

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
July 6, 1982

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

MR. SPEAKER: — I would like today to introduce a visitor that we have from Africa. In the Speaker's gallery we have Olga Mohwassa from Botswana, Africa. She is in Canada doing volunteer work with the Regent Court activity project. She is with Canadian Cross Roads International and she will be in the Speaker's gallery for the afternoon. We hope that you are going to enjoy the proceedings of the Chamber and I would ask all hon. members to welcome Olga Mohwassa.

HON. MEMBERS: Hear, hear!

QUESTIONS

Expansion of Natural Gas Program

HON. MR. BLAKENEY: — Mr. Speaker, yesterday the minister in charge of the Saskatchewan Power Corporation indicated that proposals for a program to take natural gas to small centres and farmers during 1982, as announced earlier by the Premier, were under consideration by the crown investments corporation (CIC). Today news reports indicate that Interprovincial Steel and Pipe Corporation has announced a further massive layoff — more hundreds of people who will be without jobs unless orders are forthcoming. My question is to the Minister of Industry and Commerce and the minister in charge of the crown investments corporation. Has the crown investments corporation considered the SPC proposal and has SPC been authorized to proceed with a proposal to take natural gas to small centres and farms and have they been authorized to place an order for pipe?

HON. MR. ROUSSEAU: — Mr. Speaker, I must apologize to the hon. member. I missed the beginning of your question. I thought you were talking to the minister responsible for Sask Power and I wasn't listening to your question. Would you like to repeat it?

HON. MR. BLAKENEY: — Mr. Speaker, yesterday in question period, I directed a question to the minister in charge of Saskatchewan Power Corporation asking, in effect, for a progress report on the gas program for smaller centres and farms. He indicated, as I understood his answer, that the matter was under consideration by the crown investments corporation. I pointed out that today another massive layoff by Ipsco had been announced. My question to you, sir, the minister in charge of CIC and the Minister of Industry and Commerce is: has CIC dealt with the proposal from the Saskatchewan Power Corporation to take natural gas to smaller centres and, if so, has SPC been authorized to proceed and to order pipe?

HON. MR. ROUSSEAU: — Mr. Speaker, in reply to the hon. member's question, the previous government was well aware of the lack of orders for Ipsco while it was a government. Prior to the election, this government knew what the situation was going

to be like at Ipsco, and that there were going to be massive layoffs this summer because it had not addressed the issue and the problem at the time. Mr. Speaker, we have not had the opportunity to turn around the situation that it created while it was the Government of Saskatchewan. Certainly the CIC and industry and commerce are well aware of the situation.

The minister responsible for Sask Power indicated yesterday the program for natural gas distribution in Saskatchewan, and certainly, where the steel pipe will be required, it will be ordered and placed through Ipsco as time evolves, and as it is required. Why the question comes to me today on that basis is beyond me, Mr. Speaker, because it is an action that should have been taken by the previous government a long time ago. They should not ask the question today on the basis of, or because of, 387 people being laid off at this time.

HON. MR. BLAKENEY: — Mr. Speaker, I'll try again. Three or four weeks ago, the Premier announced a program for taking natural gas to smaller centres and farms. Yesterday I asked the minister in charge of Sask Power Corporation where that matter stood. And he said it was before CIC, unless I misunderstood his answer. The question I am asking the minister in charge of CIC is: has CIC considered the proposal put forward by Sask Power and, if so, has it reached a conclusion on it? Was the conclusion favorable or unfavorable? Will it permit the ordering of pipe?

HON. MR. ROUSSEAU: — Mr. Speaker, I'll take notice on that question.

New Oil Royalty Structure

HON. MR. BLAKENEY: — Mr. Speaker, I'll direct a question to the Minister of Mineral Resources. The minister announced some new royalty provisions today, some of which I found no quarrel with, and some of which I am less favorably impressed by. The question I direct to the minister concerns point number two of his five points, the one dealing with, in effect, offering lower royalties to old oil, oil which is produced in wells drilled prior to 1974. My question to him is this: in view of the fact that this change will be unlikely to lead to extra production or extra drilling of footage, why did he proceed on that basis, and approximately how much does he think that change in regulation will cost the taxpayers of Saskatchewan?

HON. MR. THATCHER: — Mr. Speaker, one of the reasons we chose this area is that we felt as a government and as a department that we could perhaps create a multiplier effect. As the Premier knows, this would pertain to oil in the Lloydminster-Kindersley area. Now in that particular area alone we are talking in terms of 16,000 barrels a day and almost 1,100 wells. I am sure the Premier is aware . . . Pardon me, I have a little difficulty with that, but I will get used to it. I am sure the former premier is aware that one of the problems we have had in the industry since the national energy policy is the premature abandonment of lower-producing wells in Saskatchewan — lower-producing wells which are primarily old wells. This is a measure designed to stimulate action in the older wells, something which, I may suggest to the Leader of the Opposition, may very well have an impact on Ipsco since obviously new casings are going to be required. I suggest to you that in the Kindersley-Lloydminster area that's 1,100 wells alone.

We put number 2 in also for the wells which produce less than 10 barrels a day. The reason we did that, for the Leader of the Opposition, is that the production there may only be 9,000 barrels a day but there are 1,300 wells involved.

I suggest to the Leader of the Opposition that if we can get activity going, and if we can get many of these wells into production again, and if we can get them into repair and get new casings put down there, the spinoff and multiplier effects are probably going to be far greater than any significant royalty structure or payments to the province are going to be.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. I am interested to hear the Minister of Mineral Resources indicate that there will likely be new casings in some thousands of wells producing 10 barrels a day or less; I will await that development with a good deal of interest. The question which I asked him is this: does he have an estimate of how much that particular royalty change will cost the citizens of Saskatchewan in decreased royalties?

HON. MR. THATCHER: — Mr. Speaker, in answer to the Leader of the Opposition's very penetrating question, it is not very significant. I think I indicated to you that what we were looking for there were the additions to the service industry, an industry which has not been working. We were looking for things that would get activity happening in these wells which are presently not having activity. As far as what it will specifically cost the province, I can't give you a precise estimate on that because it's a very difficult thing to do. If you took it on the strictest, the worst-case scenario, in this area alone we are probably looking at about \$8 million to \$9 million. I say that is a worst-case scenario, and I don't pretend to the Leader of the Opposition that it's a precise answer because this particular area is a very difficult one.

On the other hand, as a government and as a department, we felt that the worst-case scenario may very well be overcome by the multiplier effects in employment, job creation in the service industry and in capital costs into those wells. In short, the net effect is probably positive rather than negative.

HON. MR. BLAKENEY: — Excuse me, Mr. Minister. Did you say \$8 million or \$9 million? That range? Am I right then, Mr. Minister, in saying that the upgrading from old oil to new oil will take place in only a relatively small number of the current barrels which are allocated in the old-oil category? Clearly, the old oil yields a very, very substantial part of the \$700 million or \$800 million in royalties which one can look for in a good year, or the \$400 million, \$500 million or \$600 million in a poor year. If you are switching old oil to new oil and the cost is only \$9 million or \$10 million, then you're dealing with a very small amount of the currently classed old oil. Do I understand that situation correctly, or is there going to be a very significant shift from oil which is now categorized as old oil to a new-oil category for that oil?

HON. MR. THATCHER: — Mr. Speaker, this procedure of the reclassification is going to be . . . We are simply reclassifying this sort of production from old to new oil for royalty tax purposes. The Leader of the Opposition is incorrect when he assumes that this is a minor change. It's a very major change. It's one with which we are going to take less; it's one where we're reducing our royalty; and it's one that is going to result in a higher net back to the oil company. The reason for that is very simple. We need their investment dollars; we need them back in the province. We think it's a move that we have to take. It was a difficult move because any time you cut revenues which have been committed it is a difficult thing to do. But it was our feeling that the people of Saskatchewan didn't put us here to sit on our hands. We believe they put us here to do things. This is one of the things we're doing in order to improve the overall long-term benefits to the people.

HON. MR. BLAKENEY: — Just one more question to the Minister of Mineral Resources, because his answers are always equally penetrating.

In the course of his material this morning, he suggested that he wanted the federal government to do something more. In his press release of June 1, 1982:

Minister Resources Minister Colin Thatcher announced that he is generally pleased with assistance offered by the federal government to the province's ailing oil industry.

Are you still pleased with the assistance which the federal government is offering to our ailing oil industry?

HON. MR. THATCHER: — Mr. Speaker, obviously we would like the federal government to do far more for the oil industry in western Canada, and, on that one, I could probably make an off-the-cuff half-hour speech and not draw a breath. At the same time, I suggest to the Leader of the Opposition that when the comments were made I think we had been in office for about two or three weeks. Obviously, we're not looking for any great battles with the federal government right off the bat; we're trying to live with them.

At the time that the federal government made that announcement I commented only on the positive aspect of their announcement. I did not bother going into the negative. Obviously, we would like the federal government to give the same consideration to domestic-produced crude that they do to foreign, imported oil.

SOME HON. MEMBERS: Hear, hear!

HON. MR. THATCHER: — Obviously, we would like the federal government to stop checking the pedigree of investment dollars that could potentially come into Saskatchewan. Obviously, we would like to do a lot of things with the industry which we cannot do because of the federal government. What we said today, Mr. Speaker, is that we have reduced our royalty rate to the point where we, as owner of the resource, cannot go any further. We are not going to take less money from this resource, since we own it, than they are. That's what we told the federal government. We told the federal government that if they would reduce their taxation structure accordingly, we would like to go further. Frankly, we feel we have to go further to get the kind of investment we would like in this industry. Naturally we would like the federal government to do more, but at this time we are not taking an antagonistic stance toward the federal government. For the time being anyway, we are trying to negotiate something which we can both live with.

Meeting with Hospital Administrators

MR. LINGENFELTER: — Mr. Speaker, my question is addressed to the Minister of Health. I wonder if the minister could inform the Assembly whether or not he held a meeting in Saskatoon over the past two weeks with the directors and the administrators of the base hospitals from Saskatoon and Regina.

HON. MR. TAYLOR: — The answer is yes.

MR. LINGENFELTER: — Mr. Speaker, at that meeting that was held in Saskatoon, I wonder if the minister could inform the Assembly what instructions or what directions

he gave to the administrators and directors of the base hospitals. What message was delivered to them?

