskOil, as opposed to the provincial auditor?

HON. MR. ROMANOW: — Mr. Chairman, I believe the minister who is most directly responsible for this bill will unfortunately not be here today or tomorrow, and rather than delay the business of the House, we should proceed with the bill. The minister has offered the explanation. The explanation, I think, is a good one. There are two or three reasons. First of all the provincial auditor is, as has been pointed out by the member himself, extremely engaged in the day-to-day auditing of departments and other aspects of government and some Crown corporations.

Secondly, the procedure related to chartered accountants and other Crown corporations now has evolved in such a way that they have private downtown CA firms. I just finished, for example, dealing with the Potash Corporation of Saskatchewan, audited by Deloitte, Haskins and Sells, subject to an overall supervisory role by the provincial auditor.

Thirdly, the Crown corporations themselves want to have a relationship with an auditor on an ongoing, day-to-day basis, in a purely consultative capacity, as they enter into various accounting problems. It's a combination of all those reasons which resulted in the government, some time ago now, moving in this direction

MR. THATCHER: — Mr. Attorney General, I think we're all aware that the provincial auditor is overburdened, has been overburdened for a good many years, as well as being underpaid. It has always been a source of mystery why your government chooses to leave that situation in effect and to leave the provincial auditor with an insufficient budget to attract the kind of people who are necessary. But that situation is true and I guess it's going to continue to be true.

However, my question to the Attorney General is this. I am thinking of the time when ultimately these audited annual reports come to that wonderful wealth-of-information committee commonly known as the Crown corporations committee, otherwise known as the not-in-the-public-interest committee, or otherwise — well, we have a few other names for it.

On the assumption that questions were being asked on the auditor's report, and in the unlikely event that the minister didn't answer that it was not in the public interest, and in the unlikely event that the minister was prepared to answer a straight question in a forthright fashion, my question to you is: would we be able to call the auditor who did the financial statement and would he be present in the room at that time?

HON. MR. ROMANOW: — Mr. Chairman, the practice this morning and yesterday morning with the Potash Corporation of Saskatchewan was indeed to have the outside auditor, Mr. Bundon of Deloitte, Haskins and Sells, present as a back-up official. The SaskOil corporation, of course, goes to Crown corporations. The minister responsible will have to give answers on the annual statement audited by the outside auditor in this eventuality. The answers will have to be tendered by the minister based on the advice given to him by the outside auditor. If you're asking whether or not the outside auditor actually responds to the questions and answers, the Crown corporations committee

doesn't work on that format, as we all know. Maybe it should or maybe it shouldn't: that's another issue. It never has and it doesn't now. It's unlike the public accounts committee. of course.

MR. THATCHER: — This is my final question to you on this matter. Rather than bringing an outside auditor into the Crown corporations committee, if you were to call Bill Clarke from Clarkson Gordon, I wonder what the cost per hour would be to pull him into the Crown corporations committee, or have him sitting in the wings for a couple of days. I ask the Attorney General whether the economics have been considered of simply upgrading the provincial auditor's office to where it can handle the Crown corporations? I think that has been a non-political issue. I've discussed it many times with the former minister of finance.

The general agreement is that the provincial auditor is understaffed. He doesn't have a sufficient budget to attract the kind of people that he should be able to attract. It has been an acute problem for many years. Which is the more economical, to upgrade the provincial auditor's office to where it can do the job or go outside? Let's face it, when government is involved with professional services, you pay top dollar. I don't think I'm taking anybody in vain at that point. When it's the government, it's top dollar for minimum service. Have you gone through the pros and cons?

HON. MR. ROMANOW: — Mr. Chairman, I can't answer that the government has gone through the pros and cons, in all honesty. Perhaps the Minister of Finance or other officials or ministers have: I have not. To the best of my knowledge, this has not been done. I emphasize the point which I made earlier in response to the first question from the member for Kindersley: we are not talking solely about audit functions. We are talking about non-audit functions of an accounting nature. We are dealing now with a multimillion dollar Crown corporation. We need to have access to audit functions and C.A. (chartered accountant) functions on an ongoing basis. I think it's safe to say that if you combined the two, and were able to have a professional outside counsel available to advise you on a regular basis, the economics would pretty well justify what's being done here. In any event, it doesn't change the professional ethical requirement on the professional outside auditor to do the audit accurately and to answer questions accurately. Nor does it change the obligation for the minister to answer those audited statements as accurately as he can.

MR. ANDREW: — Has the provincial auditor's office been asked for an opinion on taking the Crown corporation from his jurisdiction? If so, did he comment to the government as to his position on that question?

HON. MR. ROMANOW: — I don't know if he has been. Frankly, I would be surprised if he were. This is a practice which, rightly or wrongly, the government established several years ago. One of the first times I recall was in the debate in 1975-76 on the Potash Corporation of Saskatchewan when I was piloting that bill through the House. So, for four or five years, we have been moving in this area. I don't know what his position would be. This is not to say that we would dismiss his comments, but the policy now is fairly firmly established. Whatever he could add would be of importance but would not redirect the policy.

MR. ANDREW: — As a recognized parliamentarian, I wonder if the minister could advise the Assembly what is his interpretation of the function of the office of the provincial auditor.

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HON. MR. ROMANOW: — Mr. Chairman, I'm not sure I thank the member for an indirect compliment which I will accept but not fully believe. All I can say, in very general terms, is that my perception is that the provincial auditor is to make sure that the expenditure of the public dollar is carried out according to the statutory and other dictates of parliament or the legislature.

I think some areas such as a proliferation of Crown corporations, as we have in the province of Saskatchewan (thankfully), may require a different kind of a nuance, involving, if you will, a degree of financial accountability, perhaps not directly through the provincial auditor, but through mechanisms such as Crown corporations committee.

In terms of regular departments and agencies of government, as opposed to Crown corporations, the argument seems fairly clear. But when you're dealing with a Crown corporation of the size of SaskOil or SMDC (Saskatchewan Mining Development Corporation) or PCS (Potash Corporation of Saskatchewan). I think there needs to be an adjustment, which is perhaps the best word to use, to that overall statement.

In any event, I would remind the hon. member again of the point that I am sure he realizes. All this amendment does is allow the flexibility to make the appointment of an external auditor, if and when it is deemed to be appropriate in the future. No decision has yet been made and to the best of my knowledge, SaskOil has not yet determined that it would do so, if and when this amendment goes through.

MR. ANDREW: — Would the Attorney General not agree that in every such case before, when this legislation has been introduced concerning Crown corporations, that very shortly thereafter the audit was taken away from the provincial auditor and put into the hands of a private auditor?

HON. MR. ROMANOW: — I can't answer that by way of absolute certainty in every case, but, I think, in general terms, the answer is yes.

