

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Twentieth Legislature**

**Wednesday, November 24, 1982.**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**QUESTIONS**

**Premier's Consultation with Earl Curley**

**HON. MR. BLAKENEY:** – Mr. Speaker, I direct a question to the Premier. The Premier doubtless seeks advice from his cabinet colleagues, and doubtless received advice from delegates, too, at Progressive Conservative conventions. I think we all understand why he would be dissatisfied with the advice from those sources. It's reported, however, that the Premier has recently been seeking counsel on public affairs from one Earl Curley, who is a parapsychologist, a professional psychic, and a sometime adviser to Pierre Trudeau and Ronald Reagan. I wonder if the Premier would advise the House of the nature of the advice he received, and the steps he proposed to take in the furtherance of the valuable advice he no doubt received.

**HON. MR. DEVINE:** – Someone told me you were going to ask that question.

**SOME HON. MEMBERS:** – Hear, hear!

**HON. MR. DEVINE:** – Mr. Deputy Speaker, in response to the question, I did meet with a businessman, and Mr. Curley was along. It had to do with discussions with respect to business that had nothing to do with psychology or forecasting the future. I have no need for any forecaster of that nature. I have heard the rumor that the hon. member might have used a bit of a forecaster in April. I would suggest that if he wants to call Mr. Curley. I'm sure he would be interesting in visiting with him.

**HON. MR. BLAKENEY:** – Mr. Deputy Speaker, the hon. member for Kindersley is pointing out that Mr. Curley has tendered previous predictions which departed somewhat from the truth, as revealed by future events. My question to the Premier is this: with respect to the businessman with whom the Premier was consulting at that time (doubtless in response to the Open for Business conference), was the businessman equally getting his advice from Mr. Curley – wrong advice – and was that why he was coming to Saskatchewan to speak to the Premier?

**HON. MR. DEVINE:** – Mr. Deputy Speaker, the individual who I met with was interested in exploring the possibilities of Saskatchewan. I attended the meeting at their request: I had no indication at all that as a result of it, some two weeks later, 10 days later, somebody would say that we'd been visiting about psychology or forecasting. We didn't and it didn't come up in the conversation. The discussions that we have about Saskatchewan and its investment and so forth are based on common sense and nothing more.

**HON. MR. BLAKENEY:** – Mr. Deputy Speaker, one short supplementary. Who paid for the meal?

**HON. MR. DEVINE:** – Mr. Deputy Speaker, I didn't pay for the meal so I gather somebody else there did.

**AN HON. MEMBER:** – Remember the last guy that consulted one was around for about 30 years. He talked to his dog.

**HON. MR. BLAKENEY:** – That's right. He had many strange practices which I'm not going to lay at the door of the Premier.

### **Oil Export Tax**

**HON. MR. BLAKENEY:** – Mr. Deputy Speaker, I have a question to direct to the Minister of Finance. This concerns money which I understand will have been received by the Government of Saskatchewan pursuant to the oil export tax and the federal government's payment to the province of Saskatchewan of the oil export tax.

It will be recalled that at the commencement of this fiscal year on April 1, the federal government owed us a very substantial sum of money of the order of \$0.25 billion. My question to the Minister of Finance is: was this money owing to the province of Saskatchewan received by the province of Saskatchewan after the commencement of the current fiscal year? And if so, in very approximate terms, how much? And if so, to what fiscal years as it distributed? Was it applied to the last fiscal year or was it applied to the upcoming fiscal year? Or was it split, and at approximately how much?

**HON. MR. ANDREW:** – Mr. Deputy Speaker, on that particular question I don't have those numbers at my fingertips. What I will do for the hon. member is to find the exact answer to that particular question. I will be in the House tomorrow. I will deliver the answer tomorrow. As a result I would like to take notice of that question.

### **Red Coat Trail Signs**

**HON. MR. GARNER:** – Mr. Deputy Speaker, regarding a couple of question that I took notice of yesterday, one was for the MLA for Pelly regarding the cost of the signs. That was correct. The value of the signs is \$1,500; cost of erection is \$1,500. The signs are not going to be made in anyone's basement. They are going to be manufactured by Signal Industries, a Saskatchewan company located in Regina. This company has been contracted to produce all signs used by Department of Highways and Transportation. Any supplementary?

### **Construction of Road to Dillon**

**HON. MR. GARNER:** – Okay. Next question. Mr. Deputy Speaker, it had to do with the construction of the road to Dillon. I had stated to the member yesterday, this was to the MLA for Athabasca, that there was going to be a bridge constructed on the Dillon road. I have to correct that. There are going to be two bridges constructed on that road by this new government. Construction will take place early in January '83. These bridges are: one crossing on the Dillon River, one crossing on Martins Creek.

**SOME HON. MEMBERS:** – Hear, hear!

### **Bus Service Cutback – Swift Current to Climax**

**HON. MR. GARNER:** – No supplementary. Okay. I'll continue. Mr. Speaker, this is in response to the question the MLA for Shaunavon raised. This is in reply to Mr. Lingenfelter's question regarding the November 28 cutback on the Swift Current-Climax schedule and the decision on whether or not public hearings will be held on various cutbacks. It is a decision that is made by the highway traffic board entirely. The decision is based on the number of objections made by individuals in that area to the proposed cutback. In this particular circumstance, Mr. Deputy Speaker, the number of complaints received in this regard warranted that the highway traffic board defer their decision to their next meeting, early in December, wherein a decision will be made as to whether or not a public hearing will be held.

And further to that, the minister in charge of STC does not arrange for these hearings. This is a decision made entirely by independent members of the highway traffic board in the province of Saskatchewan. The politicians have nothing to do with whether a public hearing is called.

**MR. LINGENFELTER:** – Yes, Mr. Deputy Speaker, I would like to ask a supplementary to the minister in charge of STC: whether or not he has considered delaying the cutback which was scheduled for November 28 until a later date, sometime in December, January, February or, in fact, if the hearings turn out that the cutback shouldn't occur, whether or not he is putting the cart in front of the horse in cancelling the program before he has the hearings?

**HON. MR. GARNER:** – Mr. Deputy Speaker, for the hon. member's information, no cutback in schedules, no changing of routes, can take place in the province of Saskatchewan until final permission and the application has been accepted by highway traffic board. No change whatsoever; there will be no change in that route until the final decision is made by the independent board, highway traffic board.

**MR. LINGENFELTER:** – Further supplementary. Will the minister give a guarantee that his director in charge of STC, Mr. Karst, will send a letter to those communities who he had informed that the bus line was going to be cancelled on two days a week? Has a letter been sent out to those communities or not?

**HON. MR. GARNER:** – Normal procedure will follow, but, Mr. Deputy Speaker, once again just to assure all members of the Assembly, no cutback in any service, that service or any other service, can take place without the highway traffic board making their own independent decision on the matter.

**MR. LINGENFELTER:** – Supplementary, Mr. Deputy Speaker. I'm wondering whether the minister will consider attending a public meeting which is planned in Shaunavon to deal with the cutback in bus service in that area in the near future?

**HON. MR. GARNER:** – Well, Mr. Deputy Speaker, this is just a different direction the Government of Saskatchewan is going today. We don't believe in political interference in the operation of any Crown corporation in the province of Saskatchewan. And no, I will not attend.

**SOME HON. MEMBERS:** – Hear, hear!

**HON. MR. GARNER:** – I reply, Mr. Deputy Speaker, to Mr. Lingenfelter's question regarding the cutback of service, I give to you the following information.