HON. MR. TAYLOR: — That meeting was requested by my department as part of this government's policy of co-operation and consultation with those in the field of health services delivery. I asked the administrators of the hospitals, the chairmen of the boards and the head of the medical staff in each hospital to come to meet with me and to bring forward two of the concerns that each of the hospitals felt were important, with a view to improving the health services at the base hospitals in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, a supplementary to the Minister of Health. Is it not true that at that meeting you informed the directors and administrators that they should cut back expenses and live absolutely within their budgets, and that there would be no extra money put in by the province? In fact, hasn't that resulted directly in the cutback of 68 beds in the city of Regina? Is it not true that you asked them to cut expenses and to also live within their budgets, because there was no more money from the province in order to supply health care in the province?

HON. MR. TAYLOR: — Mr. Speaker, I see nothing wrong with requesting individuals and agencies within this province to live within their budgets. I think that's only sound and good business operation. In the meeting with the administrators and with board chairmen, I indicated to them that, as everyone realizes in Canada and in the province of Saskatchewan, we are in dire economic times — things are tough right now — and that they should not be looking for massive amounts of money. I told them that I wanted — and I will reiterate — the best medical service for the dollar that is spent in this province. That was the message that was conveyed, and that was the message that was accepted.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, I have a supplementary for the Minister of Health. During the campaign, in a little booklet *Pocket Politics* (I think it was on page 16), there was a point that talked about making health care number one in Canada. I remember very well, and the people here in the press will remember very well, that last year about this time, or in the fall of last year, there was also a shortage in funds in the health care program, and the government of the day came forward . . .

MR. SPEAKER: — Order, order! Supplementaries are not allowed a speech first, but rather are to be in the form of a question.

MR. LINGENFELTER: — Mr. Speaker, last year when health care was short of cash, our minister went forward with \$5 million extra. The question is whether or not this government, which proclaims to be the saviour of medicare in Canada, cannot find the extra millions of dollars in order to keep hospital beds open. In fact, it has allowed millions of extra dollars to go to the oil companies. Can you or can you not find the money to put into health care to keep the beds open for this summer in Regina?

HON. MR. TAYLOR: — Mr. Speaker, I am very pleased to hear the member opposite talk about the past health record of the government that we defeated. I want to remind you, as the people of Saskatchewan know, it took 11 years to drag us down from number one in health to number eight.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — We have been in here for only two months and I think you will see improvements. As far as following the footsteps of the past minister of health, heaven forbid if I would follow his footsteps! I want you to realize that during the period of time from 1971 to 1981, the number of patient-days (pay attention, you will learn something) for residents in Saskatoon declined by 26 per cent. Last year, the minister of health in a last-ditch attempt, because the government opposite knew it was going into an election, came forth with some moneys to put into the Saskatoon hospitals. Do you know what the result was, Mr. Speaker? The admittances in the summer were not brought up any more, but the hospitals used that money to increase the admittances in the winter. As I indicated yesterday, that was the priority of the hospitals, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, a final supplementary. I wonder if the minister could inform the House if it is not true that the 68 beds that closed, or are anticipated to be closed, in Regina are not a direct result of the meeting in Saskatoon where he advised the hospital directors to cut back in expenses.

HON. MR. TAYLOR: — Mr. Speaker, the closure of beds in Regina is 58, not 68. The closures of beds in the province of Saskatchewan this summer are 401 compared to 370 last year; that's 31. You asked me yesterday if there are other hospitals that would be having closures. The main two are Pasqua Hospital at 32, which closed 10 last year, and the Plains Health Centre at 36, which closed none last year.

However, in Swift Current last year there were 20 beds closed; this year there are only 14. In Humboldt last year there were five beds closed; this year there are no beds closed. At the Regina General Hospital, there are no beds closed this year, as there were no beds closed last year. The Regina General Hospital was at that meeting along with all the other base hospitals in the province, and further to this, I have instructed my officials to call the board chairman of the Pasqua Hospital, in keeping with our philosophy on this side of the floor, to have open consultations to address problems, and we will be looking at this.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — I have just one short question. The minister said that there were 58 beds closing in Regina. In the rest of his statement he said there were 32 at Pasqua and 36 at the Plains. Can you tell me which is right, 58 or 68?

HON. MR. TAYLOR: — I indicated that there were 401 closing this year across the province, and there were 370 last year, a difference of 31 across the province. I said that there were 32 closed at Pasqua this year. There were 10 beds closed last year, and also 36 at the Plains Hospital — 58 beds in Regina.

Minimum Wage

MR. HAMMERSMITH: — A question to the Minister of Labor, Mr. Speaker. I won't tax the mathematical powers of the Minister of Health any further.

The Minister of Labor has indicated that the minimum wage will not be increased 5.8 per cent July 1 as scheduled. He has also indicated that he is aware that people of minimum wage need help to keep pace with the rising cost of living. Last year they

might have been able to find a better job or an additional part-time job, but with the record massive layoffs continuing and increasing, these opportunities have disappeared. My question is: given the minister's recognition of the hardship faced by these people on minimum wage, what does he propose to do to help other than recognize their hardships?

HON. MR. McLAREN: — Mr. Speaker, in answer to the hon. member's questions, I think we are doing quite a bit already to help people in the minimum wage area by the reduction of our sales tax on gasoline, and we are coming out with this mortgage interest rebate program. That puts money in their pockets right now. We are also reviewing the minimum wage. I have handed it over to the minimum wage board and I am expecting a recommendation from it. In the press, it said it would take a few months, but it is going to take less time than that. When we have that information we will be making our decision.

INTRODUCTION OF GUESTS

HON. MR. LANE: — Mr. Speaker, I would like with leave, to introduce some guests to the Assembly.

Mr. Speaker, we are honored to have in our presence in the Speaker's gallery a most distinguished visitor, Mr. Jacques Gignac, ambassador-designate to the European Economic Community, and Mrs. Gignac. Mr. Gignac has a long and distinguished record in Canada's foreign service, having served in the Department of External Affairs since 1958. At various times he has been ambassador for Canada to Lebanon, Syria, Jordan and, subsequently, Tunisia. He was also accredit to the governments of Iraq and Saudi Arabia in the early 1970s. More recently, the ambassador-designate has been stationed in Ottawa where he has served as undersecretary in the Department of External Affairs and as assistant deputy minister in charge of multilateral and cultural affairs.

We are delighted that Mr. Gignac and his wife have taken time from their busy schedule to visit us, and we hope that they have enjoyed their visit to our beautiful province. On behalf of all members of the Assembly, I would like to have members of this Assembly join with me in welcoming Mr. and Mrs. Gignac to this Assembly.

HON. MEMBERS: Hear, hear!

HON. MR. ROUSSEAU: — Monsieur l'Orateur, c'est aussi un plaisir pour moi, au nom du Premier Ministre et du Gouvernement de la Province of Saskatchewan d'accueillir Monsieur et Madame Gignac a Saskatchewan et leur souhaiter un bon sejour dans notre province. Et aussi, bonne chance, et bon voyage a votre nouveau poste en Belgique. J'espere de vous revoir. J'ai eu l'occasion aujourd'hui d'accompagner Monsieur et Madame Gignac pour diner. C'a ete un plaisir pour moi. J'espere qu'on se revoie aussitot possible.

HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

MOTIONS

Resolution No. 1 — Farm Input Costs

MR. ENGEL: — Mr. Speaker, at the end of my remarks I intend to move the motion that is found in the blues:

That this Assembly recognizes the hardships facing Saskatchewan farmers due to the rapidly increasing costs of farm inputs and urges the Government of Saskatchewan to take immediate action to provide farmers with needed assistance to reduce farm input costs.

Mr. Speaker, this resolution was put on the order paper and I think it is fitting that in an agricultural province like this, and in this short session, that it is resolution no. 1 because I think it is of prime important to the entire economy of Saskatchewan. The government has a responsibility toward the income of farmers and has a responsibility to take some action to provide farmers with needed assistance to reduce farm costs.

To set the stage, Mr. Speaker, I have some statistics that I copied from StatsCanada that I would like to share with the government and with this House, which reflect what has happened. Statistics often are boring and people don't like to listen to them, but I think it is important that we review them.

What actually is happening to farm costs? I didn't go back a long time. I just went back to 1971 and took the costs in 1971 as 100 in all of these examples.

Just for one example, if we take StatsCanada's figures for farm costs and we take into account the interest charges in the fourth quarter of 1981 (not even today but 1981, and they have gone up even in the last couple of months) and compare them to 1971, we find that they have gone up by over 600 per cent, Mr. Speaker. The increase in interest charges alone is 607.8 compared to 100 in 1971.

Pesticides and herbicides are at 375 compared to 100 in 1971. Petroleum products (all types including fuels) are at 344.2. Fertilizers are at 339. Farm labor is a little less, it's 273.

I split up some of the farm equipment. Combines are 271; tractors, 266 compared to 1971 — and these are StatsCanada figures; building repairs, 264; custom work, 262; farm trucks, 237; non-powered machinery, 236; the electrical costs (and SaskPower has done a reasonable and fair job compared to some of our other costs) were maintained at 225; motor vehicle insurance is still better at 223; property tax is 178 and telephone, 148. If you look at the last four numbers, and you look at the record from '71 to '78, and you compare what the former provincial government had its hand in, and compare it to what was happening where Ottawa was involved, you will see a 600 per cent increase in interest charges and only 48 per cent in telephones. So, the telephone that cost you \$100 in 1971 in Saskatchewan on a farm would only cost you \$148 in '81. So, you can see that governments can do something, and can take action, and can maintain a reasonable rate.

So, with that basis in mind as a foundation, the Government of Saskatchewan should take immediate action to provide farmers with needed assistance to reduce farm input costs. I would like to point to some of the things that are happening, and maybe we could categorize them as two kinds of costs. These costs are corporate costs — the cost of your equipment, the cost of building repairs, tractors, combines, pesticides, herbicides, petroleum and so on. And then there is another cost that I want to get into.

In a *Western Producer* article by Claire Eamer on Thursday, May 27, our Minister of Agriculture said that he plans to reduce the burden of government on the province's farmers.

Most of the people in my constituency, Mr. Speaker, are farmers, and I imagine those who supported the Tory candidate listened to the commitments and the promises that were made in caucus. This is terrific. I think this is one of the reasons why there are more different people representing different constituencies than there were just a couple of months ago, Mr. Speaker, because farmers were anticipating that the burden of government on their backs would be lifted. The Minister of Agriculture plans to reduce the burden of government on the province's farmers. I wonder how he plans to do that . . . (inaudible interjection) . . . If you'd been listening you would see what the burden was and what happened during 10 years, as far as who created that burden.

I'm wondering what has happened, Mr. Speaker, to the farmers since then. How does he plan on lifting the burden of government on farmers? Does he intend to put the farmers out of business? For example, your leader, in some of his earlier remarks when he was still a professor, said that 20 per cent of the farmers could do a better, more efficient job of farming in Saskatchewan. Is that how he plans to lift the burden of government off the backs of farmers — by putting the farmers out of business so they are not farmers anymore, then consequently they don't have the burden of government on them? Or is he planning to do something about it? Is he planning to cut some of the costs to farmers?