MR. ANDREW: — Is the Attorney General aware of the most recent recommendation of the public accounts committee in Ottawa dealing with the very same question, with an extension of course, and that is on whether or not the auditor general of Canada should be the auditor for the Crown corporations federally. In particular, they addressed three corporations, which by comparison to SaskOil are far more massive: one being the CBC; two being Eldorado Nuclear; and three being the Export Development Corporation. I am sure the member will agree that these are far more vast than SaskOil, so your first point, it seems to me, doesn't apply.

The whole direction being moved in Ottawa is exactly the other way, so that the auditor general's office will be doing the audits on more Crown corporations, and not only will they be doing audits, but also the comprehensive audit, as they are the only people eligible to get into that whole concept.

HON. MR. ROMANOW: — Mr. Chairman, an argument can and has been made by the hon. member, but an argument can equally be made, as we seek to advance, by the government. I don't think it's a black and white situation when it comes to how best to control public funds, if you will. The fact is that in the Saskatchewan legislative scene, we have a mechanism which is more or less unique to the legislative parliamentary situation. That is the Crown corporations committee. Whether it is operating well or badly is another issue. The fact is that they do not refer the atomic energy commission

or Air Canada to a Crown corporations committee on a regular yearly basis in the House of Commons, as we do ours.

There's another nuance of accountability which is unique to the Saskatchewan political scene and, accordingly, allows for some mitigation from the overall rule that a provincial auditor should be the watchdog of parliament's or the people's purses. We do have this yearly institution of the Crown corporations committee, such as it operates. I personally believe that it operates as well, or as good (and I don't want this to be inflammatory to anyone) as the opposition can make it, albeit some degree of co-operation is required from the minister. There is no doubt about that. But this is unique, and, accordingly, I acknowledge that he makes a point. I would also ask him to acknowledge (I don't mean stand up to acknowledge) that there is a counter point based on the exclusive nature of the Saskatchewan Crown corporations scene.

MR. ANDREW: — A further question, following up on the Ottawa matter. Is the minister also aware that in Great Britain, the office of the comptroller and auditor general (which is the same function as the provincial auditor or the auditor general in Canada) is, in fact, moving into all of the nationalized industries in England? That is the basis of the argument and the movement there. It's not only true in Ottawa, and Saskatchewan is not the only province that has Crown corporations. Clearly, they are in place throughout the jurisdictions of Canada and abroad as well.

What I'm saying, Mr. Attorney General, is that the whole move, the whole process, is to upgrade the function and the office of the auditors, whether it's the auditor general of Canada or provincial audit offices, and Saskatchewan, slowly, one at a time, is moving in the other direction away from the provincial auditor who is a function of this legislature, not an employee of the government.

You are moving (and I'm sure you are aware with this bill of the royal commission on financial management and accountability that brought about the whole question in Ottawa) contrary to the whole movement in the parliamentary form of government throughout the Commonwealth, which is moving to strengthen that office. You, on the other hand, are moving opposite to that, to take power away, to move that control mechanism out of the hands of legislators and into the hands of the cabinet and the people who control the Crown corporations.

HON. MR. ROMANOW: — Well, Mr. Chairman, I simply don't buy that argument. I think you have to choose whether or not you want to have the United Kingdom, or House of Commons situation which is, as you argue it, that everything is audited by a central auditor. I can guarantee you that there is no way that Mr. Macdonell, or his successors, would be able to audit Air Canada, Canadian National Railway, Atomic Energy Commission Ltd. — all of the major spending departments of the Government of Canada — and place an intelligible, comprehensive audit on the table of the members of parliament on each of those every year. It simply doesn't happen.

He picks and chooses, and by necessity, a whole variety goes through unaudited and not scrutinized publicly by the members every year. Now, you choose whether you want that system or whether you want our system, where every year a Crown corporation such as the Potash Corporation of Saskatchewan with \$1 billion in assets comes in with an annual report audited, albeit by an outside auditor, and answers questions before the members of this Legislative Assembly for one hour, one day, one week or one month. Now, you take your choice.

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I'm saying you can't have them both. When you say, "Put it all under the provincial auditor," in effect, you are moving toward that kind of audit mechanism with all of its strengths in principle, and all of its weaknesses in practice. There is no system that is perfect, but the fact is that we have a unique Saskatchewan Crown corporations mechanism which is not moving anything into the cabinet's hands.

With reference to Mr. Haskins, or Deloitte, or the man who was with me this morning (his name has slipped my mind momentarily), there can be no suggestion that his audit is at the beck and call of the cabinet. Surely not even the member would suggest that. Nobody suggests that. The choosing of the auditor is external to the argument of whether it goes in cabinet's hands or not. Unless you pick some out-and-out crook who is going to doctor the books the way you want them doctored and if you couple it with an annual report, examined yearly by the Legislative Assembly and by the press, you pick and choose your mechanism.

I say, to argue yours, you would have to have a massive provincial auditor's bureaucracy and even at that you would never be able to just run through the family of Crown corporations plus the big-spending departments and tell me how intelligently he can do the audit, and more importantly, how intelligently we, as members, could handle the job. It can't be done. The fact that it hasn't been done in any other jurisdiction proves my point.

MR. ANDREW: — Then what you are saying is that it's too large a job and, therefore, you are going to farm that money out to someone else to do it. The more pertinent question becomes this: the mechanism that you wish to have in place is basically that you want the same type of audit system as the private corporation uses. That's basically what you want. Surely, if on the one hand you are saying, "We don't want the private sector people; we want to take that function over by our Crown corporations," the argument can be made, in certain cases, for that. I don't disagree with that. If you are going to say, "We want the advantage of a Crown corporation," and you want the people of Saskatchewan to own that company as opposed to the shareholders on the free market, does it not carry with it a further obligation? That Crown corporation belongs to the shareholders, meaning all the people of the province. The board of directors or the chairman of the board in the Crown corporation we are dealing with here is, in fact, the same as the minister responsible for it, the Minister of Mineral Resources. So you have no effective chairman of the board separated from the legislative board. In other words, Mr. Cowley is the chairman of SaskOil and he is also the Minister of Mineral Resources.

In your case of Air Canada, the chairman of the board is not Pepin, or whoever it might be. There is a division there. Clearly that applies.

But what you are saying to the people is basically this, "We want to own it for the people of Saskatchewan, but because it is now a Crown corporation completely controlled and completely owned, we don't have to go through the mechanisms of parliamentary control which the provincial auditor can provide." The provincial auditor, Mr. Minister (and you are fully aware of this) is the external or post-auditor who looks beyond doing the books and doing the audit as an auditor in a private corporation does. He has a further responsibility as an employee (if you like) or an agency of the legislature as opposed to an agency of government. That's where the whole distinction goes.

That function of the auditor is different from the function of the auditor in the private sector. My point is, the auditors in the private sector are going to treat SaskOil exactly the same way they would treat Nova or Imperial Oil or any other one. That's where the

problem comes, Mr. Minister.