For the period of November 1, 1981 to October 31, 1982, the Climax-Swift Current and Swift Current-Climax average number of passenger per trip was only 4.4 passengers. This resulted in a cost to the company of \$210,488.65 in total operating costs. We are in the business of the movement of people and our buses cannot run viably with an inefficient passenger load. Then this government in terms of fiscal responsibility would find it very justifiable to reduce that service if the highway traffic board recommends so. And may I point out, Mr. Deputy Speaker, that the reduction of the frequency to four days per week would result in an annualized saving of 28,832 scheduled miles or \$76,058.81 total operating costs. The total savings by the reduction of this schedule would be \$134,429.84 of the taxpayers' money for the people of Saskatchewan.

### **Recreation Facilities Grant to Dillon**

**MR. THOMPSON:** – Thank you, Mr. Deputy Speaker. I would like to direct my question to the Minister of Northern Saskatchewan.

The community of Dillon, which is a reserve, has been applying for a recreation facilities grant all this summer to get a project started on their reserve. They are awaiting confirmation from your department for a recreation facilities grant of approximately \$206,000.

The Indian Affairs Department in Meadow Lake has guaranteed \$100,000 toward the project, providing that \$206,000 is forthcoming from the Department of Northern Saskatchewan. Also, they have a \$50,000 community project that will be approved on the approval of the Department of Northern Saskatchewan. Could you indicate to this House and to the people of Dillon: will you be approving this \$206,000 grant?

**HON. MR. McLEOD:** – As a matter of fact I have approved it to the treasury board stage. I have signed it, and as far as I am concerned it has been recommended by myself that it go ahead, and further to that I believe that a number of people in Dillon who have been inquiring about it have been informed of that as of now.

**MR. THOMPSON:** – Supplementary, Mr. Deputy Speaker. I was talking to Dillon yesterday and they indicated to me that what you have said is right. You have it on your desk, but it has not been signed yet, and they were told, as late as yesterday afternoon, that it had not been signed. What I would like to know and what the people of Dillon would like to know, because there are a lot of jobs that hinge on your approval, is: when are you going to sign it, or when is the treasury board going to make the decision?

**HON. MR. McLEOD:** – I told you very, very clearly that I have signed it. How anybody in Dillon would know if anything is on my desk and not signed is purely speculation on their part. But certainly it isn't on my desk. It is signed and it's in the mail and in the treasury board process, and I think I was very clear in my first answer regarding that.

**MR. THOMPSON:** – Supplementary, Mr. Deputy Speaker. You still haven't answered the question. Can the community of Dillon, that reserve, go ahead with the construction of this arena on which you have just said the money will be forthcoming? That's a guarantee?

**HON. MR. McLEOD:** – I didn't say that. I said that I have signed that. As far as the Minister of Northern Saskatchewan responsible for the program you referred to. I have signed it. I have recommended it to treasury board. It goes to treasury board from there.

I'm sure the member is aware of the process after a number of years here. It goes to the treasury board. Once it goes through treasury board and approval is given there through the cabinet, and so on, it'll be there. It isn't a very long process; that process is a very quick process under this new government and I can assure you that the process will go ahead very fast.

### **Wood Operation in La Loche**

**MR. THOMPSON:** – Mr. Deputy Speaker, a question to the Minister of Northern Saskatchewan. Some months ago a proposal came in to the Department of Northern Saskatchewan to start a wood operation in the community of La Loche. This wood operation consisted of a sawmill, a planer, a post operation, a peeler and a treating plant, with the posts to be stockpiled and sold at La Loche to get away from the heavy burden of transportation subsidies. Now that we have the type of unemployment that we have in La Loche with approximately 90 per cent of the employable people in La Loche unemployed at this time, could the minister indicate if his department is planning on going ahead with this wood operation and is he prepared to make any statement on that today?

**HON. MR. McLEOD:** – I am prepared to make the same statement to the hon. member as I made to the LCA in La Loche when I was there a number of weeks ago. I know that they are aware as well of the situation in the wood industry, of the post plants in other portions of the province that are in fact down now because of lack of markets, as is the case throughout the forest industry.

We certainly are aware of the heavy unemployment situation in La Loche, and I addressed that with them at that time. There are some severe problems in unemployment. We know that it's certainly not a brand-new situation, as the hon. member will readily admit, I'm sure. It's a problem that's been around for an awfully long time. As far as the particular sawmill, the post operations and so on, the proposal that you refer to, I told them at that time that we have no plans to go ahead with it. You mention in your question transportation subsidies and you, of all people, are very, very well aware of the extreme problem of distance from markets of the La Loche site. So no, we have no plans at the present time to go ahead with that proposal.

**MR. THOMPSON:** – Final supplementary, Mr. Deputy Speaker. As you have indicated you are not prepared to ahead, and the situation is that we have over 90 per cent of a community with a population of over 2,000 who are unemployed, and as you talk about the high transportation subsidies and in that proposal there would be no transportation subsidy involved, my final supplementary is: do you feel it is better to put out all this welfare than to go ahead with the wood operation and get the people working when we have the opportunity and we have the human resources? We have all the natural resources, we have the forest industry and the posts. Do you feel it is better to go ahead with this type of proposal rather than to just keep shovelling out more and more welfare?

**HON. MR. McLEOD:** – No. As I said, we are very aware of the unemployment situation. In answer to your specific question, we don't feel it's better to pay money out in welfare than it is to have viable economic activity, which we believe is the only solution to that – viable economic activity. As I pointed out to you, the proposal which was presented to the Department of Northern Saskatchewan was not, for reasons I have already cited, a viable economic operation.

One of the things we have to do, and we recognize this and we are addressing it all the time in the department, in terms of the economic development throughout the North, is get away from some of the proposals. People have put in proposals over a number of years that have had little to do with economic viability and haven't used a great deal of imagination in requesting some of these things. One of the proposals of that same group in La Loche regards market gardens and some of those kinds of things are just not reasonable or viable. To reiterate, I guess the best thing to say is that when viable proposals come forward, we will certainly be looking at them.

### **Cumberland House Fuel Oil Shortage**

**MR. YEY:** – Thank you, Mr. Deputy Speaker. I would like to direct my question to the Minister of Northern Saskatchewan. I wonder if he is aware of the serious problems facing Cumberland House? I understand that the residents of this oldest community in this province are running out of oil in their homes and in their businesses. The ferry is out of operation for the winter and fuel trucks may not be able to cross until late January or mid-January. What steps have your department people taken to provide Cumberland House residents with a furnace fuel supply?

**HON. MR. McLEOD:** – Mr. Deputy Speaker, I am aware of the situation, not exactly as is outlined, but I would ask the Minister of Rural Affairs, who is responsible for the ferry service there, to answer that question. I believe he has an answer for you.

**HON. MR. PICKERING:** – Mr. Deputy Speaker, in answer to the question, as you are well aware, where the ferry crosses over it is frozen over and it won't carry heavy traffic such as oil tankers at this point, so they have accommodated the people by transferring barrels of oil and groceries across by skidoo.

**SOME HON. MEMBERS:** – Hear, hear!

**MR. YEY:** – Supplementary, Mr. Deputy Speaker. Access to Cumberland House will continue to be a problem both in the late fall and in the spring of every year. What plan does your department, or the Department of Highways, have to provide a bridge for access to Cumberland House?

**HON. MR. McLEOD:** – As you refer to that situation with that ferry, I could just say a couple of things about that. First of all, it's been an ongoing situation for many, many years, as you will know. People will also know that about this time of the early spring and late fall there is a problem. The situation that happened this year, I believe, was that there was little foresight in taking fuel across and so on, and so when the ferry came out people were caught without having the fuel over there. I am not sure that there is any real excuse for that sort of thing.