What about the farmers, Mr. Speaker, that were planning on staying in farming? And I asked the Minister of Agriculture a question some time ago and he took notice and was going to get an answer for me. How many young farmers were applicants in the land bank program and wanted to use the land bank as a means of amortizing their heavy costs and their interest costs — the 608 per cent increase in interest costs? These young farmers were going to sell a quarter section to land bank so that they could amortize these interest rates and rent the land back. They'd still have that same land base, but instead of paying 21 per cent interest, they'd pay a reasonable rent on their land. He hasn't given the House this information on how many of those farmers there were. Now many of these young farmers are going to be out of business before the end of this year because they can't use that avenue?

He is going to lift the burden of government off the backs of these farmers, is he? He's going to put them out of business. They're waiting — the farmers in Saskatchewan, many of them. I'd estimate that there are 600 in that category. The minister hasn't come up with the answer. I'm anxiously waiting for him to tell me: how many are there who are waiting to have a chance to amortize their debt load, sell a quarter to the land bank and rent that quarter back so they can stay in farming? Or does he say he is going to lift the burden of government off the backs of these young farmers.

A young fellow from my constituency told me that he went to see the new chairman of the land bank commission who sent him over to the minister's office and the minister had somebody on his staff tell him: "Well, you can always declare bankruptcy or you could sell your farm to your neighbors. You don't have to wait for the land bank to solve your situation." That farmer is going to have the burden of government lifted from his back. He'll be out of farming.

Another burden of government that these farmers in Saskatchewan were waiting to have lifted was this burden of the crowrate. What about the crowrate? I read into the

record during the crowrate debate, Mr. Speaker, what our Minister of Agriculture said. In Regina, the Minister of Agriculture, Eric Berntson, told reporters that Saskatchewan feels the crowrate should remain unchanged. But according to the wire press he said that he agreed that that "small increase" suggested by Gilson is not unreasonable. When the country is faced with double-digit inflation a "small increase" isn't unreasonable. He even agreed that he had some cards which he hasn't placed on the table and which he was going to negotiate with.

His counterpart in Edmonton, the Alberta Minister of Agriculture (somebody he must be in daily contact with), Dallas Schmidt, said on Monday (that sad day when we got both the budget and the Gilson report) that he supports the Gilson report on the Crow's Nest Pass freight rate because it reflects the views of western provinces. Well, maybe it reflects some of the views of western provinces, Mr. Speaker, maybe it reflects the views of the Minister of Agriculture, and maybe it reflects the views of the big mouth from Moosomin who is sitting across the way. We're waiting for you to get into the debate. Mr. Speaker, we'll give him a chance to get into the debate later today. And maybe it reflects the views of the western provinces, but it doesn't reflect the views of the members sitting in this corner of the House, Mr. Speaker.

I think there is recognition that one is always willing to pay for an increase in service if there are some guarantees. The only guarantee in the Gilson report is that the CPR will get more money. There is no guarantee that the farmer will get an advantage or get better service.

An article in the Winnipeg *Free Press* on July 5, Mr. Speaker, says: "Prairies to be in on the Crow." After listening to Dallas Schmidt, and after listening to our minister, who agree that a small increase suggested by Gilson is not unreasonable, and after listening to Alberta's Minister of Agriculture who said that the Gilson report on the Crow's Nest Pass freight rate reflects the views of western premiers, I suppose that's why we have a head-line in the Winnipeg *Free Press* of July 3 that the Prairies will be in on the crow. The federal government, apparently, is ready to include the prairie provincial governments in discussions on the controversial Crow's Nest Pass freight rate.

I think it's a sad day for the farmers of Saskatchewan to have the Prairies in on it, if they are represented by views as expressed by the Minister of Agriculture in this province and the Minister of Agriculture Dallas Schmidt in Alberta.

"This Week" in *The Financial Post* on July 3, says:

Prairie farmers will start paying higher grain freight rates to move next year's crop to port if a report by federal negotiator Clay Gilson is accepted by the federal government.

Writers from across Canada agree that the Gilson report is going to add an extra burden to the backs of farmers. The minister says he is going to remove the burden of government on farmers and in the same breath says that a small increase isn't going to hurt. Well, on my farm, Mr. Speaker, any increase is going to be painful. When you consider the increase of interest costs at 600 per cent, of pesticides at 375 per cent, of petroleum products at 344 per cent, we can't afford any increase in our freight rates. We can't afford to tamper with any part of the Gilson report. The Gilson report hid the true increases to farm costs. The actual impact on freight rates only appears after one reads more than 90 pages of the report.

As reported in the *Leader-Post* on July 2, here is what Gilson finally says about freight rates, and I quote:

It is true that the farmers would not begin to participate in the projected cost increases until '83-84, but it should, however, be noted that their costs per tonne would have increased from \$4.87 to \$7.10, an increase of 45 per cent over that same three-year period.

So there are hidden numbers in there, and yet our government is ready to say they'll negotiate the crowrate. The farmers' union knows where it's at. Inflation builds a 350 per cent increase into the crowrate, according to a NFU (National Farmers' Union) study reported on July 1.

There is one other aspect that I want to touch on, Mr. Speaker. I think I've made my point . . . (inaudible interjection) . . . If you had been listening, you'd know that farm input costs have increased dramatically and the government has a responsibility to do something about it.

I see my colleague isn't in the House. These documents that I quote from — have you ever seen anything of this? . . . (inaudible interjection) . . . Your words were good. I'd like to repeat them. "The Progressive Conservatives will form the next government of Saskatchewan." He predicted this — Bob Pickering, the PC candidate for Bengough-Milestone. "Support the winning team." Good man! But why does he ask you to support them? Remember, the Minister of Agriculture said he wants to get the government off the backs of farmers.

What are some of the things they're going to do? What are their policies for good government? Remove the 20 per cent sales tax on gasoline? This amounts to 40 cents per gallon. We're still waiting for the other 17 cents.

Remove the 5 per cent sales tax? I wonder when that's coming. That's affecting a lot of farmers.

A 10 per cent cut in personal income tax? That was some cut we had in personal income tax, Mr. Speaker, when we dealt with the consequential amendments yesterday to the mortgage relief. That wasn't a cut in my personal income tax.

The reinstatement (and here's the line I was looking for) of the farm fuel reduction program? That was on Tuesday, April 15. On Thursday, April 22, in the same two-page advertisement, the same member said that. He promised programs to fight inflation; point number 4 promises reinstatement of the farm fuel reduction program.

I think that is something. When you consider the price of fuel and how much it has increased over the years, the farm fuel reduction program would be a wonderful thing to reinstate at this time, particularly in light of what has happened with the consequential amendments and consequential bills we've dealt with.

We dealt with the bill (the member who's in charge of government services, the member for Maple Creek, isn't here today) that had consequential amendments as far as fuel cost is concerned. I think the farmers are anxiously awaiting some of these promises that you made. The farmers in Saskatchewan in 1980, according to "Saskatchewan Statistics," issued January 23, 1981, used 458,000,650 litres of purple diesel. You

multiply that by 4.56. They used about 472.5 million litres of purple gas during that period of time.

The advantage the farmer was getting, Mr. Speaker, was that during that time when regular gases were being taxed, the government of that day was giving to the farmers (in 1980) \$65,175,000 as a cash injection to farm costs.

The member who is now the Minister of Rural Affairs advertised in two two-page ads, in his constituency, that we all had a chance to look at. He said that he was going to reinstate the farm fuel cost reduction program. The treasury benches on that side are saying this year, if we would use exactly the same amount of fuel as we did in 1980 (we might use a little more; we might use a little less — some of the motors are a little more efficient; my car does a little better on gas than the one I had in 1980), \$65 million off the backs of farmers. That's a \$65 million advantage we don't have for growing crops. That's \$65 million that the farmers are expecting this government not to move over to their city cousins and give to them for gas tax. We'd like some of that on our farms.

This government can take immediate action to provide farmers with needed assistance. Reinstate the farm fuel reduction program as the member (and you'll recognize his picture there) asked.

AN HON. MEMBER: — Come on.

MR. ENGEL: — "Come on," you say. I'm asking you to reinstate the program. He says, "We will reinstate the farm fuel reduction program at the total amount they were getting before." Give the farmers their \$65 million. That would be a real shot in helping to fight the inflation. I think if the government just does one thing, let alone all the other promises and commitments it made, it could start with that one. It is something that is easy to do and something you could implement during this very session.

Mr. Speaker, it gives me a great deal of pleasure to move, seconded by my seatmate, the member for Quill Lakes:

That this Assembly recognizes the hardships facing Saskatchewan farmers due to the rapidly increasing costs of farm inputs and urges the Government of Saskatchewan to take immediate action to provide farmers with needed assistance to reduce farm input costs.

MR. KOSKIE: — Mr. Speaker, it gives me a great deal of pleasure to stand and second the motion, to stand behind the interests of the farming community in Saskatchewan. Certainly there is a realization today by the farming community, certainly in Quill Lakes, that a basic deception went on. Whereas the government set out a program in general terms, there is a realization today that the farming community received no benefits.

The other day in the legislature the Premier replied to a question asking whether or not he would in fact go along with the wage controls in the public sector, as proposed by the federal government. He qualified it and he said that more had to be done, more must be done, and what was also needed was increased productivity. I can agree that the emphasis in difficult times also has to be on strengthening the basic sectors of our economy.

I think there are two basic sectors in Saskatchewan economy that this government should be addressing: the farming economy and the small business community. I think

that some of the economic problems could in fact be remedied if the government would address these two essential sectors of our economy.

I am disappointed in looking at this government's contribution to farming and to small business. If one looks at the actions of the present government, we must first of all look at what was an effective program to curtail the costs for many young farmers to enter farming; the land bank program. What has been happening is that they have dismantled this program which many farmers throughout this province were voluntarily utilizing and I want to say that they have taken this away and have replaced it with nothing. The only solution that they offer is a low-interest \$350,000 loan — sometime.

The costs of the input to the agricultural community are ever-increasing and the squeeze is on the small farmer. Unless there is government assistance to those small farmers what will happen in Saskatchewan is that we will have a consolidation of larger and larger farms.

Let us take a look at one of the essential input factors in agriculture. That input factor is energy. As I said before, across this province farmers look for some relief in respect to that energy cost. I want to say that the program that has been introduced by the government has been a drastic disappointment to the farmers.