When I say that parliament is losing the control, clearly parliament is losing the control. How many times have you seen, for example, a management letter from the Crown corporations that are audited by the outside auditors; how many times have you seen mention in the provincial auditor's report of shortcomings? And surely there must be. Virtually every other department is mentioned in the provincial auditor's report, but you would never see mention of SMDC or you would never see mention of the Potash Corporation of Saskatchewan, because you don't see it in the private sector. What you are getting for an audit is exactly the same thing Imperial Oil is getting. That's where the legislature is losing that valuable tool — that intermediary if you like — the office or the function that stands between the operation of that government and the legislators. Those are people on this side as well as people on that side; and that's what we're losing. We will continue to lose it under your system. So if it's SaskOil today, tomorrow it will be SGI (Saskatchewan Government Insurance), and then the next day it will be Sask Tel.

So, you are doing two processes. You are taking the power, effectively, away from the provincial auditor by not allowing him to go along with all other provincial auditors in this country and deal with the question of comprehensive auditing. You are against that. But not only are you against that, you are taking away agencies of governments like Crown corporations. You are taking that from his authority to the point that someday our auditor will be absolutely irrelevant to the system. And that's going to be the legacy, in keeping with the government opposite's view of keeping everything secret, as the member for Thunder Creek says. That's the direction of this government, and that's a dangerous direction if we are to have a democratic system, if we are to have a parliamentary system that is going to control the spending and proper expenditures of money by a government. Surely, Mr. Minister, that is fundamental to what a parliamentary system of government is about.

HON. MR. ROMANOW: — Well, Mr. Chairman, as semi-emotional as the speech may be, it is also inaccurate and confused. Mr. Chairman, let's get one thing straight: whether it is a Crown corporation in business or a business in business, you can't change the laws of economics. You can't change the laws of economics no matter how many times you people would like to represent that you can; whether it's an accountant from the downtown world or an accountant from the inside world, the laws of economics are essentially immutable. Now, those are facts.

Secondly, you cannot parallel a Crown corporation, which is designed to compete in a private enterprise world, with the department whose job it is to provide a service or a function to the community at not necessarily economic standards. That's a second factor.

Thirdly, those who argue that the committee, that this government, is secretive simply don't know what they are talking about. You visit any legislature in Canada and then tell me you want a better Crown corporations committee operation, and I tell you that's the one we should adopt.

The one that I hear about is British Columbia. British Columbia has one Crown corporation a year. I don't think it has met once in the last 18 months. In fact, one of the members of the Assembly there, Mr. Kempf of the Social Credit, is objecting to the fact that the Crown corporations committee has been requested by the opposition to meet.

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There is not one legislative mechanism that deals with Crown corporations as thoroughly, or not as thoroughly, as the Crown corporations committee of the province of Saskatchewan. Whether or not it is dealt with thoroughly is not the function of whether there is a provincial auditor doing the audit. Whether that information is coming out is as much a function of whether or not you people are doing your job in Crown corporations committee. You can't change the laws of economics. The auditor has to look down at those numbers and report those numbers, whether he is in the public service or a private enterprise. And, he has to do it in the business environment.

Now, no one needs to tell this government, or me, about the role of provincial auditor. The provincial auditor's positions have increased steadily since 1971. He maintains his position of auditing everywhere he can. I'm saying that the combination of the provincial auditor for the departments, plus outside auditors and the Crown corporations committee, unique to Saskatchewan, make this government more accountable and open in the area of business dealings than any other government in Canada. I say that without fear of contradiction. No amount of posturing, or otherwise, can change those bare facts.

The hon. member says, "You want to be a Crown corporation. Why don't you stick with the public and stick with the provincial auditor?" That doesn't make sense! That would be the same member who gets up and says, "You're not running it in a businesslike way." When we engage a chartered accountant to run it in a businesslike way, like all the other businesses, then he says, "The provincial auditor should be doing it — the public way."

It's a confused and muddled argument as to where the responsibilities lie. I'm simply saying to the hon. member that you come back to the United Kingdom situation, or the House of Commons situation. You tell me that you want Air Canada under the auditor general. You put all of Canada's Crown corporations and departments under the auditor general and have no Crown corporations committee (which is what happens in Ottawa), and you tell me that that is more accountable than our system? I can't believe that that proposition is being articulated. If it is being articulated, and you talk about secret government. well, we ain't seen nothin' yet if you boys should ever come into power, because we'd see a secret government under those circumstances.

You'd increase the provincial auditor, do away with the Crown corporations committee, and allow the provincial auditor to do the audit of the Potash Corporation of Saskatchewan, if there were a Potash Corporation of Saskatchewan after you people had your way. Of course, we know that you would do away with PCS, SGI and with SaskOil. That is really what is behind all this operation.

The simple fact of the matter is, Mr. Chairman, that the argument is not rational, nor is it logical. It's an argument which is, frankly (I say to the member for Kindersley), tantamount to a sloganeering argument.

I agree with the provincial auditor; I agree we should be giving him more money; I agree he is the watchdog of Parliament; I agree with all of that. But, don't say that because we are allowing external auditors in a Crown corporation, which is a business activity in the commercial world, (on a Crown corporation committee), that somehow we are undermining that. We're not. If we took away the Crown corporations and said you didn't need to audit anything, then maybe we would be undermining it.

Every year we come before fellows; every year we have audited statements; and every year the ministers have to respond. If we're not responding, either you're not asking the right questions and doing your jobs correctly. or alternately, perhaps some of the ministers are not doing their jobs correctly. But, don't cloud the issue with the provincial auditor. That's a red herring.

MR. ANDREW: — The member talks about the Crown corporations committee. Perhaps we could look for a minute at the public accounts committee, which is the comparable one with government departments.

What happens in that committee is that various departments of government are called. I know the members of the press won't be aware of that because they're not allowed in there. That wouldn't be because we're a secretive government, I don't suppose.

Every department is called that the committee recommends should be called. They are called because the auditor has gone through their books, has made reference to their particular department in the annual *Report of the Provincial Auditor* of the shortcomings of the improper actions by the government of the various departments. And, the minister has several before the present auditor's report this year, as you are well aware.

Those are then dealt with in a very reasoned way, Mr. Minister. The auditor has all the facts; he has access to all the books. Does the member for Regina South have access to the books of the Crown corporation SGI? Or Sask Tel? Not a chance.

If the member for Regina South was to go to the auditors for SMDC (Saskatchewan Mining Development Corporation), would he be provided with the information which a provincial auditor provides to the people of this Assembly because they are who he is working for? That's the problem you're addressing.

AN HON. MEMBER: — Surely you don't believe that.

MR. ANDREW: — Believe what?

AN HON. MEMBER: — You just said in that last statement that a member could come before a Crown corporation and . . .

MR. CHAIRMAN: — Order, order.

MR. ANDREW: — What I am saying, Mr. Minister, is this: the Crown corporations in this province belong to the people of Saskatchewan as a department really once removed from the legislature. The people of this province, as shareholders, should be able to stand in the position of a shareholder, and they don't; you know that as well as anybody.