As my colleague has pointed out to you, his department and this government, as we do in all cases where there is hardship or there is a particular situation, respond quickly. We have done that.

As far as the bridge is concerned, while you could in some way relate the problem, I can say to you today that we don't have a plan for this year or anything else, but as my colleague, the Minister of Highways said yesterday, a project array regarding highways, bridge construction and so on will be announced next year in the budget. And, if it's there, it's there; if it isn't, well, that's the way it is.

**MR. YEY** – Supplementary to the Minister of Highways and also to the Minister of Northern Saskatchewan. Are they prepared to prioritize the bridge to Cumberland House?

**HON. MR. GARNER:** – Mr. Deputy Speaker, there are many priorities in the province of Saskatchewan for bridges. They are not only in the North; they are in the South. We are going to be doing a very complete and in-depth study into the needs of bridges all over the province of Saskatchewan. The one commitment that I will make on behalf of this government is (it is a little different and the people of Saskatchewan aren't used to hearing this) that if we commit to building a bridge, the bridge will be built. We are not going to lead people down the garden path.

**SOME HON. MEMBERS:** – Hear, hear!

**MR. YEY:** – Final supplementary to the Minister of Highways. You haven't made any commitment whatsoever. I call that open discrimination against the people of northern Saskatchewan.

**HON. MR. GARNER:** – Mr. Speaker, I won't even go into an answer on a question like that. It is so irrelevant.

### **Government Position on CMA Resolution**

**MR. KOSKIE:** – I would like to direct a question to the Attorney General. As you will know, Mr. Attorney General, the doctors at the CMA conference in Saskatoon during the past summer passed a resolution, or put forward a position paper, leading to the right to take a blood sample from an intoxicated, or apparently intoxicated driver, without the consent of the individual driver. I would like to know whether the Attorney General and the Government of Saskatchewan have in fact taken a position which would in fact support the resolution put forward by the CMA?

**HON. MR. LANE:** – No, the government hasn't taken a formal position, as the member is probably aware. The government will be submitting a white paper on amendments to The Vehicles Act and proposals in that regard will be in that white paper for a public discussion.

**MR. KOSKIE:** – With respect to this matter, I'm just wondering whether the Attorney General has in fact made any representations to the federal government as of this date for them to consider the amendments to the Criminal Code which would exonerate doctors from common assault in taking the sample. I know in the past that the Attorney General had been making representation and that in fact a committee had been set up to make the submission to the federal government. Has any further action been taken?

**HON. MR. LANE:** – No. As the member is probably aware, the matter was on the agenda for the attorneys general conference which had been scheduled for Charlottetown, and subsequently cancelled. It is a matter of some ongoing discussion between all attorneys general, ministers of justice and the Government of Canada. But no formal position has been taken.

**MR. KOSKIE:** – Mr. Attorney General, you indicated that a white paper is being put forward. Do you have any timetable as to when this is likely to be available to the public?

**HON. MR. GARNER:** – For the hon. member's information, Mr. Deputy Speaker, the white paper will be released about mid next week to the people of Saskatchewan for their input into it and, just to clarify it for the member further, there will be a white paper released for amendments and reorganization of The Vehicles Act. Then, with the input from that white paper, there will be a draft copy of legislation, once again put forward for public input, and the final draft will come back into this Assembly next spring. Basically, what we're saying, Mr. Deputy Speaker, is this is an open government. We want the people to have the input into the laws in the province of Saskatchewan.

## **ORDERS OF THE DAY**

### **GOVERNMENT ORDERS**

#### **SECOND READINGS**

##### **Bill No. 22 – An Act to provide for the Taxation of Freehold Oil and Gas Production**

**HON. MR. THATCHER:** – Mr. Deputy Speaker, unaccustomed though I am, I am pleased to introduce The Freehold Oil and Gas Production Tax Act for second reading. This taxing statute is intended to become the province's sole source of revenue for oil and gas produced from freehold land. The new tax will replace the administratively complex Oil Well Income Tax Act introduced by the previous government in 1978.

I doubt that the opposition will quarrel with an assertion that The Oil Well Income Tax Act was a dog's breakfast. It was difficult for the department to administer. It had people in the industry spending more time filling out taxation forms than looking for oil. The Oil Well Income Tax Act of 1978 would never have been necessary if the previous government had shown some competency in writing legislation which would stand up before the courts.

The new tax, Mr. Deputy Speaker, will be an indirect tax similar in its calculation to the royalty applicable to Crown production. It will greatly reduce the administrative burden on both industry and government. Our government has promised to simplify regulatory procedures and the introduction of this bill is sound evidence of our commitment to this policy.

Members opposite may have noted a very significant event in this province about a month ago in the Open For Business conference. And one of the commitments made by the Premier of the province was that he was going to simplify government regulations. Mr. Speaker, I suggest to this Assembly today that this Freehold Oil and Gas Production Tax Act is one example – and a prompt example – of this government again moving quickly to implement its commitments, and those are to simply reduce much of the tape has become so inherent in our governmental systems.

The oil well income tax, a direct tax, was introduced in 1978, as I mentioned, by the previous government, after the infamous Bill 42 was found to be beyond the powers of the province by the Supreme Court of Canada. The Canadian constitution at that time limited provincial resource taxation powers to direct taxation. Indirect resource taxation is, however, a permitted field for provincial legislatures today. Mr. Deputy Speaker, I would be remiss if I did not point out one of the reasons that that is presently in today's constitution was the urging of the former premier of Saskatchewan, and for that provision I acknowledge his participation.



Subsection 92(8) of the Constitution Act (1982), which came into force on April 17, 1982 has provided greatly expanded provincial taxation powers with respect to natural resources and primary production therefrom. Mr. Deputy Speaker, our government has moved quickly to take advantage of the constitutional changes. Bill 22 was introduced for first reading during the last sitting of the legislature. Since that time a very constructive consultation process was initiated with associations representing the majority of the industry members operating in Saskatchewan. These consultations have resulted in three minor amendments which I will introduce during the committee of the whole.

Mr. Deputy Speaker, I would very briefly like to tell you that one of the most constructive things that the Department of Energy and Mines has done since April 17 is to have an open dialogue with the industry. Regrettably, this dialogue – pardon me, I suppose I should say lack of dialogue – has had some very adverse consequences for the province of Saskatchewan. Dialogue between industry and the previous government was almost minimal. It got to the point that industry knew in advance what the answer was going to be from the previous government in the resource sector. Ultimately they simply didn't bother to come.

Mr. Deputy Speaker, I can say that if we have had any success in the resource sector, and ultimately time will pass that judgment on us, I believe it has been our success in improving communications with the industry and the private sector in the resource field. And, hopefully, improvement of that dialogue will lead to significant financial benefits to the residents of Saskatchewan.

The new Act, unlike the oil well income tax, will also apply to the production of freehold gas. A framework for freehold gas taxation has been included in anticipation of future policy changes with respect to natural gas development and pricing.

The calculation, payment and collection mechanism under the new Act will parallel, to the extent possible, the corresponding procedures used to determine the royalties payable on Crown production. Besides simply the administration, the new Act will offer the province much more flexibility in terms of providing similar policies and benefits to both Crown and freehold production.

The new Act, Mr. Deputy Speaker, will impose a tax on production rather than on net income, as was the case under The Oil Well Income Tax Act. There will no longer be the need to file complicated tax returns at the end of the year. The ultimate tax liability will be represented by the monthly payments.

The administrative savings, I believe, are obvious to all. The industry will now be able to devote its time to finding oil and gas rather than filing out time-consuming, bureaucratic red tapes forms.