The farmers were in a special position of obtaining their fuel at a discount rate or without a tax rate, as compared to others in society. And what they have done is to give to the tourists, the truckers and the other sectors using highways benefits of \$130 million and they have taken away the benefits which were in fact a benefit to the farmer.

I tell you, it is fine to be supporting the truckers. And I will tell you that the essential industry in this province, the backbone of it, is agriculture. I want to say that this government has omitted and has refused to address the problems of agriculture. My phone is ringing steadily with persons asking me why those Tories deceived the people when they said that this energy tax reduction was going to apply to farm fuels. And I want to say that there is no doubt that the government did in fact deceive the farming community. It pulled the wool over their eyes. Take a look at what they have done so far. They pulled the land bank. They promised a program of low interest but now have set up a study commission and can't get it off the ground. They offered a gas program of no benefit to the farmers. They offered a gasification of rural communities but they put it in limbo. Worst of all is what they have done to the farming community. In our last budget we indicated the property improvement grant would increase from \$230 to \$270 per resident, and would correspondingly increase for the farmers. But what did they do? They discontinued the program; they left it where it was. As a consequence, taxes or the portion of taxes that farmers have to pay has continued to rise but the property improvement grant has not taken a corresponding increase.

I want to look at other areas where the farmer is pressed: energy, the components that go into the production of his grain, and transportation. My deskmate has indicated clearly, Mr. Speaker, our position, and our position with respect to the crowrate has been put forcefully forward in the past. But I want to say that if we had been the government, we would not have sat idly by, and put in no response whatsoever. There was total inaction by the Premier of this province on the drastic increases to the crowrate. I want to say that this farming community is getting disenchanted with the arrogance, and the lack of real programs and direction, of this government.

I want to say that I come from a rural constituency and a great farming community, one

of the best. And I want to say that the programs which we had initiated, the hog stabilization program, FarmStart, the land bank, were all programs which were appreciated by the farmers, and which helped them to counteract the ever-increasing costs of their operations.

Accordingly, Mr. Speaker, it gives me a great deal of pleasure to second the motion.

SOME HON. MEMBERS: Hear, hear!

MR. KATZMAN: — Mr. Speaker, I'm just going to join the debate for a few minutes. The member talks about the concern for farmers. Yesterday at Tommy Douglas House at 2 p.m. there was a meeting. The 2 p.m. meeting was all about how the NDP is going to organize a non-profit association called the Family Farm Foundation of Western Canada, Inc. Now what's the purpose of that? They are going to go around, as a document here indicates, and talk about farms and all the concerns that affect the farmers in the rural areas. When you keep reading the thing, the only thing the document is concerned with is raising money for their political party and their political beliefs. They weren't concerned with the farmers in their documentation at that meeting they had yesterday at Tommy Douglas House. No. What they were talking about was the political survival of the NDP. They were talking about organizing and using this organization. I assume they are going to get donations from the NDP Manitoba government. That is the whole reason why you are doing it — so they can give you donations so you can fund your political party.

You took off the farm reduction program and so forth. But now what are you doing? You are using the farmers. That's clear from the documentation of your meeting yesterday about the new corporation that you are going to have. Non-partisan is what the documents call it. But then the covering document shows how you plan to have NDP people involved to make sure you fill it with your political views. You are not concerned about the farmers and the cost to the farmers and so forth, but with your political views. Mr. Speaker, therefore, I just don't believe the member is serious in the speech he just gave us.

MR. BIRKBECK: — Thank you, Mr. Speaker. I just want to make a few comments. Before I do, I would like to take this opportunity, Mr. Speaker, to congratulate you on your new position in the Assembly. I would like to say, as well, that you are doing a very good job up to this point and I expect you will continue to do so.

I think it would be fair, as well (I think the members opposite would allow me that time at least), to congratulate the new members who have been elected to this Assembly. It is a very rewarding experience. I am sure they are looking forward to the challenge that it is going to present them.

I also would like to congratulate those new members who have already had an opportunity to stand in their places here in the Assembly and address themselves to the various issues in the House. I would expect that they will be doing that quite a bit in the future. I have to remind the members of some of the speeches that came from their side of the House when they were in government. I can honestly say, without any bias, that the members of the Progressive Conservative Party who were just elected in this recent election had speeches that were far in excess in calibre and quality of those that were presented by the NDP members.

SOME HON. MEMBERS: Hear, hear!

MR. BIRKBECK: — I see, Mr. Speaker, that you are concerned that I am not getting too close to that motion. But I really am — it is right here. It is very close to me and I am going to be right to it in a moment.

Again, there were some congratulatory remarks I wanted to make. I wanted to, as well, extend my best wishes to those members in cabinet. They have a very difficult job, not, of course, because of the opposition, but because of the many problems that there are in the province that were left by the previous administration after its 11 years in office.

Now, Mr. Speaker, if I may address myself to the motion before the House, presented by the member for Assiniboia-Gravelbourg. I see that he has again performed a miraculous feat — he has recognized that farmers are having difficulty in Saskatchewan. It is unfortunate that he, and his government, previous to this government, could not have recognized that in the last 11 years.

Now then, as for some of the solutions, the member for Assiniboia-Gravelbourg speaks of the crowrate. I would think that a party which has gone from government to next to nothing in terms of opposition would want to quit talking about the crowrate. It wasn't the crowrate itself, Mr. Speaker, that so much put this NDP in the hole, as it was the fact that they politicized the crowrate. They tried to buy votes with the crowrate issue. We did not. We addressed ourselves fairly to the question. We said, "No, we do not believe that farmers should be required to bear increasing costs in transportation." We supported the crowrate as well. But we did not have groups of PCs running around and champing at the bit like the former minister of agriculture was, trying to get votes out of it. The farmers, Mr. Speaker, are quite wise and always have been. They recognize when they are being used and they recognized that the NDP was using them. That is why, Mr. Member for Assiniboia-Gravelbourg, you and your party lost and lost very badly with respect to the crowrate.

I might add, as well, that your position to buy into the CPR didn't help your case in the least. This is a party which stood opposed to the CPR. They blamed everything on the CPR, and it didn't matter what bad things happened in Saskatchewan, it was "Damn the CPR." All of a sudden they decided they wanted to jump into bed with them. Now I don't understand that. But none the less they were going to take a lot of millions of dollars to buy into the CPR, an old enemy from many, many years back.

Now, Mr. Speaker, that also hurt the NDP era and put them into opposition and it is going to keep them there for a long time because they are still continuing to speak on the same train of thought, that of buying into the CPR and nationalizing it, taking over total control, setting up a big bureaucracy. They are still on that wave length and the longer they stay there the longer they are going to be in opposition. I hope you stay there for a long time.

You speak of the prices that farmers are having to pay for their various input costs. Well, that's true. The input costs are going up. There's no question of that. It doesn't take a genius to recognize that.

Mr. Speaker, the previous government, the NDP government, failed in 11 years to address itself either at the provincial level or at the federal level to the question of price of farm commodities. Not once do I recall that the former premier, in his many

deliberations and his grandstanding on television with respect to the constitution, ever talked about setting some precedents and taking some initiative, if you like, Mr. Speaker, with respect to farm prices. If you were able to get some of the farm prices up, there would be a lot less concern about the costs.

Another thing, Mr. Speaker, that I want to note and draw attention to here today, is that every time members of the opposition get up to speak, regardless of the issue, they are holding a piece of PC literature, campaign material from the last election. I can appreciate that they don't have too much of their own going, and that they are having some difficulties in speaking because they don't do any background work. They are having difficulties in question period; they have to quote from the *Leader-Post*, the *Star-Phoenix*, the *Free Press*, *The Western Producer*, and our campaign material. But, Mr. Speaker, I would think that it would be rather appropriate if the NDP were to set some of its own initiatives, if that is possible, as opposed to sitting there and asking us what initiatives we are going to take.

I recall, and recall very well, that when we were on the opposition side, Mr. Speaker, we did a lot of work. We did a lot of studying, and we brought into this House positive proposals that the people of Saskatchewan would want. We knew they would want them because we got the proposals from the people of Saskatchewan. Our Progressive Conservative Party and this government emanates from the bottom up, not from the top down. That's a lesson the New Democratic Party members in opposition have to learn, and the faster they learn that the sooner they may have an opportunity to sit on this side of the House again.

With respect to the farm fuel reduction program which the member for Assiniboine-Gravelbourg mentioned, and I note that of course he got out of his seat and out of this Chamber as quickly as he could . . .

AN HON. MEMBER: — Assiniboia.

MR. BIRKBECK: — Okay, Assiniboia-Gravelbourg. Yes, well, you just blabber on and read the paper, okay? No problem there. He's hiding behind the paper.

I recall the member for Shaunavon one time when he was first in this House, and some of you new members want to take note of that. I recall when he first stood in his place; I think it was right there where you are sitting, Mr. Muller. I think that's where he was sitting. He was standing when he went up to move the Speech from the Throne at the time. For whatever reason, he chose to draw my name into the debate. It was not appropriate. He wasn't supposed to do that really, and I wasn't supposed to give him a hard time either. But I recall that, and you recall it very well, and you have the courage at least to stay in your seat. You have come a long way.

Now then, we get back to what that member said about the farm fuel cost reduction program, and let's look at the history of that.

One of the former ministers of agriculture, the former member for Saltcoats, removed that farm fuel cost program. He removed it, and he was an NDP member. He was in the government benches. He was the minister of agriculture. And I recall when we were in opposition that we pleaded with him to reinstate the farm fuel cost program. But he'd get up and say that it couldn't be done. Then along came the election in 1978, and in it came. He reinstated the farm fuel cost program. Right? Just for votes. You remember that very well, Yes, they remember.

Then along came the next minister of agriculture — they went through them very quickly — the former member for Last Mountain — Touchwood, and he removed the farm cost reduction program. Now the NDP is in opposition. Now they are asking us to bring it back in; they are treating the farm fuel cost reduction program like a yo-yo, and I can understand that from the opposition.

Now, Mr. Speaker, let me give the hon. members opposite a few figures that they might want to dance their dizzy little minds around for a day or two.

We have a program, the land bank program, of which we are honoring the leases. But that land bank program has, as the Minister of Agriculture, the hon. member for Souris-Cannington, stated, cost farmers approximately \$0.5 billion.

I'll tell you, Messrs. Members Opposite, if you want a farm cost reduction program reinstated, and we were to use that some-odd \$0.5 billion you people blew out of the farmers' pockets, it would just give the farmers approximately (each and every one in the province of Saskatchewan) \$7,000 each to offset their farm costs in fuel alone — just \$7,000 each. You talk about initiatives; if you want this government to move and assist the farmers, you have to take a look at it.