The provincial auditor is an agency of this legislature. When he raises a concern about the Attorney General's department in his annual report, the members of the legislature have a right to go to him and ask him what that concern is. In the committee, they have a right to document the concerns, the letters and the problem. That same right doesn't exist in Crown corporations. In public accounts, the people who answer the questions are the deputy ministers. That's what should be happening in Crown corporations as well. I know you are against that because you want to keep it as a political forum.

If you want to address more seriously the shortcomings in management of the Crown

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corporations, you could upgrade the function of the provincial auditor. The questioning should be to the president or the head of that Crown corporation, who is a non-political, non-elected person. There should be research provided such as they have proposed and are doing in B.C. In B.C. they have 11 or 12 management consultants on staff, and these consultants have access to the management decisions of the Crown corporations such as B.C. Railroad and whatever the other ones are. They look at the management shortcomings of the corporation and report on it.

From the potash corporation's annual report, how could a member know if there were \$5,000 or \$50,000 being improperly spent? There is no mandate to report that, Mr. Minister. The problem which we are facing is fundamental. It is the question of who is going to control them: the legislature or the cabinet? It's a question you do not want to address; it's a question which other governments are now starting to address, but you are going in the other direction.

HON. MR. ROMANOW: — Mr. Chairman, the member (and I say this with all due respect) is very confused in his argument, very confused indeed.

First, on public accounts, let's make something absolutely clear. The current system is a result of a recommendation of an intersessional committee composed of, among other people, the late Ross Thatcher and the late J.H. Brockelbank. I don't say this in any personal patronizing sense, but they were people whose respect for the parliamentary system (with all due respect to the member for Kindersley), many of us would adopt sooner than his. And they did so because prior to 1964-65 public accounts was public, and you can't have it both ways. You can't have the deputy minister answering publicly about expenditures of funds and you cannot expect that deputy to get into areas of policy publicly. If you do, then you are going to require the minister or the politician to respond in that area. The choices were very simple for the public accounts committee people and for the legislature. Either you get into the detailed, specific workings of expenditures in private, in the absence of political and publicity glare (because the argument is you get a more detailed and thorough review of the accounts), or you open it up to the public. If you open it up to the public, then you at least must have a couple of ground rules: not to get into policy questions and to make sure, if you do get into public policy questions, the minister will answer those questions. Because if it is public, there will be the inevitable tendency to politicize matters. That is a fact. It isn't me who is trying to politicize it. And I wouldn't even accuse you of trying to politicize it. Those are the two choices that that committee 15 years ago had to decide between. They chose to go the private route.

Furthermore, the transcriptions are all public after the committee is down. The reports are all public. If you have identified something, it's debated here in the House. There is nothing limiting you from coming in. That system has the best of both worlds. It allows a private scrutiny by the opposition chairman (not by us) of expenditures and of the transcript in the case of a big error, with the use of the provincial auditor plus the public exposure in a debate of that report.

Now perhaps there needs to be a fundamental revolution on this. I don't know. But I think the system has worked fairly well.

I surely don't believe the hon. member when he says that they would like to have Crown corporations committee operated the same way. Not only that, but with a provincial auditor that they could go to as members.

For example, I dealt with the potash corporation this morning and yesterday morning. The members would have us believe that members of the opposition (be they PC, NDP, Liberal or whatever) would be able to come to a provincial auditor (or any auditor) and ask that auditor, without any ministerial or policy guidance, to give hard information related to the financial operations of a competitive worldwide company like the Potash Corporation of Saskatchewan. They say there is no distinction between that and a department. Well, I say that is nonsense. We don't have another department of health competing against us. But we do have an IMCC (International Minerals and Chemical Corporation) competing against the Potash Corporation of Saskatchewan; we do have Imperial Oil competing against SaskOil in this world. With all the good intentions of all the members (and I don't name anybody personally here), it is absolute madness to argue that one should come to the provincial auditor of the SaskOil and get all of the financial detail and somehow not put that corporation at risk with the competitive world. Perhaps not through political design for mischievousness, but how about by accident?

Finally the member says, "What about if there is misspending?" He says there isn't any way to find out if there is misspending in Crown corporations. Again, that's absolutely false. If there is misspending, the auditor's job (be he private or public) is to identify that. And he does. If he doesn't, I ask the hon. member to get up and challenge me on that, because what I would like to do is report Deloitte Haskins and every C.A. (chartered accountant) right to the C.A. organization. That is its responsibility. Not only that. they are committing a criminal act if they don't meet it . . . (inaudible interjection) . . . If there is misspending, who is to report it? I am saying, you challenge me if I am wrong. I am saying, if there is misspending in a Crown corporation, it is the obligation of the chartered accountant to report it, just as it is of the provincial auditor, and I ask you to disagree with me on that. Because that is exactly the obligation he has. For him to fail to do that is tantamount to a criminal act. He is part of an obstruction of justice or a cover-up of an illegality.

Now the provincial auditor has nothing to do with that. That's like saying, because I engage a private lawyer for the Department of the Attorney General to advise me on the constitutional matter or any other case, he can be unethical and cover up in his legal advice to me. But because I use an in-house lawyer, somehow a different set of rules applies. I mean it is total, utter nonsense! It is totally fuddled thinking as to what the operations and the responsibilities are.

I am saying to the hon. member here (I make this point, and I make it for the last time, because I am going around in circles with respect to this argument; I don't know whether he feels the same way or not with respect to his arguments): this Saskatchewan system is not perfect. I admit that, but there is no system which is better yet.

If Crown corporations isn't working, two parties are at fault — the opposition and the ministers. I don't know who is more responsible. But if you can't, out of an annual report of the kind tabled, I will use the Potash Corporation of Saskatchewan as an example (you have your outside help advising you, through supporters of your party or paid staff) dig up enough research to specifically do the job of accountability, coupled with that auditor's responsibility in law to identify misspending of funds, then I tell you, you are not doing your job as opposition people. It is as simple as that.

I candidly admit that we tend to resort too often to saying, "not in the public interest." But that's the game; that is the nature of the operation. No system will be perfect. But

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those journalists or otherwise who say that the system is not open, simply don't know what they are talking about. They don't know the principles of provincial auditing; they don't know the practice in this legislature compared to any other legislature in the Dominion of Canada.

I say to the hon. member, please get your thinking clear, make sure you know exactly what you want us to do. Make the role of the provincial auditor vis-a-vis the departments clear. Distinguish in regard to Crown corporations that operate in a business environment; then advance your arguments on that kind of logical basis. You throw all of them together and you come down about five or six different routes and say it is a secret government.

Of course, all my friends in the press gallery will pick that up and say, "Andrew fights for open government," and all that kind of stuff, which is a bunch of bunk. It is pure unadulterated bunk! All one would have to do is take 20 minutes of analysis of any Crown corporation operation in this province or anywhere else, to know it is bunk — if he is doing, a fair job and an honest job in the analysis that is involved.