**SOME HON. MEMBERS:** – Hear, hear!

**HON. MR. THATCHER:** – In addition, Mr. Deputy Speaker, the new production tax will have minor taxes, such as the road allowance tax, rolled in, further reducing costly administration. Fewer taxpayers will need to be dealt with under the new production tax.

**AN HON. MEMBER:** – How does that affect section 8?

**HON. MR. THATCHER:** – I'm exempting section 8 from this Act. You're under the old Act.

All recipients of freehold revenue were liable for tax under The Oil Well Income Tax Act. This was necessary to prevent tax leakage as amounts paid by one taxpayer to another were deductible from tax. The production tax greatly simplifies this aspect and, therefore, only the working-interest owners (in other words, the people who pump the oil) are taxable. All production revenues flow through the working interest. This again, parallels the procedure for production from Crown lands.

I wish to assure you, Mr. Deputy Speaker, that the production tax does not, however, limit the province's ability to tax freehold oil and gas production. The ability to tax and the level at which taxes are imposed are totally separate issues. Our government intends to tax at levels which will promote exploration and development, rather than restrict such activity. The taxes levied will represent a fair return to the province, recognizing that ownership of freehold oil and gas does not rest with the Crown.

Mr. Deputy Speaker, an exemption from tax is provided for small mineral owners who have taken a working-interest position in wells on their lands. The exemption will see many Saskatchewan farmers, who have less than 1,280 producing acres, free from the production tax.

With those words, Mr. Speaker, I conclude my remarks on the proposed Freehold Oil and Gas Production Tax Act. I believe it is legislation which is needed. It is legislation which probably, even if there has not been a change on April 27, would have been introduced by the former government. It is legislation which simplifies something that is exceedingly and unnecessarily complex. I acknowledge that the previous legislation may have been in response to a specific need. That is ancient history, and it doesn't matter. I would urge this Assembly to give us prompt, swift passage of this bill which, I think, is basically non-controversial and therefore, Mr. Deputy Speaker, I now move second reading of this bill.

**HON. MR. BLAKENEY:** – I would like to add a few words to those which have been addressed to the House by the Minister of Energy.

Mr. Deputy Speaker, the minister attempts to some regards to rewrite history with respect to the story of oil taxation in Saskatchewan. He points out that the first major taxes on freehold oil were levied by Bill 42, The Oil and Gas Conservation, Stabilization and Development Act, introduced in 1973, vigorously opposed by the Minister of Mineral Resources. Indeed in 1975 he campaigned against that bill, as did his colleagues. He is now replacing it and acknowledging that the bill was a good bill and, in fact, he is going to take the money that . . .

**AN HON. MEMBER:** – What? Have you read the bill yet?

**HON. MR. BLAKENEY:** – Mr. Deputy Speaker, I'll wait until the outburst from the Minister of Energy has subsided somewhat. He is our Mount St. Helens; I think I will just wait a moment.

There is no doubt that the Government of Saskatchewan should have moved to collect the money that it did in 1973, notwithstanding the then opposition of the Minister of

Energy. It is true that it was found, or the Supreme Court at least found it not possible for the Government of Saskatchewan to levy an indirect tax on freehold oil royalty. It was not a judgment which was concurred in by the legislative jurisdiction of the Government of Saskatchewan.

That Act was then replaced by The Oil Well Income Tax Act, which was very cumbersome and is deserving of all epithets which were heaped upon it by the member for Thunder Creek, the Minister of Energy, with respect to its administrative complexity. There was no help for it if we wanted to save the \$500 million or \$600 million. The now Minister of Energy urged that this money go back to the oil companies. We felt that it ought to stay with the people of Saskatchewan and we acted to bring about that result, successfully I may say, as to about 98 or 99 cents on the dollar.

We, at the same time, moved to see whether or not we couldn't get the Canadian constitution changed so as to permit indirect taxes, so as to permit, in effect, the Government of Saskatchewan to levy a tax in the nature of royalty on freehold production. And that was ultimately achieved. A good deal of opposition by some people in the country to proposals that the constitution may be changed in this way . . .

But in any case it was achieved, and we are now able to pass this legislation which is before us, which I trust will greatly simplify taxes on the oil industry. I say I trust because none of us knows whether it will simplify taxes because none of us knows from reading this bill what the nature of the taxes will be. The recent Progressive Conservative convention urged members of that party to pass legislation which laid out the nature of the law and did not leave the guts and the basis of the law to regulations.

Some members opposite don't recall that resolution. I certainly read it. I thought many of the resolutions made interesting reading and that was one of them – particularly interesting reading when we have a bill before us which says that a tax will be imposed at the prescribed rate or rates, and the taxes imposed shall be calculated and paid in the manner provided in the regulations. So we have a tax at a rate to be provided by regulations, and to be calculated and paid in the manner provide in the regulations, and we do not know whether they're complex or not complex. Accordingly, we are unable to say whether this simplifies the law, but I would see no particular reason why the minister would recommend to his cabinet colleagues regulations which were overly complex and, accordingly, we may indeed achieve some simplification of the law.

We will not achieve the objective urged upon us by the Progressive Conservative Party that the main provisions of taxing and like statutes should be set out in the Act and not the regulations. I make no regulations in order to be able to respond to changing circumstances in the interval when the legislature cannot deal with the matter.

I wish, Mr. Speaker, to reply to a couple of the comments made by the minister with respect to the lack of dialogue between the mining industry and the government which preceded the current government. It is passing strange, I think, that the mining industry was so willing to proceed with its activity in this province when there was apparently no dialogue between the industry and the government. I need only remind members of this House that a year or so ago in the hardrock field, there was more hardrock exploration in this province than all the rest of Canada put together. There was a very large number of companies operating in the hardrock field and that seems, to put it mildly, somewhat inconsistent with an assertion that there was no dialogue between the government and the industry.

May I also point out to hon. members that in 1980, as I recall it, there were more oil wells and gas wells drilled in this province than in any previous year in history, even the years between 1964 and 1971 when we had a right-of-centre government. Surely, that is somewhat inconsistent with an assertion that there was no dialogue between the previous government and the oil industry. It is not particularly likely that they would drill more wells than at any time in history and have no conversations with the government. I think to assert that proposition is to refute it.

I want to make one other point and that is the comments made by the member with respect to The Road Allowances Crown Oil Act. I look at this Act and I see no provision here to tax Crown oil, none whatever. We can only, under this Act, tax freehold oil. The minister, however, proposed to repeal an Act which imposes a tax on Crown oil. As he euphemistically says, he is going to roll it in. Well, what he is talking about rolling in is \$8 million or \$9 million a year which he is simply throwing away. The money will be gone. It is Crown oil; it cannot be taxed under this statute; it can only be taxed under The Road Allowances Crown Oil, which he proposed in effect to repeal with respect to all subsequent production after the first of next year. And I simply want to make the point that the minister is deciding that \$8 million or \$9 million of tax revenue is going to be foregone.

When we hear that the government doesn't have money we know why they don't have money – because they are repealing taxing statutes. They are repealing statutes which have provided income of the order of \$5 million, \$6 million, \$7 million, \$8 million, or \$9 million since the 1950s. This is not a statute which the oil industry has been particularly upset about. They obviously don't like to pay the money any more than anyone else likes to pay the money. But it has never been a source of conflict between the industry and the government.

It is going to produce, in this year, I would think of the order of \$8 million (and I don't have the figures before me, but that is a reasonably approximation), and the minister proposes that next year it will yield zero. He says, however, that it will be rolled in with his new taxes. I don't know what that means, whether he is undertaking that the new rates will be higher than the old, but I fancy that the answer is no. I fancy that what he is proposing is that this \$8 million a year be given to the oil industry as a gift. As he so euphemistically says, rolled in, and what he means is rolled into the pockets of the oil industry.