There is one thing I want to mention, which gets mentioned every once in a while in the House, that this new government has done. I hear it every once in a while. We removed the road tax from gasoline and that, Mr. Speaker, assists the farmers. They do drive cars; there's no question about that. I see them driving cars in my riding all the time. Maybe you people would like to have them in a buggy again, but not us. We don't mind them driving cars. We have moved on a farm purchase program. We're at the stage right now of putting it together . . . (inaudible interjection) . . . All right, the member for Quill Lakes says we're studying it. Certainly, Mr. Speaker, since we have not been in government for many, many years, you can be assured we're not going to go jumping into our programs without putting them together properly, so that they work on a long-term basis for the people of Saskatchewan. The farm purchase program will serve to assist the farmers, but in no way will it ever have any trouble whatsoever, Mr. Speaker, in surpassing the land bank program.

Rural gas distribution, I think, is another program that unquestionably is going to assist the rural area. We have to be amused as well, Mr. Speaker, if we go back to a former minister of mineral resources, a former member for Kelsey-Tisdale. During some questioning in a crown corporations meeting we asked him why it was necessary to import two-thirds of our natural gas from the Albertans and pay into their heritage fund when, in fact, we had some 40-odd years of reserve right here in Saskatchewan. Well, he said that he wanted to reserve that and preserve it for future generations. But considering the fact that Boeing is currently constructing a passenger air liner which will fly on hydrogen that should be ready in about seven years, I'm not so sure that in the next decade we'll even need natural gas, unless we make use of those reserves now for the people of Saskatchewan. So I think that if we are thinking of future generations we will get that natural gas up to the surface now and let the people of Saskatchewan have access to it and reduce their costs. That is going to assist the farmers as well.

Very quickly, Mr. Speaker, we've moved on freezing the utility rates. We're putting together, of course, a public utilities review commission which will give the people input into those utility costs. That is going to assist them along with the home mortgage plan, and those kinds of things.

Now, Mr. Speaker, the member for Rosthern raised a rather interesting point when he spoke of this Family Farm Foundation of Western Canada, Inc. You know that was the first I had heard of it. I don't know whether it was news to the members opposite, whether they knew that was coming or not, but I certainly didn't. The member for Rosthern indicated that they were going to use that as a means of padding the NDP coffers. You know it wouldn't surprise me. When you go back over the history of 11 years and look at the number of times this NDP, now in opposition, ripped off the farmers one way or another, it would not surprise me that they are putting together some kind of organization to further fleece the farmers.

Mr. Speaker, there are some very positive proposals that I would like to advance to the members opposite, because they are raising, I suppose it is fair to say, a legitimate concern. They want us to address ourselves to this question of rising costs for farmers, and that's a fair game. There isn't anyone in this Assembly that doesn't want to do what he can to assist our number one industry, agriculture. We are all working together on that.

I would urge the members opposite to go back to their drawing board — not to their socialist rhetoric — throw off those socialist coats that they wear most of the time, and think constructively, think about the farmers of Saskatchewan and how they might really put forward some positive proposals. I'll be fair with you, there are none of us on this side of the House, Mr. Speaker, who are above listening to the opposition and some of their constructive suggestions. So if they can put it forward in that non-political way, and I know that's difficult to do in this House, I'm sure that our Minister of Agriculture is prepared to listen to the members of the opposition as well as the farmers of Saskatchewan. That I'm looking forward to.

Because of that particular suggestion that I've set out for the members opposite to assist them in opposition, which I know is difficult, I would like to ask to adjourn debate. I would like to bring back to this Assembly some of the proposals that I, personally, feel would be good for the farm industry in reducing costs and in increasing the prices of farm produce and in making, generally speaking, a better place in Saskatchewan for farmers and getting agriculture higher up than number one. It's number one now, in terms of what it generates for the economy in Saskatchewan, but I think we can increase that, and I think we have to increase that because of the ever-increasing demands for social justice programs in the province. So I'm calling on the members in opposition to assist the government and, through that means, in this House, assist the people of Saskatchewan in increasing their standard of living and their quality of life. Mr. Speaker, I ask leave to adjourn debate.

SOME HON. MEMBERS: Hear, hear!

Debate adjourned.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr.

Berntson that Bill No. 19 — **An Act to amend The Wildlife Act** be now read a second time.

MR. THOMPSON: — Mr. Speaker, I have a few concerns regarding Bill 19. I will bring them up further to the minister when we get into committee, but some of the concerns I have are under section 6, subsection 4(c), where it states:

a parent or guardian of a person under 16 years of age knows that the person under 16 years of age is hunting without supervision.

I had a little bit of concern about that but, after discussing it further with some other individuals, I realize that this is a serious problem and that the highest rate of accidents is with young people who are 16 years of age and under, and I accept that.

Number 9, section 52, is really a housekeeping section, and I agree with that. Whoever signs the report shall be the one to appear as the witness. I fully agree with that.

I do have a little concern about the availability of licences in northern Saskatchewan, especially to 16-year-olds and under. As you and the minister are aware, Mr. Speaker, in many of the communities, such as Camsell Portage, Garson Lake, Deschambault Lake, Black Lake, and Fond-du-Lac in particular, they don't have access to conservation officers to pick up these licences. I know the department officials have always been lenient, and I would ask your officials to check into the possibility of somehow making these licences more available and, if not, to continue with the type of leniency that they have always used. Other than that, I have really no concerns. We will be supporting this bill when it comes to the committee of the whole.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 2 — **An Act to amend The Income Tax Act by eliminating the Mortgage Interest Tax Credit as a consequence of the establishment of the Mortgage Interest Reduction Plan** be now read a second time.

MR. KOSKIE: — I just want to say a few words on this, Mr. Speaker. This particular bill will do away with a program which has been in effect in Saskatchewan for a number of years. I think, as the hon. members opposite have indicated, that they have in fact put in a mortgage rebate program. The argument used is that benefits under this act are no longer necessary. We want to indicate to the opposition that, rather than a total repeal of the bill, they should take a look at the bill, and there could be a suspension of benefits under this act for those who benefit under the new program. But, the benefits under this old act would indeed continue to go to those who receive no benefits under the new program.

Alternatively, I think the basic concept of this program was, as has been indicated, initiated by, and the idea was partly born to, the federal counterparts of their party. I want to say that rather than repealing this legislation, I would suggest that the first alternative, which I have mentioned, should be incorporated and that those benefits should, in fact, flow to those people who do not benefit under their new program.

I want to say, Mr. Speaker, that the problem we have in respect to accepting the repeal of this bill is that the members of the government have a full opportunity to do an analysis, to come clean and to indicate to this House how many people are going to lose benefits under this program and also will not qualify under their program. I think it is incumbent upon the Minister of Finance to provide us with that information. That information should have been provided before suggesting repeal of legislation which, in fact, is of assistance to many people in Saskatchewan.

I want to say, Mr. Speaker, that our position is clear. The bill should not be repealed. The benefits should, at least, flow to those people who do not qualify under the program. I will, therefore, not be supporting the bill.

Motion agreed to on the following recorded division, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

YEAS — 47

Devine	Martens	Klein
Muller	Currie	Rybchuk
Birkbeck	Schoenhals	Caswell
Taylor	Smith (Swift Current)	Young
Andrew	Boutin	Gerich
Berntson	Hampton	Domotor
Lane	Weiman	Maxwell
Rousseau	Bacon	Embury
Thatcher	Tusa	Dirks
Muirhead	Sutor	Hepworth
Sandberg	Sveinson	Folk
Hardy	Petersen	Zazelenchuk
McLeod	Schmidt	Johnson
McLaren	Smith (Moose Jaw S.)	Baker
Katzman	Hopfner	

NAYS — 7

Blakeney	Engel	Hammersmith
Thompson	Lingenfelter	Yew
Koskie		

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Currie that Bill No. 10 — **An Act to amend The Education Act** be now read a second time.

HON. MR. BLAKENEY: — Mr. Speaker, I want to say a few words about this bill. The provision in this bill which elicits the most controversy, I believe, is the elimination of the ward or division system for the election of school board trustees in Regina and

Saskatoon.

The minister, when introducing this bill, indicated his reasons for eliminating the ward system or division system for school board trustees and he outlined the reasons why he felt this system was defective. He did not outline any reasons why he felt the system might be a good idea. The de Vlieger report canvassed, I believe, both sides of the issue and reached the conclusion that it would be a good idea to have a division system.

The issues, I think, are not difficult to summarize. The minister, in essence, said that because the boards which were elected by the old system, or the existing system, have done a good job, there is no reason to change the system. And while that has certain superficial appeal, it is not really a good argument with respect to the operation of any democratic procedure. The issue is not whether or not the boards did a good job, but whether or not the citizens and the taxpayers feel that they have a right and the mechanism for making their voices heard. Certainly in the way the system now operates, a great number of taxpayers in Regina and Saskatoon seem to be less than interested in school board matters, at least if you can judge by their participation in school board elections, and this is hardly surprising.

If you consider what happened in Regina last time, when I went to vote for my school board trustees I was met with an absolutely formidable list of names. I wonder how members opposite would react if they were faced with a list of names. These are not in alphabetical order, but I will just read you the names of the candidates. They were: Hicks, Currie, Hammond, Beke, Crosbie, Peters, Johnson, Hawrylak, Johns, Wallace, Barnhart, Williams, Kobak, Renn, Pearce, Dirks, Stevenson, Kelly, Moran, Charowsky, Ivanochko, Kushniruk, Iwan, Ramage, Treherne and Plug.

If that list doesn't seem a little bit formidable in asking you to pick out seven names, then I think you have done more homework in the performance of your civic duties than the great number of citizens do. They simply cannot know that number of candidates; they simply cannot know who these people are in a city of 150,000. They simply cannot make an intelligent judgment as to which are the best seven. They can certainly make a judgment as to the seven they know, and notwithstanding the fact that some of them may have instructions from political parties (not ours but, presumably, others) they still are faced with an absolutely formidable task.

No one, I think, would suggest that we ought to operate this legislature on this basis. No one, I think, would say that we ought to choose the 10 members for Regina or the 9 or 10 for Saskatoon on the basis of a list representing the whole city. No one would feel that that made sense. No one would feel that they could represent all of Saskatoon or all of Regina. It is true that this system once operated. It is true that, for the purposes of this legislature, we had a common list for Regina up until there were four and, indeed, in Saskatoon for as many as five. And then it was seen to be absolutely too unwieldy to have any citizen called upon to vote for five candidates, and it was changed, as it should have been changed. I was changed in Regina for the 1964 election, and changed in Saskatoon for the 1967 election. And it was changed because there is no way that anybody could feel that he could represent all 150,000 citizens, and there is no way that those perhaps 100,000 electors could feel that they could identify with any particular one of those candidates in a way which would make our democratic system operate at its best.