MR. ANDREW: — With regard to the point the minister makes with regard to Crown corporations, we'll come back to that later. I want to talk now about your point with regard to the public accounts committee. What the minister is basically saying is, "Well, we can't have it both ways." In every jurisdiction in this country, in the jurisdiction of the United Kingdom, and the Yukon, the public accounts committee is open to the press. Every one of them! The people who appear before those committees are not the ministers, they are the deputy ministers. How can you make your point that you can't have both ways. You either have to have the minister speaking or you have to have it closed to the press. In every other jurisdiction that is not the case. But it is the case here. My simple question in your analysis is: why? Why does it have to follow that the logic applies in Saskatchewan but that it doesn't apply in other jurisdiction? Let's start with that.

HON. MR. ROMANOW: — Mr. Chairman, let's start with something else. Why is it in Saskatchewan . . . (inaudible interjection) . . . I will. But I will ask you: why is it that in every other jurisdiction there is no active Crown corporations committee but there is in Saskatchewan. You tell me why; you tell me why British Columbia hasn't met for 18 months. You tell me that. You tell me why Crown corporations in B.C. does no more than one Crown corporation, if that, whenever it meets. It hasn't met in 18 months. You tell me what Crown corporation committee meets to look at PWA (Pacific Western Airlines), to look at Alberta Gas Trunk, to look at all the myriad of Alberta holdings. The same thing in Manitoba. You tell me that; you tell me why. No system is perfect, including public accounts. We are here trying to meld two competing objectives: the objective of doing an audit in a non-political environment in a hard, cold, detailed, financial analysis versus the public's right to know.

Now, if you tell me that public accounts and Crown corporations should be handled the same way, you guarantee me that my president of the Potash Corporation of Saskatchewan won't be hit publicly (since he'll be doing the answering now) with the kind of questions I was hit with by the member for Moosomin this morning. And rightly so - questions on policy. Who answers questions about what our future acquisition plans are? He doesn't make that decision. We make that decision, and I account to you to make that decision.

A Crown corporation is a hybrid creature. It's not a homogeneous legal entity. It is a

uniqueness in the parliamentary system. It will not fit into a square hole, because it isn't square, or round. We'll always try to put it into a position of public accountability. There's no easy, simple answer to it and believe me (I don't want to be personal about this), the hon. member for Kindersley is not inventing the wheel. This has been looked at over and over and over and over and over again — in Saskatchewan and outside Saskatchewan and in all of Canada.

So I am saying to the hon. member: you have to look at this fairly. Anybody who would look at it fairly and objectively can only come back to the conclusion, what other government anywhere has those ministers? I'm there for two days. I think that was a fair examination of PCS: I tell you that candidly. I could have been there for two weeks. I don't decide when I step down; I don't decide what questions I don't answer. If I say it's not in the public interest, it's your job to push me. You don't roll over and say, "Oh well, it's not in the public interest. Let's move on to the next issue." Nothing gags you people to do it. Because some minister says it's not in the public interest doesn't mean, accordingly, the whole government is secretive, falling down, ageing — and all that kind of stuff is going on. What is going on? If we're falling down because we're saying it's not in the public interest and we're ageing because of that, then you guys are really beyond the age of recovery because you won't push us beyond those questions.

Again, all I'm saying, is that there's no easy answer to this thing. I don't mean to make light nor do I mean to be on any personal business with the member for Kindersley; I realize he has a sincere interest in this. But I do say that it is extremely important when we deal with this section of external audit to realize that the Crown corporation is a mechanism unique and, in this province, more unique than any other operation in the country.

MR. ANDREW: — I would hope the Attorney General will come back to the question with regard to the public accounts. But he has asked a question and it seems to me that we're going to be answering the questions or he is asking the questions.

He has asked if there is any other jurisdiction where the provincial auditor or the auditor has done a review of Crown corporations, and I can bring him to two (which I think are very significant) happenings in Ottawa. One is the AECL (Atomic Energy of Canada Ltd.) matter and the other one is Polysar Ltd. If it had not been for the auditor general, in those two questions, being able to bring to the light of day the kickback schemes in Switzerland, with regard to various nuclear reactor sales, how would you expect parliament to address that question? The only reason parliament was able to address the questions of Polysar and AECL was because they were brought to the light of day by the auditor general of Canada, and it was brought to light by the public accounts committee.

I would suggest that is the same type of system which we should be looking at here, because those things could exist in our Crown corporations just as much as they exist in the federal Crown corporations.

HON. MR. ROMANOW: — Mr. Chairman, I'm not going to prolong this. If the members to prolong it, it's up to him but I don't intend to. I make two points in quick rebuttal.

The first time AECL and Polysar Ltd. were audited 4 or 5 years ago was the first time in 25 years or so. It will be the last time they're audited for another 25 years or so. That is

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the system which you advocate: one provincial auditor for everything under government. It just can't audit Air Canada, even if you doubled its staff, let alone adding Polysar Ltd., AECL, CNR, health and welfare and all of these operations. That's what happens, point number one, I think my system is better on a yearly basis.

Point number two: you assume that a kickback scheme in Crown corporations will be covered up by a private auditor and not by a public auditor. You are wrong in law. You are wrong in practice. Wrong! That is not the responsibility nor the liability of any auditor, either professionally or legally. If there's a kickback in PCS which Deloitte Haskins and Sells spots, it has an obligation in law to bring that to the attention of the shareholders and the board of directors. You can test me to see if I'm wrong on that. If they don't, then we have the wrong auditors.

Finally, point number three: I simply say that this is the arguing point. In Manitoba, the Conservative government has eliminated, in the last couple of years, all of the roles of the provincial auditor in Crown corporations. I don't want to use them to support my argument, necessarily, because I think I'm really coming down to the bottom of the barrel if I have to. But they've done it. Not only that, they don't even have a Crown corporations committee. Those are your friends in Manitoba, your friends, the Tories. It's the same thing in Alberta. That's what you want in Saskatchewan. You want to say, at the same time, that somehow it's more open than our system. I say baloney to that argument.

MR. ANDREW: — I have a comment with regard to Manitoba. The Attorney General left out a couple of fairly significant questions as they relate to the province of Manitoba. Manitoba had a provincial accounts committee up until last year (when, I think, it sat for two days). Before that, when chaired by the NDP opposition, do you know how long that public accounts committee held its meetings? The Attorney General is sitting here saying we should have gone on for two weeks on PCS. The NDP in the public accounts committee in the province of Manitoba held their meeting for one half-day — two and one-half hours. That's the entire system.

Now he goes to the question of comprehensive auditing in the province of Manitoba. I believe that the Attorney General, if he checks the facts, will find this: when the Lyon government came into power in the province of Manitoba two years ago, it introduced into legislation comprehensive auditing. This is the system which is being developed now in B.C. It's in place in Alberta. It's in place in Ontario. It's in place in Ottawa. It's in place in Newfoundland and New Brunswick. It's moving into Great Britain. In fact, through the actions of J. J. Macdonell, it is being introduced into the United Nations. It is recognized as a great system. But what happened in the province of Manitoba when it was introduced there? The NDP fought to get rid of it. They didn't want comprehensive auditing. So, your example of the province of Manitoba is far from being a very good example, Mr. Attorney General.