Now this is perhaps not a large sum of money in the whole context of our taxation on oil, but it is, none the less, a significant sum of money. I simply want to say to hon. members that when they are met with assertions from the treasury branch that this cannot be afforded, all hon. members whether on the government or the opposition side should know that part of the reason why things cannot be afforded is that the Minister of Energy has proposed to roll into the pockets of the oil industry some \$8 million which is not collected under The Road Allowances Crown Oil Act.

Mr. Speaker, with respect to the particular provisions of this Act, The Taxation of Freehold Oil and Gas Production Act, since it is an Act which in effect replaces The Oil Well Income Tax Act, which objective I agree with, and since the provisions of this Act are not in themselves objectionable, I will not be opposing this Act. I will be inviting my colleagues to support this Act, this bill. I will obviously be making some comments on the next bill, wherein it is proposed to repeal The Road Allowances Crown Oil Act.

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

**Bill No. 23 – An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Freehold Oil and Gas Production Tax Act**

**HON. MR. THATCHER:** – Mr. Speaker, various housekeeping amendments are required as a consequence of the introduction of The Freehold Oil and Gas Production Tax Act. These amendments are consolidated within an Act aptly entitled, The Freehold Oil and Gas Production Tax Consequential Amendment Act. The consequential amendments include”

1. Reference to The Freehold Oil and Gas Production Tax Act within The Heritage Fund (Saskatchewan) Act;
2. Reference to the same Act within The Land Titles Act;
3. Provisions to discontinue application of The Oil Well Income Tax Act following introduction of The Freehold Oil and Gas Production Tax Act.
4. Amendments to discontinue application of The Road Allowances Crown Oil Act after December 31, 1982.

The purpose of these amendments, other than those to The Road Allowances Crown Oil Act, are obvious. The road allowance levy is being discontinued as a separate tax in entity as part of our government’s plan to simplify and deregulate. The effect of the road allowance levy can be built into the Crown royalty and freehold taxes directly, thus simplifying the administration.

Mr. Speaker, with these few brief remarks, I move second reading of this bill.

**HON. MR. BLAKENEY:** – Mr. Speaker, I want to add a comment. The minister has indicated four things which he says are consequential. The first two are, in the clearest sense, consequential. The third one under all the circumstances is consequential. The first ones, dealing with the Heritage Fund and The Land Titles Act, are clearly consequential if we are going to follow the same policy we have followed in the past. The third one with respect to The Oil Well Income Tax Act is consequential in the sense that this Act is clearly intended to succeed The Oil Well Income Tax Act.

With respect to The Road Allowances Crown Oil Act, I don’t think it’s consequential at all. I think that it is clear that The Road Allowances Crown Oil Act could stand as it is. There would be nothing incongruous about having the new Act, which we have just dealt with, The Freehold Oil and Gas Tax Act, and The Road Allowances Crown Oil Act standing side by side in the same that The Oil Well Income Tax Act and The Road Allowances Crown Oil Act stand side by side. In fact this is a significant change in policy.

The minister says that he is going to take these two taxes and going to roll them into one, but surely that, Mr. Deputy Speaker, is a policy question, and in administrative, in technical terms I think it inappropriate that it be included in a consequential amendments Act. It is not the sort of place you would look for a major change, a change in policy. Perhaps not a major change, but a change in policy.

Having made that technical point, I revert to the substance of it, and that is the question of whether or not we should be repealing The Road Allowances Crown Oil Act. We certainly shouldn't be giving up the money. In some sense of the word it is undoubtedly Crown oil. It's oil under Crown lands, and there's no early reason why the public of Saskatchewan shouldn't have the benefit from the oil under Crown lands. It is Crown oil. It's not freehold oil at all.

The minister says that he is going to collect this under a freehold oil tax. I regard that as being a hazardous undertaking. People tend to feel that oil under land where the mineral rights are held in freehold belongs to them and that it should not be taxed overly. We should not, it seems to me, mix with that tax oil which comes from Crown land, which everyone agrees ought to be subject to a substantial revenue to the Crown.

I just suggest that this is, I think, probably certain to lose us \$7 million or \$8 million a year which, while not a huge amount of money, is some money which we could have had which oil companies have been paying relatively cheerfully – as cheerfully as they pay any other tax – and which can be collected and has been collected with no great amount of administrative difficulty. The Act itself, I suppose, if anyone decided to take the oil out in specie instead of money, might get fairly complicated, but as tax where you simply add one – is it 0.88? – to the amount which is otherwise payable it's just simple surcharge. It does not involve any administrative complexity, and it yields of the order of \$8 million per year. I, for my part, do not think that we should forgo that, and I propose to oppose this bill, not because I object to the other matters which are in it. Clearly I agree with them; clearly I agree that The Freehold Oil and Gas Production Tax Act ought to be substituted for The Oil Well Income Tax Act. I do not agree with the repeal of The Road Allowances Crown Oil Act (and certainly that's what it is, since you're not going to collect anything after December 31 under that Act). I object to that since I do not see any method of the Crown effectively recovering the value of the oil under Crown land, and accordingly I will be opposing the bill.

**HON. MR. THATCHER:** – Mr. Deputy Speaker, in closing debate I would like to respectfully assure the Leader of the Opposition that neither one of these two bills is going to result in a loss of any revenue. I want to tell you very categorically that we will set freehold production tax rates to recapture the dollars lost by the repeal of the road allowance. I assure the Leader of the Opposition that the mechanism is there and it will be there and if, during committee of the whole, there is a deficiency in this, then we'll amend it on the spot and we would accept an amendment to cover that if, in fact, it is there. But I wish to assure the Leader of the Opposition that my department, my officials whom I have complete confidence in, have assured me that these two bills will not bring about any loss of revenue to the province, certainly not of the scale of \$7 million to \$9 million.

That is the way we see it. Now, if, in the course of clause-by-clause study, I invite the Leader of the Opposition to point out specifically where this is going to happen, we will correct it on the spot. I invite the Leader of the Opposition to perhaps re-evaluate his position of opposing the bill, because certainly it is not our intention to create a situation where there would be a loss in revenue.

I therefore move second reading.

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 – 40**

Devine	Taylor	Berntson
Thatcher	Muirhead	Pickering
Sandberg	McLeod	McLaren
Garner	Klein	Katzman
Schoenhals	Smith (Swift Current)	Hampton
Weiman	Bacon	Tusa
Hodgins	Sutor	Sveinson
Sauder	Glauser	Meagher
Schmidt	Parker	Smith (Moose jaw South)
Hopfner	Rybachuk	Gerich
Domotor	Maxwell	Embury
Dirks	Hepworth	Folk
Morin	Myers	Zazelenchuk
Baker		

**Nays – 6**

Blakeney	Thompson	Lingenfelter
Koskie	Lusney	Yew

**ADJOURNED DEBATES**

**SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 32 – **And Act to amend The Lloydminster Hospital Act, 1948** be now read a second time.

**MR. LINGENFELTER:** – Just a couple of words on this bill. I would like to say that we will be voting in favor of the bill. It's a bill which proposes to amalgamate, I believe, the boards of the Lloydminster hospital and the nursing home in that area, the special-care home. It has been worked on for the past couple of years both by the MLA at that time, Bob Long, as well as the Minister of Health, Herman Rolfes. I see no problem with it. There'll be a few points of clarification that we'll be asking for in committee.

The other thing that I find a little bit disturbing is that the bills we are receiving come without instructions or words of comment. I am just wondering whether or not this is a routine that the government is going to be getting into or whether it is just an oversight. With those few short words, we will be supporting the bill and we'll ask a few questions in committee of the whole.