We have done the same thing with respect to civic government. I know there was some opposition to the ward or division system for civic government, but I suggest to you that if this were put to a vote in Regina or in Saskatoon the idea of the ward or division

system would be endorsed because people have found that aldermen did not in fact plug only for their own area any more than MLAs plug only for their own constituency. They certainly do that, but they also have a larger view. I suggest to you that that has worked pretty well for provincial purposes. We don't even do it on a federal level when we could elect two MPs. We believe that it is reasonable in appointing federal representatives to have a person vote for one representative. And I think there are no dual ridings anywhere in Canada today, even though there used to be.

Mr. Speaker, I now turn to the provincial level. There are now no dual ridings provincially because we have reached the conclusion that for the purposes of representation in this legislature it is better to have one member representing a particular geographic area and to have all the electors in that area identified with that one member. I could be persuaded on the merits of a two-member riding, and I have argued for that because I think that might be a way to get a minority representation. And if someone were suggesting that these school divisions ought to be two-member divisions, then I could be persuaded on that point.

We have then moved to the civic level, and we have reached the conclusion (and I say "we" because I believe the citizens have reached that conclusion) that we are on balance better represented by council members who represent a given geographic area, and better represented than we would be if all of the councillors were chosen from a common slate. But I think the same principles apply with respect to representation on school boards. I think that the record of the relative lack of success in interesting citizens with respect to school elections in urban areas, or at least in Regina and Saskatoon, indicates that we ought to be looking at other ways to choose school trustees. Certainly no one is here to criticize the trustees who were chosen by the present method. Good people come forward because they feel a civic duty, and they offer their services on school boards, and some of the very best citizens that one could hope to attract to public life offer themselves as members of school boards, and are elected. Indeed, they are. For the most part they render their services on school boards in Regina and Saskatoon, and they spend virtually all of their time as board members at board meetings and very little of their time talking to their constituents. I invite you to ask any of the members of the school boards how much of their time they spend talking to their constituents, how much of their time they spend explaining the programs of their board to their constituents. I think you will find that they spend relatively little of their time on that endeavor. That means, obviously, that they spend a good deal of time administering the affairs of the board, and the affairs of the board are administered well. But, that is not a sound philosophy for democratic administration.

There is a need, and an equal need, for the elected representative to spend time interfacing with the person who elected him or her, and explaining those policies. And, because, I suggest our schools have been well administered, but not as well explained, we have a group of the public who generally will acknowledge that so far as administration is concerned they think the schools are well run, but when it comes to understanding and accepting the philosophy of education offered by those boards, they are less successful.

If there is anything wrong with our educational administration out there, it is that the public does not fully understand and accept the basis and philosophy of administration and curriculum offerings that are being offered in our schools. It is not sufficient for us to say that the public ought somehow to find this out. It is up to us to structure organizations whereby the public can find this out. I think we ought not to assume that all is well in the school world. All is relatively well in the way our schools are

administered; all is relatively well in the way our teachers are selected, and in the offerings they offer to our young people. All is not nearly as well in the meeting of minds between the citizens and the school board and the teachers as to what the school ought to be doing, and how it is trying to do it.

Accordingly, we have the public calling almost daily for the schools to undertake yet another task. Now, I don't suggest that all these problems can be solved by a closer relationship between school boards and those who elect them, but some of them might be solved. I frankly believe that there are problems which are less evident in rural Saskatchewan than they are in urban Saskatchewan and one of the reasons for that is that more people in rural Saskatchewan know who their unit board member is, or who their subunit trustee is, than is the case in urban Saskatchewan.

I think we ought to ask ourselves why this is so. One of the reasons certainly is that people simply don't know who their school board members are. I would invite the Minister of Education, if he wanted to try a little test, to go down to the corner of 11th Avenue and Albert Street in Regina, and stop someone and ask him how long he has lived in Regina. And, if he has lived in Regina for five years or more, then ask if he is a public or separate school supporter, and if he is a public school supporter, ask him to name the members of the public school board. If he could name more than half of them I would be amazed, absolutely amazed, because these are simply now known. A lot of people know eight of the members of city council — they can get the names; they come to them after they work at it awhile. But they certainly don't know the members of the school board, and they don't know them because they don't have any association with them. They don't even know whether any of them live in their area.

If I go around my constituency and ask anyone there whether any school board member lives in that constituency, they won't know the answer. The answer will be no, in any case, but they wouldn't know it. They wouldn't know it because they don't know the members. I freely acknowledge that the boards not elected are good boards. I am not suggesting that we ought to make changes in order to improve the quality of the board or query its function of administering the school. I am suggesting that we ought to make the change and proceed with the change because the board would be a more effective board in explaining the policies of the school to the citizens; they would have a small area to relate to and they would probably know more of the people.

I make another point. It becomes relatively difficult to stand for school board election in a city like Regina if you are not reasonably well-known. It is not easy to carry on any type of an election campaign when you are aiming at 100,000 voters, or 70,000 or 80,000, however many there may be for the public school board. The fact is that the people who stand for school board have to appeal to far more voters than you or I or anyone else in this House does. If you just have a mass mailing to the public school supporters in Regina, it is an awful lot bigger mass mailing than to the citizens of Elphinstone who are electors. One can suggest other methods, but I think everybody knows that the effective methods are the methods of personal contact.

It becomes next to impossible for any . . . (inaudible interjection) . . . I will make the point again, Mr. Speaker. It becomes next to impossible to do any door-to-door campaigning. It becomes next to impossible to meet any significant number of the people who you are asking to vote for you. There is nobody in Saskatchewan who is asked to talk to as many electors to get elected as a public school trustee in Regina. A federal candidate has a very significantly smaller number of electors than a school trustee in Regina. A federal candidate has a full-time occupation and is seeking a full-

time occupation. Accordingly, he is able to devote a significant amount of time to his campaigning . . . (inaudible interjections) . . .

Mr. Speaker, we are having a lot of difficulty because I am attempting to deal with the issues which I wish to put forward and the issues which others opposite wish to put forward. May I make the point (I would have thought it was reasonably clear) that someone who is campaigning for a position as MP, who will be reasonably well-remunerated after having received it, or someone who is campaigning for mayor, who will be reasonably well-remunerated if elected, is able to devote a very significant amount of time to that campaign in a way that a school trustee cannot. There is no reason why the persons who are on this list would or could call upon the persons whom they ask to vote for them or one-half of them, or one-quarter of them. My bet is that no single one of this list called upon more than one-tenth of the electors. If anyone can suggest otherwise, I would be delighted. If any of the Regina MLAs would like to get into this debate, and indicate which of this list of those who were standing last time called upon as many as one-tenth of the electors I would be interested in knowing which ones. I think it does not happen. I have lived in Regina for more than 30 years. I have been called upon by people who wanted to get elected to the federal parliament, to the provincial legislature, and to city council. I have yet to be called upon in my 30 years by anyone who wanted to be elected to the Regina Public School Board. I am a public school supporter. I have been entitled to vote in elections for the Regina Public School Board for more than 32 years. I have, so far as I am aware, never been called upon. And I have not been called upon because it is simply not a practical method of electioneering.

Accordingly, I am of the view that we ought to be structuring a method of electing our trustees so that potential trustees could call upon electors, could send out the odd newsletter, and could in some other way keep in touch with its electorate. I don't suggest that there would be any vast flow of mail from school trustees to their electors. I suggest there would be some. I hear from my alderman from time to time. I know who he is and he is anxious to keep in touch with me as an MLA. I rarely hear from my school board trustee, because they don't see it as their role.

AN HON. MEMBER: — Who's your alderman?

HON. MR. BLAKENEY: — Mr. McKeown is my alderman. I heard from the previous alderman. But I do not believe I have ever heard from my school board trustee, even though I know some of them very well and I think they are very good people. I see Mr. Crosbie, who is a solicitor with a crown corporation of the government opposite, and I see other names which I recognize very well. There is a name Currie there (it is not the minister's) but it is perhaps significant that she was the wife of a well-known radio personality, as the phrase goes.

My arguments, I think, are well-organized. You may well not agree with them, but they make sense. Unless members opposite are able to illustrate why the turnout at school board elections has been so much less than it ought to have been, then I think they must ask themselves whether there isn't some merit in this. Even in an election where the mayor is chosen, and accordingly there is a good turnout at civic elections, the number of people who vote for mayor substantially exceeds the number who vote for school boards, public and separate board combined. I invite you to work that out some time.

As the cities grow, the need for this type of legislation increases. It has been tried at the

civic level. I believe it would be fair to say that the division system for the city council has worked. It is now time for us to turn to see whether or not we can't make it work for school board elections. We do not necessarily need to have coterminous boundaries; there may well be difficulties with respect to coterminous boundaries. We can have different models, that the boundaries for the separate school system could, indeed, follow parish boundaries. We could have arrangements whereby there would be two school board trustees for a given division. Many possibilities are open, but the least attractive possibility is the one which says that all of the citizens of Regina who are public school supporters should vote for one slate which, in this case, had 25 names, and all of the separate school supporters should vote for another slate, which may be a very long one.

That system simply is not the best system, does not offer the best opportunities for trustees to meet those who elected them, does not offer the best opportunities for candidates to present differing points of view, does not offer the best opportunities for citizens to feel that they are represented in a personal way in the school board, in the way that they are in the council, or this legislature, or the House of Commons. Accordingly, for those reasons, I am going to oppose the bill, and I am going to ask all hon. members to consider whether or not we shouldn't continue this experiment with improving the way we operate our schools and adding to the democratic element of school administration.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — Mr. Speaker, I sat listening with interest to the Leader of the Opposition give his defence of why we should continue with the ward system. As I was listening to him, my mind went back to the debate, I think a year ago in this House, when the ward system was, shall I say, rammed in, in the cities of Saskatoon and Regina. If the Leader of the Opposition would check the de Vlieger report, I think he would see the submissions by the major school boards — the people who I feel are responsible people; you have said that they are responsible people also. I think it would be wise to check their submissions.

If I remember correctly, there were about 18 submissions in total to the deVlieger report. And I remember some of the most obvious ones — some of the ones that were so pro the ward system — were from a person by the name of Larry Iwan and certain individuals who were executive assistants to some of the ministers who I believe sat here but have long since been defeated. Now if those people should be dictating to the people of Saskatchewan over and above what the elected boards felt on the ward system, then I wonder who is really listening. I was totally convinced when I heard you, the Leader of the Opposition, talk for 15 minutes about the campaigning. You said it was easier for them to campaign and send out newsletters. I never once - never once — heard you mention anything that would be of more value and better value to that student in the classroom, and that's what education is for.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — You went on about campaigning and getting to know your member better and sending out newsletters, and I tell you, as I said last year, that was what was behind the ward system. The ward system was introduced in the cities of Regina and Saskatoon as a training ground for NDP politicians and nothing else.