Now, we can come back to the other question I asked you. Surely, in the committee of the whole, the function of the opposition is to ask questions of the government, and the government's function is to reply. Can you tell me why the rules apply to public accounts where they have to be closed and, if they're not closed, then the minister must answer the question? Why doesn't that rule apply to every other jurisdiction when it's so important to the province of Saskatchewan?

HON. MR. ROMANOW: — It applies that way because it was unanimously recommended by an intersessional, joint parliamentary committee of this legislature in 1964 (as I

said when the Leader of the Opposition was out of the House) by parliamentarians who, with all due respect to all members on the opposite side, I respect a little more than those on the opposite side — people like Ross Thatcher and J. H. Brockelbank. They recommended it unanimously. They studied both the pros and the cons. There are other jurisdictions which are also considering going the same way. That is why it is applied.

MR. ROUSSEAU: — Thank you, Mr. Chairman. Mr. Minister, I have listened to you in this House in the last two or three years deliver some very eloquent speeches which, in some cases, have made a lot of sense. Probably most of the time you have, and you were very intelligent. I have also heard you deliver some very eloquent speeches which included a lot of drivel. Today, the drivel I heard coming out of you on Crown corporations had to top it all.

Mr. Minister, you say that the argument put forth by the member for Kindersley is not rational. You say that every year. Every year we receive from the Crown corporations financial reports, at which time we have an opportunity to research, debate them, and ask questions of them. Well, let me tell you what we received this year — something like 20 Crown corporation financial statements within the last three weeks. You talked about the PCS which (in your own words) has a billion dollars in assets. We received the statement last week and it was brought up in the Crown corporations committee on Wednesday morning of this week. You know how many researchers we have. You expect us to be able to do the work, which takes your auditing department and your whole corporation three months to put together, in two days.

I want to talk about the Crown corporations committee and the way it is established. You say we can pursue or push the minister. Let me give you an example of a question which was asked in Crown corporations committee this week to the minister sitting right over there, the minister in charge of Sask Minerals. When there is \$16 million in sales, you tell me what is against the public interest in asking him to give me a breakdown of those sales. You tell me why that question or that answer . . . (inaudible interjection) . . . No, you did not . . . That answer is not in the public interest: finding out about the four areas which the Crown corporation sells, and the amount they sell them for.

If you can stand in your place and tell us that we can push the question and pursue the question, then you tell me how I can ask that minister that question and in what way, because obviously I am not very smart in asking the question the way I did. Now, you tell me how I can ask the question of the minister, the one I wanted to ask. He says to me that it is not in the public interest. And he repeats it five or six times. Do you expect me to continue with the question? Do you expect me to sit there and wait? Do you know what the next move will be? There will be a motion submitted, and the 10 members versus the four we have, or the 11 versus the five (whatever the numbers are this year) will vote us wrong, and we will be stonewalled again. That is the kind of answer we get in Crown corporations committee. You are telling me it is not secretive; you are telling me that it is open to scrutiny!

AN HON. MEMBER: — Of course it is.

MR. ROUSSEAU: — You should talk, with the answers I got out of you about SaskTel. Of all the ministers who should talk — you are worse than the minister in charge of Sask Minerals in most ways.

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You very effectively attempted to turn around (in your debate with the member for Kindersley) the issue which he has been presenting to you all afternoon by saying that if opposition members don't know how to ask a question, why should you do their job or words to that effect.

Mr. Minister, the problem which lies in Crown corporations committee is as I have outlined. It is that your government is secretive, that your ministers do not want to provide answers, that your ministers, for one reason or another, decide that it is not in the public interest to answer a simple question like, 'What was the breakdown of your sales?' Now, you tell me why that question was not in the public interest.

Mr. Minister, I don't think you can answer that question. In three weeks time we received 20 financial statements. And you expect three researchers, and the critic of those Crown corporations to be able to come up with a complete report (and a complete review) on the year's activities of that Crown corporation and, particularly, with what information is not printed in that report.

As I pointed out to you in the Crown corporation committee on the Potash Corporation of Saskatchewan, that information is not provided in that report. I'm not saying that the auditor did not provide it because he was hiding it. I'm saying he did not provide it because it wasn't comprehensive.

HON. MR. ROMANOW: — Mr. Chairman, central to this argument is whether or not anything would change from the member's argument if we had the provincial auditor there. I don't think very much would change. We'd have the same problems of 20 reports, and everything else tied into the whole operation. I don't think anything changes in that regard.

May I make one last point, Mr. Chairman, in response to the member. Take this from a guy who has been around a few years, or dismiss it. Now, I don't want anybody's nose to be up . . . And now we will dig in until July, etc. We all have to figure out what our role is. I feel, from my two-day experience in Crown corporations, that some of the members (I'm not naming whether opposition or government) think that their role as members (the member for Kindersley thinks this) in public accounts is to be an alternate accountant.

They get into all kinds of details about expenditures and hedgings and all these kinds of operations. With all due respect, our role is policy alternatives. There are four or five policy issues which are central to all Crown corporations. Pick them out and make our policy differences and elaborate on them.

Now, if your view is like the member for Kindersley, then you need an armada of accountants to check the armada of accountants that we have, hoping to uncover (as he says) the Polysar Ltd. scandal.

I think there has to be a common-sense blend of the two. Finally, you can't do a job (I readily admit) on all 20 Crown corporations all the time. You can't do that. You have to pick and choose your cases. You know what the issues are in any one year on policy. Advance the arguments that go there. It's an imperfect system; it's difficult and awkward. I'm not saying that you're not doing your job.

AN HON. MEMBER: — Yes, you did.

HON. MR. ROMANOW: — Well, I'm not saying it. If I did I withdraw it. I'm saying it's a complex system which is more difficult than simply saying that a provincial auditor's audit will solve it. It won't.

MR. CHAIRMAN: — I wonder if both sides of the House will try to get back to section 9. We've had a really interesting discussion for about one hour now on whether the opposition is doing its job, and whether the minister answered the questions, etc. If we could confine our arguments to this section 9, rather than the question as to whether or not outside auditors should be used in Crown corporations . . . That is what we should be talking about, and not about all these other things under section 9.

MR. ROUSSEAU: — Thank you, Mr. Chairman, I'll attempt to try and tie it in, if I possibly can. However, I just want to reply to the minister in this respect. He says that the system is imperfect; that it's a complex system, and whatever else he called it. That's the point that we're trying to make to him. We're trying to make you realize that it needs improvement. That's what the whole argument of this debate is, the whole point of it.

You suggested a minute ago that the job of the opposition in Crown corporations is not to argue the accounting points, and perhaps I would agree with you.