**HON. MR. TAYLOR:** – In regard to this, I am pleased to see that the member opposite is going to support the bill. I think it is a very worthy bill.

**AN HON. MEMBER:** – In the spirit of co-operation.

**HON. MR. TAYLOR:** – That’s right, in the spirit of co-operation and well received.

In regard to the explanatory notes, it’s because both of these bills that are coming in were introduced in June, I guess it was, previously by the administration you represented at that time. That’s why there were not explanatory notes. But I assure you it is not the intent of this government to not provide these. And that would be the reason. With that, Mr. Deputy Speaker, I would like to move second reading of this 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.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mrs. Duncan that  
Bill No. 33 – **An Act to amend The Department of Revenue, Supply and Services Act** be now  
read a second time.

**MR. KOSKIE:** – I just want to say in respect to the bill, I’ve had an opportunity to check this out. I note that subsection 7 is, in fact, pretty well identical to the section in the Finance Act whereby the Minister of Finance has a right under any Act.

In respect to when we come to the committee of the whole, I only draw to the attention (and I don’t see the minister here) of whoever is putting this through, section 7 clause (a), just a reference, where it says:

A tax, royalty, rental or fee payable to Her Majesty that is imposed or authorized to be imposed pursuant to an Act . . .

In the Department of Finance Act it refers to any Act, because previously any remission came through the Minister of Finance, so it referred to any Act. In respect to this, I am just wondering whether that phraseology “to an Act” is what they want in respect to it, or “this Act.” I just raise that. I will be raising that question in committee of the whole.

Other than that, I want to say that the right of the minister to issue grants up to \$10,000 without the consent of the Lieutenant-Governor is, in fact, a provision that is in other Acts. There are very, very few grants that are issued under this department. While it may be meaningful, it is hardly necessary in view of the fact that one would think the government might have some more pressing types of legislation that could come forward. I raise that just as a minor concern – of a very minor nature – because of the nature of the department.

**HON. MR. BERNTSON:** – Mr. Deputy Speaker, if I understand, I think he said he was prepared to wait for committee for clarification on those points. If not . . . Okay, let her go.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Garner that  
Bill No. 35 – **An Act to amend The Land Surveys Act** be now read a second time.

**MR. LUSNEY:** – Mr. Deputy Speaker, thank you. This Bill No. 35, An Act to amend The Land Surveys Act is of a housekeeping nature, and I don’t see anything controversial in



it. We will be supporting this bill on this side of the House, and we will allow this one to go through without any further comment on it.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Pickering that  
Bill No. 36 – **An Act to amend The Municipal Employees Superannuation Act** be now read a second time.

**MR. LINGENFELTER:** – I would like to make a few comments on Bill No. 36, An Act to amend The Municipal Employees' Superannuation Act.

Here again it's a bill that had been introduced before we left government. It's an Act which would see a number of people have their pensions improved, and I'm glad the government saw fit to bring it back into the Assembly, and go forward with it. We will be supporting it. I find it interesting that at a time when the Premier of the province is making statements on pension, such as making the Canada pension optional, that we will wait with great interest to see what this government's policy really is for dealing with people's pension at future dates, because I think once you get past some of the good legislation dealing with labor that was worked on by a New Democratic government we may be in for some very shocking experiences in dealing with pensions at future dates. So I am glad that the government had the foresight and the courage to come forward with this New Democratic Party bill and we certainly will be supporting it.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Pickering that  
Bill No. 37 – **An Act to amend The Rural Municipality Act** be now read a second time.

**MR. LUSNEY:** – Mr. Deputy Speaker, I have a few comments to make on Bill No. 37, An Act to amend The Rural Municipality Act. I note, Mr. Deputy Speaker, most of the amendments are of a housekeeping nature. However, there are a few items in this bill that I will be questioning at a later time, as everyone is well aware.

The Rural Municipality Act and the elections within the rural municipalities are very important and I think that any amendments that could be made to improve those would be widely supported, Mr. Deputy Speaker. As I said, I will have some questions in committee on this bill, and I note, Mr. Deputy Speaker, that the remainder of the provisions of this bill deal mainly with interest charges. And I am surprised, Mr. Deputy Speaker, that this government and the minister would allow an increase from 5 per cent to 12 per cent on the taxpayers of the rural municipalities on any arrears of their taxes.

And I look at what has been said by this government regarding increases in salaries. They talk about inflation less one. And when we look at what they are saying now in the rural municipalities, and what they intend for the taxpayers of those municipalities, we see that they are not looking at inflation less one. We see it going a lot higher than that.

I would like to say, Mr. Deputy Speaker, that since the minister sees fit to increase the interest rate charges up to 12 per cent I think I will be waiting with some considerable

interest for tonight's budget to see if he is going to increase the amount of money available for road-building construction and highways in rural municipalities to the same extent as they are increasing the interest rates to the taxpayers . . . (inaudible interjection) . . . Mr. Deputy Speaker, the Deputy Premier is, in essence then, sneering at all the people in rural Saskatchewan because these are the people this bill is going to affect mostly. Well, these people need the highways out there, or the rural roads, Mr. Deputy Speaker, as much as they need the highways. There's no question about that. But I don't know at this time if we are going to see the kind of increases in this coming budget that are going to allow the rural municipalities to do some of the things that they would like to do out in rural Saskatchewan.

In his comment the other day the minister indicated that this bill was drafted mainly by the approval and with consultation between the rural municipalities and SARM. Mr. Deputy Speaker, I think it will be very interesting to see in the spring budget whether that consultation is going to continue, and whether the minister is going to go back to SARM and to the rural municipalities to find out just how much money they need for the projects that they have intended to build within the R.M.s and whether he is going to be as agreeable to providing that funding for those R.M.s as he is to raising the interest rate to the taxpayers of the rural municipalities.

Mr. Deputy Speaker, I will allow this bill to go through second reading at this time. However, as I said before, I will have some further questions on the bill when it's in committee.

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

### **ROYAL ASSENT TO BILLS**

At 3:26 p.m. the Administrator entered the Chamber, took his seat upon the throne and gave royal assent to the following bill:

Bill No. 39 – An Act to amend The Urban Municipality Act.

The Administrator retired from the Chamber at 3:28 p.m.

### **COMMITTEE OF THE WHOLE**

#### **Bill No. 32 – An Act to amend The Lloydminster Hospital Act**

**HON. MR. TAYLOR:** – Mr. Chairman, I'd like to introduce my officials. Beside me is Dr. Peter Glynn, associate deputy minister; Mr. Bob Ellis, legal counsel; and at the back, Mr. Bob Shaw, from the Department of Health.

#### **Clause 1**

**MR. LINGENFELTER:** – I have just a few questions of clarification on this bill. I'm wondering, in amalgamating the hospital boards, how is the board composition going to be made up? Is there a certain number from each province that is allowed, or could they possibly all be from Alberta or all from Saskatchewan?

**HON. MR. TAYLOR:** – In answer to the hon. member, it would be made up of representatives of the RMs that are involved in the amalgamation on each side of the border. Therefore, there would have to be a balance between Saskatchewan and Alberta.

**MR. LINGENFELTER:** – Further on that point (I imagine that it would be the same for both the special-care home and the hospital), can you tell me how many RMs or village councils or town councils there would be in each of the provinces right now?