The Leader of the Opposition opposite says, Mr. Speaker, that with the size of the city,

the magnitude of the 150,000 people, they can't get to know their members. Well, if that holds true, would the Leader of the Opposition tell me why the other metropolitan cities in the country of Canada have not adopted the ward system? Are the people in Montreal and Toronto, and those cities of that magnitude, absolutely wrong? Why did the people in Vancouver introduce it, and then throw it out? . . . (inaudible interjection) . . . I hear my colleague say that it is having trouble in Winnipeg right now. Where's the justification and the logic to that argument that a city the size of Regina and a city the size of Saskatoon need this ward system?

You talk about input and a chance to know what's going on in the schools. Well, I'll remind you, Mr. Leader of the Opposition, that in the new education act that your government brought in there was a provision for parent advisory councils, where people could form together and they could come and talk to the principals and talk to the board members. I asked repeatedly in this House, of the past minister of education, how many had been formed in Saskatchewan. Those were purposely played down by the government that we defeated, so that it could impose a ward system for political purposes only.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — So I just want to say, Mr. Speaker, that I believe if one is really looking at the educational needs, spending those scarce dollars to help those young children whose education will give them their future in this province, perhaps there is something to be gained by looking at a global picture for the whole city of Regina. To equate the educational wards with the municipal wards is a fallacy, and you know this, Mr. Leader of the Opposition. It may not make so much difference if one ward doesn't get some streets and another ward does. But when you are dealing with the precious lives of young children, Mr. Leader of the Opposition, when you find that because one area doesn't get a school and another one does, when there is a lack of overall planning, then that is much more serious than municipal concerns dealing with garbage pick-up and road building.

So, I would say to you in closing, Mr. Leader of the Opposition, as one of my colleagues was saying: if it was so great, and you had a mandate of 11 years, why was it not brought in earlier? And secondly, if it was so great, and you and I both respect the people that were elected, then why did those people not come forward to the government opposite and ask you to take another look at the method of electing trustees? I haven't heard the elected trustees indicating this. We both agree, they are very responsible people. I think they have a good handle on education, and I did not hear any representation from them. Because a few people, for political reasons, pushed in the ward system, I think we are doing a service to the people of Regina and Saskatoon by repealing this legislation. When they find out the real reason I think they will be very happy.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Speaker, I wasn't planning to take part in this debate until I heard the Minister of Health, and I thought there was just one argument that was invalid. He says that the ward system is not being proceeded with at this time because it was introduced for political reasons, and that's the reason why they don't want it because that might be a training ground where future young, aspiring politicians might get elected and might get a chance to be heard. And I think that's a good reason. I never thought of that before,

but that's a very good reason for introducing the ward system.

Mr. Speaker, why should somebody be elected to a school board who has the money, and can afford to advertise, and can afford to buy space, and come out of, say, just around the Massey School district to get elected in Regina, for example? Why should just those people be on the school board? Look at the overall global picture in Regina. I like what Massey is doing. I look with envy at the facilities and the teaching equipment you have at Massey, and I compare that with what we have in Assiniboia or Gravelbourg or in Lafleche. It is pitiful, the contrast between what you've been able to put together in one city school, and what you have in some of the other areas.

How come we don't have schools like Massey in the rest of Regina? Because we haven't got a ward system. Because you haven't got representation on the school board from areas where the population is. Do you build a school where there is money, or do you build a school where there are kids? I think the Minister of Health made a valid point that has upset me a little bit on why this ward system should be introduced. Should there be global planning? Should the city of Regina look at the entire project, or should it just look at the sources where some of the people have fancy houses, and look at it because they can get elected because they've got a few bucks?

I think there should be room, if the ward system is going to be a system where young, aspiring politicians can get on a school board and get some training, maybe that would be a good thing. Maybe you people sitting there should have had some ward system and school board training. It would be a wonderful thing for you. I think maybe that makes some good sense.

Mr. Speaker, I am definitely opposed to the bill to cancel a good program that would have had a chance to get started, would have had a chance to be another first in Saskatchewan. Rather, we'll go the way of Ontario and go the way of the cities where a few can dominate the whole program.

SOME HON. MEMBERS: Hear, hear!

HON. MR. CURRIE: — I find it just a little hard to believe that the hon. member who just finished speaking actually did say, that it would be a good training ground for politics, that to politicize education would be sound thinking. I find it very, very incredible that the hon. member would have mentioned that.

Mr. Speaker, I listened to the hon. member for Quill Lakes yesterday. I really did have a little difficulty in accepting some of the assumptions and some of the conclusions that he seemed to arrive at. He spoke at great length, and to me it seemed that he implied that I, as Minister of Education, was acting irresponsibly in repealing the ward system. He asked me to withdraw it. He said that because I had been in office for a period of only two months, I had not taken the time to make this decision. This same gentleman seemed to be speaking out of both sides of his mouth, in the sense that he has always been yelling at us for the fact that we are not making decisions. In any event, I think he even implied that I was coerced by school board members, that I was coerced perhaps by senior cabinet members. It was inferences like that that I found a little bit difficult, really difficult to understand — that these words were actually coming out of the mouth of the hon. member for Quill Lakes.

You know, I heard him go on to speak about the de Vlieger report, and he spoke about it as though it really did provide conclusive evidence, as though it provided information

that would lead us to believe there was a consensus and that this was a truly representative hearing from the people of this province. I don't know whether he read the same report I did or not, but quite frankly it didn't take me two months to read that report. It took me perhaps two hours to read that report and to make up my mind. And the way I read this report, Mr. Speaker, I got these wave lengths from it. But first of all I didn't think it was a very good mechanism to use in order to solicit public opinion. Quite frankly, I thought it left a lot to be desired that a one-man judgment should be made on something this important and which would have a bearing on the educational growth of the young people of Regina and Saskatoon.

I will just give a few statistics. There were 19 responses from individuals in this province. There was a total of 64 briefs and responses from groups and individuals, and of the 64, if I remember correctly, there were 43 responses that were opposed or neutral. That's 67.2 per cent opposed or neutral. Now this was the main measuring stick by which the ward system was introduced by the government opposite.

Maybe I'm mixed up. Maybe I don't understand as quickly as I should. Maybe there's something wrong with my education. Perhaps the boards of education for the schools I attended had the ward system or something like that. But it seems to me that the hon. member for Quill Lakes was having difficulty in arriving at what I felt were pretty obvious answers. It seems to me that he indicated this report said that if you got a list of more than 10 or 20 — I don't know where the cutoff really is — and presented this list of candidates on a ballot to a voter that the voter would have extreme difficulty making a choice. That casts a bit of a reflection on the intelligence of the voters and, quite frankly, on April 26 I thought the voters were very intelligent people.

SOME HON. MEMBERS: Hear, hear!

HON. MR. CURRIE: — Quite frankly, in all seriousness, Mr. Speaker, the main point I want to make is that having read the de Vlieger report, having listened to all presentations, and having read briefs over the period of two months, I honestly feel that legislation was introduced very hastily. I feel that it was introduced prematurely and without true representation from the people, and that is my main concern.

I found that many people still prefer to vote for a slate of people whom they judge to be the best people to represent the educational needs of the city at large. I found that many people were very upset and concerned about the boundaries and the problems inherent in that and I think I elaborated upon that in my initial address.

I found that many people and particularly people on the firing line in the teaching profession, the teachers, were concerned about the danger of parochialism, the danger of politicizing that would be inherent in the ward system. They cited to me examples where the ward representative would intercede between the parent and the teacher, between the parent and the principal, between the parent and the school — obviously not a very good situation. I think that that is the crunch, when we come to think about what is in the best interests of the young children of our schools.

Mr. Speaker, there is no question about it. The mechanisms that were used to solicit the public's opinion were very inadequate. I honestly feel that further study is required into the implications of the ward system — the real implications that the ward system would have in so far as the educational growth of our children is concerned. Before a change is made to introduce the ward system or an alternative system or the at large system, I think that further study is required.

The hon. member for Quill Lakes had suggested to me that we should give it a try. What I am saying is: just why? Why would you give this a try just on a whim, when we're talking about the interests of the children of Regina and Saskatchewan? Why, on a whim, would you give this a try and go away from something that has been working as well as the system has been working in both cities until the present time?

Mr. Speaker, I am very pleased to urge support for the second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to on the following recorded division, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

YEAS — 41

Muller	Currie	Klein
Birkbeck	Schoenhals	Rybchuk
Taylor	Smith (Swift Current	Young
Andrew	Hampton	Gerich
Berntson	Weiman	Domotor
Thatcher	Bacon	Maxwell
Muirhead	Tusa	Dirks
Pickering	Sutor	Hepworth
Sandberg	Sauder	Folk
Hardy	Petersen	Myers
McLaren	Schmidt	Zazelenchuk
Garner	Parker	Johnson
Katzman	Smith (Moose Jaw S.)	Baker
Martens	Hopfner	

NAYS — 8

Blakeney	Engel	Lusney
Thompson	Lingenfelter	Yew
Koskie	Hammersmith	

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Thatcher that Bill No. 14 — **An Act to establish the Department of Energy and Mines and to repeal the Department of Mineral Resources Act** be now read a second time.

Motion agreed to, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr.

Thatcher that Bill No. 15 — **An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Department of Energy and Mines Act** be now read a second time.

Motion agreed to, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

SECOND READINGS

Bill No. 25 — An Act to amend The Power Corporation Act

HON. MR. McLAREN: — Mr. Speaker, the Saskatchewan Power Corporation is in an ongoing process of system expansion to meet the ever-increasing demand for energy in the province. Utilities, particularly those supplying electricity, are by their very nature capital intensive, requiring large sums of capital to finance the construction of new generation and transmission facilities. Over the next five years capital expenditures are expected to average about \$400 million per year.

An example of plant and facilities expansion is the Nipawin hydro-electric project which is required to meet the electrical power needs of customers in the mid-1980s and beyond. This project is expected to cost some \$600 million. A large part of the funds required to finance these capital projects is borrowed in the market. It is utility industry practice to finance 70 to 90 per cent of capital expenditure through borrowing, raising the balance through their operations. The maximum amount of money that SPC can borrow is established in The Saskatchewan Power Corporation Act. The current statutory limit is \$1.5 billion and includes money borrowed on the long-term market, as well as through short-term lines of credit.