Let's look at the potash corporation in the last two days. The member for Moosomin spent one hour this morning discussing policy. I spent 15 minutes this morning talking about figures in the accounting. If you recall, I made recommendations about the working capital requirements of the potash corporation, as well as the cash on hand. I don't care whether the dollars added up or whether they were the actual figures. We were talking policy this morning in Crown corporations, as we did yesterday. We spent two days talking policy, and very little time talking about the balance sheet of the Saskatchewan Power Corporation, other than to point out to you that you have five times the amount of working capital and six times the amount of a cash in there that you require, that you are borrowing money on one hand and paying it back on the other hand, and crisscrossing huge sums of money in loans. That, in my opinion, Mr. Minister, is policy. That is not scrutinizing the dollar figures or the operation of the potash corporation on a day-to-day basis, or on a year-end basis.

If you want to talk policy, that's exactly what we've been doing. That's exactly the point that the member for Kindersley has been trying to make to you that that's the kind of auditing of Crown corporations we want to see, and perhaps a little more concern for the opposition in presenting us with financial reports at the time that you do.

MR. ANDREW: — The Attorney General advances this argument: that the function of the legislature is not to talk, not to hold the government to account for its expenditures, but the function of the opposition and the legislature is to deal simply with wide-ranging policy concerns. That's exactly what you're saying. If that's what you're saying and if that's your rule, then fine. That's great. But what I learned in school, Mr. Minister, (and I think anyone else) was that the function of parliament was to hold the government to account for its expenditures, and its estimates. Is that not what is really fundamental about the parliamentary system of government?

HON. MR. ROMANOW: — Yes. it is.

Section 9 agreed.

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The committee agreed to report the bill as amended.

Bill No. 34 — An Act to amend The Saskatchewan Human Rights Code

Sections 1 to 3 inclusive agreed.

Section 4

HON. MR. ROMANOW: — Mr. Chairman, this amendment does not change the effect of the law. It is necessary because the thing we are trying to do in the main part of the bill is to allow discrimination based on religion for colleges, but it turns out that the colleges are not colleges as defined by the universities commission. They are, in fact, private colleges defined pursuant to acts of the legislature. Therefore, the amendment strikes out universities commission reference and goes directly to, "a college established pursuant to an act of the legislature."

Section 4 as amended agreed.

Section 5 agreed.

Section 6 agreed.

Enacting clause as amended agreed.

The committee agreed to report the bill as amended.

Bill No. 42 — An Act to amend The Local Improvements Act

Sections 1 to 6 inclusive agreed.

The committee agreed to report the bill.

THIRD READINGS

Bill No. 13 — An Act to amend The Community Colleges Act

HON. MR. ROMANOW: — Mr. Speaker, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 45 — An Act to amend The Registered Nurses Act, 1978

HON. MR. ROLFES: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

HON. MR. ROLFES: — By leave now, I move this bill be now read a third time.

Motion agreed to and bill read a third time.

Bill No. 32 - An Act to amend The Saskatchewan Oil and Gas Corporation Act

HON. MR. ROMANOW: — Mr. Speaker, I move this bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 34 — An Act to amend The Saskatchewan Human Rights Code

HON. MR. ROMANOW: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

HON. MR. ROMANOW: — By leave, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 42 — An Act to amend The Local Improvements Act

HON. MR. SMISHEK: — I move the said bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

ENVIRONMENT

Ordinary Expenditure — Vote 9

Item 1 (cont'd)

MR. MUIRHEAD: — When we closed the other night, I was discussing drinking water with the minister. I wasn't here yesterday. My concern is the drinking water quality in Regina, Moose Jaw and the intervening towns. What are you going to do to assure that we will have an improved quality of drinking water for Regina, Moose Jaw and the intervening towns for 1981?

HON. MR. BOWERMAN: — Mr. Chairman, it is not the responsibility of the Department of the Environment to deal with, or to assure, the quality of water in urban communities such as Regina, Moose Jaw, and whatever other towns he mentioned. We have municipal drinking water quality objectives. We've been over this on previous occasions. We have published those particular qualification objectives, and I could send the member one of the brochures if he wishes. We don't see it as our responsibility to assure water quality once that water is into the system or that it is then a matter for the Department of the Environment.

MR. MUIRHEAD: — Well then, Mr. Minister, can you tell me why you showed so much

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concern when there were PCBs (polychlorinated biphenyls) in the drinking water? You sure became involved in an awful hurry. Now that we know this water in Regina and Moose Jaw is not good drinking water, that people can't drink the slop (you know they can't) and 1981 is going to be . . . (inaudible interjection) . . . Yes, but look, it doesn't do you any good when it goes down.

Now, tell me why you aren't involved. The quality of water in this city of Regina is low and you know it is. As we discussed the other night, when you get the water tested, it just nicely passes all requirements, but it's not fit for drinking because of taste and odour. This is where environment should be involved. I know I'll have to ask these questions again during the urban affairs estimates.

Environment can involve itself when it comes to the quality of the drinking water in any town. You've done it before; it's environment which sets the rules and regulations for the bacterial tests. You've admitted this before. You said one year ago that you would do your best; it is right here on record that you agreed the towns should be required to do a complete analysis of their drinking water.

If you can be involved, why haven't you any concern? If, as Minister of the Environment, you have no concerns over the low quality of the drinking water in Regina and Moose Jaw, then who is going to be concerned? Somebody on that side is going to have to have some concern; either you or the Minister of Urban Affairs will have to be involved.

Mr. Minister, you have always slacked off when it comes to discussing anything about drinking water. There are eight of you on that side who are members for the city of Regina and two are members for the city of Moose Jaw, yet none of you seem to want to do anything about the cities' drinking water . . . (inaudible interjection) . . .

No, we're not agreed. I want an answer as to why the minister is not involved.

HON. MR. BOWERMAN: — Mr. Chairman, the Department of the Environment does not treat the water for urban supply. We license the treatment plants, but we are certainly not accepting any responsibility for water treatment. It is not the responsibility of the Department of the Environment to do so. The hon. member may well think it should be. With all deference to the hon. member's point of view, I say that it is not the role of the Department of the Environment to treat urban water supply systems.

MR. MUIRHEAD: — You must have discussed this in cabinet; I know you had a request for this carbon filter they put in at Buffalo Pound. What are your views on the carbon filter which the city wants to install at Buffalo Pound? You must have views, as Minister of the Environment, and you must express them to the government.

HON. MR. BOWERMAN: — Mr. Chairman, we expressed no views to the city. It proposes to put in a filtration plant of this kind. As far as my discussions with the cities of Moose Jaw and Regina are concerned, I made no comment with regard to the detail or the technology, other than to make a general inquiry as to what the cities were proposing. I say again that the Department of the Environment's responsibility does not include a responsibility for treatment of urban water supply systems.