**HON. MR. TAYLOR:** – We don't have the number right offhand, but they are stated in the Act. They're all in the Act.

**MR. LINGENFELTER:** – Graham, could you check that for me? Maybe someone could get that information.

**HON. MR. TAYLOR:** – We'll do that for you.

**MR. LINGENFELTER:** – I'm assuming that we're following sort of a regular procedure so I can wander around here a bit on clause 1. I'm wondering how the funding, if at all, will be changed by this in terms of the amount of grants that will come from Edmonton or Regina in terms of the hospital. Can you just outline briefly how the grants are divided up, and how they will be proportioned between the two provinces?

The other thing that I'm wondering goes back to the previous question which you're going to be getting me an answer for. It's my understanding that in Alberta they have a county system which would mean you would have a much larger jurisdiction than you have under the municipalities in Saskatchewan.

**HON. MR. TAYLOR:** – In answer to your second question, we'll provide that information to you when we provide it to the municipalities that are involved.

With regard to the funding, the Act doesn't change the funding at all. The way that it works there is that we bill Alberta (this is on the operation of it) on a per-patient basis for the cost of operating the hospital. For example, if 50 per cent of the patients are from Alberta, then we will bill in accordance with that. That has been the agreement previously.

**MR. LINGENFELTER:** – The special-care home, as I understand it, is on the Alberta side. Can you tell me what fees the residents of that nursing home pay to live in that home?

**HON. MR. TAYLOR:** – No, we don't have that information; the Department of Health doesn't. It's completely administered in Alberta and we have no information as to what the charge is. We could find out for you though if you wish.

**MR. LINGENFELTER:** – A further point in that area, and it's not directly related to this. It's on the construction of the hospital in Lloydminster. Can you tell me the arrangement of the funding on the capital costs of that building? There are two parts to the question: (1) who is responsible for what portion of it (the portion paid by the government)?; (2) what portion is paid by the local government or the local people of

the area? How is that broken down and how is it broken down then again between Saskatchewan and Alberta?

**HON. MR. TAYLOR:** – Yes, the figure regarding the capital cost is that it is approximately \$21 million for the hospital, that's the entirety. Alberta is putting up \$10 million of that, the Saskatchewan health department will be putting up \$9,696,000. So the remainder will be from the local source, and that funding arrangement, the \$9,696,000 is under the new capital funding formula that I announced. There is also cost protection involved in that too.

**MR. LINGENFELTER:** – I wonder if the minister could inform us as to the number of the average daily census, or ADC, or whatever you call it, that that hospital when fully completed will offer service to? How many beds will be offered, and what is the formula that we will pay? Or is it just on the number of people who have been admitted to the hospital? For example, will it be split 50-50 with no track kept of whether it is a resident of Saskatchewan or Alberta, or will you work out a formula at the end of the year that will equalize that out?

**HON. MR. TAYLOR:** – In answer to your question, I say to the hon. member, the operation of the finances, as I previously explained to you, is based on the number of Alberta residents who will be using it being charged proportionately there. The approved average daily census for that hospital is 61. That will be adjusted as to the utilization when the new hospital is constructed.

**MR. LINGENFELTER:** – One last question, I would like to know the number of staff at the two institutions – the one on the Alberta side, the nursing home – as well as the staff who will be employed, or are employed at the hospital on the Saskatchewan side.

**HON. MR. TAYLOR:** – In consultation with my officials, we will send that to you. We don't know the exact number now and I wouldn't want to quote a wrong number. Again, in Alberta we don't know. Obviously you want to know; you asked the question, so we will find that out for you.

Clause 1 agreed to.

Clauses 2 to 23 inclusive agreed to.

The committee agreed to report the bill.

### **Bill No. 30 – An Act respecting the Department of Culture and Recreation**

**MR. SCHOENHALS:** – This is primarily a housekeeping bill, simply changing the name. I'll take a run at it myself.

#### **Clause 1**

**MR. KOSKIE:** – I just want to make a couple of comments. My colleague unfortunately is not here this afternoon, but he has commissioned me to speak on his behalf. I read his comments the other day, and I just want to say that I note that what we are doing here is eliminating the reference to youth. I just wonder if the minister could assure us. I recall under the previous Thatcher government that youth was emphasized, and we had a trailers representing youth travelling from communities – youth trailers all over. Big. And what I am wondering here is: under this present Thatcher government are we likely

to have similar efforts made during election time, when it comes around, in respect to the youth?

**MR. SCHOENHALS:** – The intent of removing the “youth” is not to eliminate that, but, as is indicated, to broaden the mandate to indicate what has happened recently. In answer to your question, we will carry on the present Devine government in a very professional manner. We’ll not take advantage of this change.

**MR. KOSKIE:** – Just one other comment. I don’t want to take up a lot of time in respect to individual sections. I notice the reference now to recreation, and certainly I hope that the minister is as serious as the previous government. You will recall in the previous budget that we had allocated \$43 million for culture and recreation in this province. I expect by changing the title that the minister is indeed very serious about giving the impetus to this department, as we were prepared to do when we were the government.

**MR. SCHOENHALS:** – It seems that what was in the previous non-budget is really irrelevant, but I assure you we will give at least as much, as probably more, impetus to the field of recreation as the previous administration – and money.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

#### **Clause 6**

**MR. KOSKIE:** – In respect to subclause (d), and here it refers to “disseminate information,” and certainly I would hope that the minister means what those words are and that it will not be Tory propaganda, but rather dissemination of information to the people.

**MR. SCHOENHALS:** – I assure you that will be the case, and I’m sure the people will welcome the change.

Clause 6 agreed to.

Clauses 7 to 13 inclusive agreed to.

The committee agreed to report the bill.

#### **Bill No. 31 – An Act respecting the Consequential Amendments resulting from the enactment of The Department of Culture and Recreation Act**

Clauses 1 to 4 inclusive agreed to.

The committee agreed to report the bill.

#### **Bill No. 35 – An Act to amend The Land Surveys Act**

Clauses 1 to 3 inclusive agreed to.

The committee agreed to report the bill.

#### **Bill No. 36 – An Act to amend The Municipal Employees’ Superannuation Act**

**HON. MR. BERNTSON:** – Mr. Chairman, the minister has just stepped out to get his officials. He'll be here in one second.

**HON. MR. PICKERING:** – Thank you, Mr. Chairman. On my left here is my acting deputy minister, Dan Gilewich, and sitting back him is the assistant acting deputy to the deputy minister, Mr. Nick Bichel.

### **Clause 1**

**MR. LINGENFELTER:** – Just a short question. I'm wondering how many people will be affected by the implementation – if the minister could inform us – of this bill.

**HON. MR. PICKERING:** – As of December 31, 1981, there were 4,800 members that were under the municipal employees' superannuation plan and 800 superannuates.

**MR. LINGENFELTER:** – I didn't catch that number. I wanted to know how many people will be directly affected by the change. I think you said 800 and some, but I'm just not . . .

**HON. MR. PICKERING:** – I'm sorry you didn't catch it but it was 4,800 members under the municipal employees' superannuation plan, plus 800 superannuates.

**MR. LINGENFELTER:** – We will be supporting the rest of the sections on this bill. I believe it's exactly the same as the one we had previously introduced last March – Bill 5. I mentioned earlier that we will watch with a great deal of interest this government's opinion and recommendations on national pension policies and await with great anticipation where their true feelings like in dealing with pensions and the workers of the province.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The committee agreed to report the bill.

### **Bill No. 37 – An Act to amend The Rural Municipality Act**

Clauses 1 and 2 agreed to.

### **Clause 3**

**MR. LUSNEY:** – I have a question on 97(1), Mr. Chairman. The explanatory notes say that there will be one additional week provided between nomination day and polling day by removing the three that were previously required in there. Wouldn't that shorten the period that the individual would have for going out there and trying to gain that nomination for his own electioneering, so to say?