SPC is now very close to this limit, with borrowing totalling \$1.49 billion including a \$200 million short-term line of credit. At the end of May this year, the corporation had approximately \$160 million in total borrowing capacity available to it. The current projection is that \$260 million to \$300 million will be required to December 31, 1982. The statutory borrowing limit of \$1.5 billion will likely be exceeded by the end of September at this rate. At that time SPC will not be able to borrow any more money on the long-term market and its short-term lines of credit will have been exhausted. It is therefore necessary to increase SPC's borrowing limit in its act.

SPC has suggested that its borrowing limit be raised from \$1.5 billion to \$3.5 billion. That limit would likely suffice for approximately five years. About 80 per cent of this amount will be required to meet growing customer needs in the electric system, based on current electrical load forecasts.

The extension of natural gas to rural Saskatchewan will also require substantial funds. Current indications are that during the next five years the Saskatchewan Power Corporation will need to borrow about \$1.8 billion more than its present borrowing limit allows.

To place this in a better perspective, Mr. Speaker, permit me to talk for a moment about the Saskatchewan energy picture over the next 10 years. If present predictions in the forecasting of customer energy demands are accurate, the corporation will, by 1992, see its assets grow more than four times the present worth of the corporation. At the end of 1981 the corporation's assets totalled over \$1.7 billion. The present 10-year forecast for capital funds totals about \$5.6 billion. Expressed another way, this means

that in the next 10 years the corporation will see the dollar value of its assets grow more than four times the value of all the facilities now owned and operated, which have been built in the history of the corporation.

SPC's requirements for funds are seriously aggravated by the effects of high interest rates, inflation, and the weakened Canadian dollar. In fact, the interest cost will soon be the largest single expense item on the corporation's balance sheet, larger than fuel, the cost of gas, the depreciation of facilities, and the cost of operations, including salaries, wages, and maintenance expenses. Rampant inflation continues to press on the cost of all expense items, leading to severe financial difficulties for the years ahead. In spite of this request to extend the borrowing limit for SPC, I want to assure this Assembly that SPC's management, board of directors, and my colleagues in cabinet will be carefully scrutinizing the financial commitments of this crown corporation. Where possible, and without sacrificing the level of service it is now providing, we will ensure the careful management of all the corporation's expenditures.

Mr. Speaker, I strongly support an increase in the borrowing limit for the Saskatchewan Power Corporation to a maximum of \$3.5 billion as soon as possible. It is urgently needed, if we are to ensure the consistent and reliable delivery of energy to Saskatchewan consumers. I move second reading of this bill.

HON. MR. BLAKENEY: — Mr. Speaker, I just want to add a few words. With almost everything that the minister says, I find myself in agreement. I think there is no question that the power corporation will have to expand its facilities, and, in the course of so doing, will have to borrow very substantial sums of money. It has been the custom to operate the power corporation on the basis of 70 per cent to 90 per cent borrowed money. In my judgment, that must continue. I don't agree with those who say that it ought to operate on 100 per cent borrowed money. Those are the people who say that those corporations always ought to operate at cost only. I think that that presents the management with exceedingly difficult problems, since one cannot estimate with precision what the likely return will be a year in advance. If you always aim for a break-even figure, the chances are you are going to suffer, sometimes, some significant losses and put the corporation in a difficult financial position.

Accordingly, I would like to think that the corporation is budgeting for quite a small surplus: perhaps 1 per cent on employed capital, or 2 per cent, at the outside, of employed capital. That is a very small amount, but yet would produce \$15 million on \$1.5 billion. However, that particular philosophy is one which we can debate in another forum. I simply want to indicate that the minister has said what is undoubtedly the truth, that a great deal of money is going to have to be borrowed. I am tempted to say the sorts of things which the member for Thunder Creek used to say whenever that rather obvious fact was mentioned in this legislature. The member for Thunder Creek took the view that we should expand the power corporation, we should keep rates down, and we should borrow no money. He never explained just how this was all to be accomplished, except that he used to go annually into a little dissertation on the iniquities of any government which would raise the gross borrowing of this province to as much as \$2 billion or \$2.5 billion. His statements are on the record and presumably some people opposite must have agreed with him since they didn't contradict him.

I suspect, however, that even under the benign administration of the government opposite, they are not going to be able to operate the power corporation or Sask Tel without borrowing some money, and some fairly substantial sums of money. I, therefore, will be agreeing with the general import of the bill.

I think two things might usefully be said. The minister indicated that we are going to borrow a good deal of money, inevitably, and that we are going to borrow it at relatively high rates of interest, at least for the next foreseeable couple of years and maybe a good deal longer than that.

He also indicated that the biggest item of expense on the power corporation's operating statement is likely to be interest expense. Now that is bad news, bad news for all of the consumers of power. It means that we are going to have higher power rates and it is not credible, and I think not appropriate, for any of us to hold out to the public that there are going to be lower power rates by reason of any device which one can evolve, save operating the power corporation at a very substantial loss.

You can always have lower power rates by doing that and you are simply raising the money from the general taxpayer rather than the power user. I do not, in general, agree with that. It seems to me that power users should, in general, pay the cost of the production of that power and not the general taxpayer. There will be certain relatively small classes of power users for whom one may wish to provide power at a subsidized rate and that's an issue of social policy which we can debate. But as a general policy it seems to me that power users, as a class, ought to pay for the costs of operating the power corporation, those costs to include interest and those costs to include the total carrying costs of all of the capital which needs to be borrowed. My point, therefore, is that we are facing higher rates and the public should know that.

The third point is one on which I don't feel strongly, but none the less wish to make, and that is that the bill calls for the raising of the borrowing limit from \$1.5 billion to \$3.5 billion. I think a case can be made for its being a lesser sum — perhaps \$2.5 billion. It doesn't seem to me inappropriate for the legislature to say, "Come back when you need another billion dollars," because perhaps the legislature should have an opportunity to debate the general structure of financing the power corporation.

I obviously don't feel strongly about this because there are other fora, other opportunities to debate it. But as a matter of principle I would think that a case can be made for the figure of say \$2.5 billion.

The minister will probably say that our government would have suggested \$3.5 billion and I think perhaps we did, in which case the argument is a little difficult for me to make convincingly. None the less it strikes me as something that would be worth considering in committee — whether or not that figure shouldn't be, say, \$2.5 billion rather than \$3.5 billion.

The principle of the bill is clearly to allow the power corporation to borrow more money. That must be done and with that principle we agree. I will resist the temptation of saying all the things which were said by some members opposite when they were in opposition and, in the interests of time, I will say, Mr. Speaker, that I propose to support the bill.

Motion agreed to, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

COMMITTEE OF THE WHOLE

Bill No. 10 — An Act to amend The Education Act

Clause 1

MR. CHAIRMAN: — Would the minister introduce his officials?

HON. MR. CURRIE: — Mr. Chairman, it is my pleasure to introduce Mr. Bill Wells, who is a school administration consultant with the Department of Education.

MR. KOSKIE: — Mr. Chairman, I just want to make a few comments and perhaps direct a couple of questions to the minister.

It seems to me that the previous government did in fact go forward with a fairly substantial consultative process in arriving at a decision, and I am just wondering if the minister could outline to us the consultative process and the bodies that he consulted with in arriving at the decision to repeal what had been put into place.

HON. MR. CURRIE: — Mr. Chairman, in reply to the member for Quill Lakes. We consulted the information that the previous government left available to us through the Department of Education (not through the minister's office naturally), and whatever other briefs were available through the department officials in the Department of Education, plus we did receive oral and some written presentations at the department during the period of time that we were examining this issue.

MR. KOSKIE: — Just a further expansion. Mr. Minister, I wonder if you could indicate what groups or bodies or associations you received specific briefs from, or that the department received, which helped you in arriving at the decision you have taken here.

HON. MR. CURRIE: — Well, to tell the truth, I am not sure that I recall each and every one of the briefs or presentations. I am not sure that the briefs are actually in our possession at the Department of Education at the present time.

MR. KOSKIE: — To be more specific then, did you consult with the Saskatchewan teachers' association?

HON. MR. CURRIE: — Yes, yes. I did.

MR. KOSKIE: — And did you have representations from the Saskatchewan School Trustees' Association?

HON. MR. CURRIE: — Yes, I did.

MR. KOSKIE: — I want to go on, Mr. Minister. You indicated in closing the debate that you felt further study is required. I would like to ask the minister whether he is prepared to give his commitment to this House to set in motion further study, and whether he is prepared at this time to indicate a framework of time within which he intends to put forward this further study?

HON. MR. CURRIE: — I think that's a large order, but I certainly would give a commitment to listen to and consider what I would consider to be a consensus of opinion from the general public in Regina and Saskatoon.

MR. KOSKIE: — Well, I think we were somewhat encouraged when the minister indicated that he would in fact have a further study. I think a further study is not very firm

in his mind. Why would a minister come forward and say in this House, "I repeal the bill because I think it needs further study," but then, when asked about the framework within which that further study will be put in place, lead us to believe that he has not in fact really seriously considered a further study?

Now, perhaps my impressions of what you have said are wrong; I would like your clarification of what you really mean by a further study.

HON. MR. CURRIE: — Well, I meant by further study, that it should have been given further study before it was implemented by the previous government, that I would be prepared to give it further observation. If I felt that the public was really in favor of a change from the at large system of electing school trustees, and if this was a true consensus in Regina and Saskatoon, I'd be prepared to set up the mechanism through which we could really put it to the true test. I don't feel that the previous government had done that, and that was the reason I was in favor of repealing the legislation. I hope that that is clear.

MR. KOSKIE: — Not to belabor the point but, it seems to me, what the minister is indicating is that he is not prepared to take the initiative, as we did with the de Vlieger report to go out and to examine and to get representations. I think what the minister is saying is, "Oh, if it comes forward out there and they make a demand, then I might be interested." That seems to be the limit of the further study that the minister is talking about. I think that, if that interpretation is correct, it is a very disappointing position that the minister is giving us.

HON. MR. CURRIE: — Mr. Chairman, I don't know how I could really satisfy the hon. member for Quill Lakes, because he has made up his mind to be dissatisfied. I just don't have the means whereby I could satisfy the member, or I would try to do so. But there is provision in The Education Act for people to come forward and to request a change in the method of voting. And I don't think, at this particular time, from what I've read in the de Vlieger report, and from the briefs and presentations which have been presented to me, that I would be prepared and committed to say we should go ahead and spend some money in setting up a task force to study and review and everything else. I think that would be rather irresponsible on my part at the present time.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the bill.

HON. MR. BERNTSON: — Mr. Chairman, it being nearly 5 o'clock, I wonder if we could recess until 7 o'clock at which time we can come back and deal with the other bills in committee of the whole.

The Assembly recessed until 7 p.m.