MR. MUIRHEAD: — Mr. Minister, if you have no responsibilities and you don't want to answer any questions concerning water, why did you issue a press release not too long ago, saying that your department is doing a study into the quality of the drinking water in Regina? The release said that this study would continue until 1983 or 1984, and that

you hoped to have some results by 1990 You showed some concern by putting out the press release and setting up the study. I think you should explain to this Assembly what this study is all about and why you say that you hope to have something done by 1990. It's double talk to say it has nothing to do with you, and still send out a press release saying that you are involved and that you have set up this study. Would you please answer that?

HON. MR. BOWERMAN: — Mr. Chairman, the study which we were talking about, and over which there were some press and public statements made, was relative to the water supply to the urban centres of Moose Jaw and Regina. I wouldn't doubt that there was some discussion or comments made with regard to the taste and odour of the present water supply in the city of Regina; it certainly is a matter of conversation to the citizens who live here. But, Mr. Chairman, I don't see the direct relationship or direct responsibility of the Department of the Environment to treat urban water supply systems.

MR. MUIRHEAD: — Would you then tell me whose responsibility it is? Who's the cabinet minister over there responsible for answering these questions, if you're not? Inform me then.

HON. MR. BOWERMAN: — The urban municipalities have that responsibility. The city of Regina recognizes it has a responsibility to treat and deliver to its citizens a water supply which has as good a quality as it is able to produce, and is in sufficient quantity. That's a responsibility of the urban municipality itself. In addition to that, the Department of Urban Affairs, I would suspect, in its dealings with urban municipalities will . . . In fact, there are programs for delivery assistance for water and sewer systems and so on. So, urban affairs has a responsibility in that general area as does the Department of the Environment, because of the water management act and the water pollution control act. We have those kinds of responsibilities.

As far as the treatment and the delivery of water to the citizens of an urban centre, that is not the responsibility of the Department of Environment. I don't think that's the responsibility of the Department of Urban Affairs — the detail of delivering and treating it. We do license the water treatment centres. They are part of the licensing, and part of the authority is in the act for the licensing of those treatment plants. But again, we don't assume any responsibility with respect to what level of treatment is being applied to water which is being delivered to the city.

MR. MUIRHEAD: — Mr. Minister, I was asked to come to a meeting in Craik about the upper Qu'Appelle. You know what I mean by the upper Qu'Appelle? They tell me they were dealing with urban affairs, municipal affairs and environment. Their concern was about where the water was coming from, where the pipe was in Diefenbaker Lake. Do you know, Mr. Minister, where the water comes from, from Diefenbaker Lake? I want to clarify that question, because you're just going to get up and say that the water comes from Diefenbaker Lake, but it doesn't. There's a pipe installed in Diefenbaker Lake which flows out into the open ditch and brings water to Buffalo Pound. Do you know anything about the installation of this pipe in Diefenbaker Lake? This may not be under your department but someone has to know. It's either your department or urban affairs. I do not want to get to the estimates of urban affairs and have the minister tell me that it's your responsibility. So, I'm not letting it pass until I get your answer on this.

HON. MR. BOWERMAN: — My officials tell me that there would likely be works built into the Qu'Appelle Dam which would be what the hon. member is talking about. I'm not

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sure that I heard the additional question, other than that it is our responsibility under the licensing authorities and so on to provide for water supply. Part of the agreement with regard to Diefenbaker Lake and the dam project was that they would be for domestic uses, irrigation purposes, power and so on. So, the distribution and use of water is a matter for the Department of the Environment to be concerned about. Therefore, we would have the responsibility of releasing certain water from Diefenbaker Lake into the Qu'Appelle Valley system. That would come down via the Buffalo Pound Lake and on down the system, if sufficient water was released.

MR. MUIRHEAD: — Now, Mr. Minister, the request made to me at that meeting was this. Their concern was about this pipeline from Lake Diefenbaker to Buffalo Pound. Before we spend this type of money (which there has been a lot of talk about) maybe up into the millions of dollars — the last I heard, it was estimated at \$100 million and probably, while we're talking about it here, it is going up more — they would like someone in command (whoever is responsible) to take a look at their suggestion. And I want to throw it out to you, Mr. Minister, and perhaps I'll have to do the same thing in urban affairs. Their concern was that the pipe was installed in the lake bottom and before the lake filled with water the dirt went right over top of the pipe. So they are taking the water from the bottom of the lake where all the sludge is.

Now, we all know that it's recommended that anyone taking water from any source, whether it's a dugout, a dam or a lake, take it from the highest sources possible. The dam at Craik where we take our water from for our source had to be raised about 15 feet to get away from that sludge. If it were deeper, we'd naturally be going higher but we would have to worry about the frost in the wintertime. Their concern was that we were taking water out there right off the bottom of the lake — right out of the dirt. We also pull water out of Buffalo Pound where the farmers there tell me that dogs and animals are supposed to have died from drinking this stagnant water. That's where the bad water is coming from. And they say that where the pipe is also taking water from Buffalo Pound is where there's no moving water. You go a mile to a mile-and-a-half farther down the lake, and cattle have good drinking water to drink with no problems.

To help the situation in Regina and Moose Jaw and to improve the quality, their suggestion would be that before we spend a lot of money, at least check this out to see if this water is being taken from the very bottom of Lake Diefenbaker, and at the bottom of Buffalo Pound at a stagnant spot. It sounds to me that they may have a suggestion that's worth while looking into. Because if you go back, there's constantly moving water a mile up the lake.

I want to know if you know anything about this, Mr. Minister, or who could check into this to see if this is actual fact or not. The farmers who live in the Riverhurst area have checked it out and they say it is a fact that they saw the pipes lying in the lake bottom before the water filled up into the lake. Now I don't know whether it's fact but I want somebody to check into it to make sure.

HON. MR. BOWERMAN: — Well, Mr. Chairman, I don't know whether the pipes were laying on the bottom or whether they are still laying on the bottom. All I could indicate to the hon. member is that the water quality coming out of Lake Diefenbaker is not the problem. The quality is good. With the amount of water that comes into that system, I would suspect that if there were a pipe there six feet in diameter and the gates were opened to let it come through, if there were any fill or any sludge, it would have cleaned out that particular situation that the hon. member talks about.

With regard to Buffalo Pound and the intake for the city, that's not a responsibility of this department. It's a city waterworks system, and is not a system about which the Department of the Environment has or should have any knowledge in my judgment. It's just not our responsibility. I know the member keeps wanting to get the Department of the Environment involved in this, but I think it's not a matter for us to concern ourselves with. It's a city waterworks system.

The problem associated with water quality is that Buffalo Pound is a shallow, warm lake. Therefore, you get algae growth and it has a certain process of stagnation to it. As a result, you are obviously going to get taste and odour problems. We know that. Regina has had that experience. It's unfortunate. We would like to see it different.

There is a study, to which the hon. member refers, where my colleague (of urban affairs) and I have been dealing with the cities of Regina and Moose Jaw. We have been attempting to deal with this subject and come to grips with it, in both a short- and long-term study.

With regard to where the intake pipe, which belongs to the city water distribution system (or the water works system) is in Buffalo Pound, I have no knowledge.

The Assembly recessed until 7 p.m.