**HON. MR. PICKERING:** – Yes, it does. It lessens the time for electioneering.

**AN HON. MEMBER:** – By one week.

**MR. LUSNEY:** – So the notes then are wrong. Are you saying that? The explanation here says that there will be an additional week, rather than one week less.

**HON. MR. PICKERING:** – Would you mind repeating your question, please?

**MR. LUSNEY:** – In the provisions you have here, in the amendment, you reduce it by striking out “three” and substituting “two.” Will that not shorten the period that the individual has for campaigning?

**HON. MR. PICKERING:** – All it does is shorten the time of declaring the polling place by one week.

Clause 3 agreed to.

Clauses 4 to 9 inclusive agreed to.

### Clause 10

**MR. LUSNEY:** – Section 339 – that increases the penalty percentage rate, Mr. Chairman, I think we are going to look at this kind of increase on the penalty. Should the minister not inform the public as to what that rate is going to be at a given tie, rather than just informing the RM of the increase, or that rate?

**HON. MR. PICKERING:** – Yes, we certainly will. This was brought about by SARM and the rural councils of the rural municipalities of the province because of the fact that the people, instead of paying their taxes, were investing their money at a high interest rate. As a result, the RMs were forced to borrow money to operate. So this will probably eliminate that in most cases.

**MR. LUSNEY:** – Mr. Chairman, should the public (and what I’m getting at here is in 339) not to be informed as to the rate increases, and as to what the rate is going to be at that time?

**HON. MR. PICKERING:** – Yes, we will inform the RMs. The RMs will then inform the ratepayers in their respective RMs.

Clause 10 agreed to.

Clauses 11 and 12 agreed to.

### Clause 13

**MR. LUSNEY:** – Clause 12 deals with retroactive legislation, Mr. Chairman. With a government that has been saying it will do what the people want, I can’t see why they would require retroactive legislation here that comes into force December 31, 1982. Yet at the same time they are saying that even though it comes into force, pardon me, on January 1, 1983, they are making it retroactive to July 1982. If you are going to amend this legislation and want to increase interest rates, why don’t you increase this for 1983 rather than 1982? This is a penalty you are imposing on the taxpayers who were not aware that it would happen. You are making that retroactive and they are going to pay a

penalty which they really were not aware of.

**HON. MR. PICKERING:** – Section 10 actually says that there was half a year rebate allowed, and then it was retroactive back to July 1.

**MR. LUSNEY:** – The Act as you amend it here is saying that this will be coming into force on January 1, 1983. However, the Act in itself will be retroactive to July 1, 1982. I could see that that's going to cost anybody who hasn't paid their taxes before December 31, 1982. They could be subject to a 12 per cent penalty from July 1, 1982. That's retroactive legislation, Mr. Chairman, and I don't think the public would agree with legislation to increase the percentage of penalty by the amount it has gone up without first being informed and being made aware of the facts so they could try to make arrangements not to have to pay that penalty.

**HON. MR. PICKERING:** – On January 1, it was at 9 per cent, up until the end of June; 12 per cent came into effect after that time. We reimbursed them for half of the 9 per cent up to that time.

**MR. LUSNEY:** – Are you saying from January 1, 1982, it was 9 per cent? That's funny. When was the Act amended to allow it to go above the 5 per cent? The Act said previously to this amendment that it should be 5 per cent.

**HON. MR. PICKERING:** – Approximately five or six years ago and I'm sure that we weren't the ones that brought in that amendment.

**MR. LUSNEY:** – It states here in the explanatory notes that existing legislation is 5 per cent, and that's what I'm going by, Mr. Chairman. If there has been an amendment, I apologize for not checking that amendment back in 1972.

I have no further questions, Mr. Chairman. I can't say that I agree with retroactive legislation in clause 12, but I have made my objection to it, and I suppose the government will do whatever they wish with that.

**HON. MR. PICKERING:** – You stated that it was at 5 per cent, that it was in fact optional to increase it to 9.

Clause 13 agreed to.

The committee agreed to report the bill.

### **THIRD READINGS**

#### **Bill No. 32 – An Act to amend The Lloydminster Hospital Act, 1948**

**MR. SCHOENHALS:** – Mr. Deputy Speaker, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

#### **Bill No. 31 – An Act respecting the Department of Culture and Recreation**

**MR. SCHOENHALS:** – I move this bill now be read a third time and passed under its title.



Motion agreed to and bill read a third time.

**Bill No. 31 – An Act respecting the Consequential Amendments resulting from the enactment of The Department of Culture and Recreation Act**

**MR. SCHOENHALS:** – I move this bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

**Bill No. 35 – An Act to amend The Land Surveys Act**

**HON. MR. GARNER:** – I move this bill be now read a third time and passed under its title.

Motion agreed to and the bill read a third time.

**Bill No. 36 – An Act to amend The Municipal Employees' Superannuation Act**

**HON. MR. BERNTSON:** – Mr. Deputy Speaker, on behalf of the hon. member, I move this bill now be read third time and passed under its title.

Motion agreed to and bill read a third time.

**Bill No. 37 – An Act to amend The Rural Municipality Act**

**HON. MR. BERNTSON:** – Mr. Deputy Speaker, on behalf of the hon. member, I move this bill now be read a third time and passed under its title.

Motion agreed to and bill read a third time.

**MOTION**

**House Adjournment**

**HON. MR. BERNTSON:** –Mr. Deputy Speaker, with leave I would like, in the true spirit of co-operation and in a sincere desire to help the opposition prepare for their response to the budget speech tonight, and in keeping with the tradition of allowing some research time for the opposition to prepare for the resumption of the budget debate, and also because it takes a while for the mill to filter stuff down through it, and it is traditionally done while the budget debate is going on, and it would be difficult to fill a day tomorrow, to move:

That when this House adjourns today that it stands adjourned until Friday, November 26.

**MR. LINGENFELTER:** – Just a few comments before we agree to the motion. I understand the willingness of government to co-operate with the opposition, but it's our opinion that if we want to sit tomorrow I'm sure there are a number of things we could do to keep busy. There are three bills on the order paper in committee. There are a number of private resolutions, private motions. I'm sure the member for Saskatoon Westmount would not mind having an opportunity to speak on the office of the

provincial ombudsman. There are a number of things that we could work on in private members that would not take away from the opposition preparing for budget day.

But truly in the spirit of co-operation, we will agree with the motion put by the government, but let it be known that it is their idea not to sit tomorrow. Certainly if we decide to change our minds at this point, we could find many things to do to keep busy tomorrow.

**HON. MR. BERNTSON:** – Mr. Deputy Speaker, in closing debate on this motion, there is absolutely no question that we could find some work to do tomorrow and there is absolutely no question that it may even be advisable. But having experienced one little episode earlier this week, as it relates to facilitating the necessary leaves, etc. to get the stuff down through the mill, we chose not to go through that embarrassment tomorrow, or not to risk going through that embarrassment tomorrow. In the true spirit of co-operation, the tradition has been that opposition should have a day of research. We're being a little cheap on this because you used to give us a whole weekend; we're giving you a day. But we're giving you Friday press, so that's a trade-off.

I'm sure that the Leader of the Opposition is in complete agreement with the intent of this motion and I'm sure that he will instruct his caucus to vote accordingly. So with that, I put the motion, Mr. Deputy Speaker.

Motion agreed to.

**HON. MR. BERNTSON:** – Mr. Deputy Speaker, since we do have to set up the Chamber this evening – not me personally, but somebody is going to – and since it is near 5 o'clock. I would ask that in order to facilitate the staff getting the Chamber ready for this evening that we do now call it 5 o'clock.

The Assembly recessed until 7 p.m.