LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Fifteenth Legislature
31st Day

Monday, March 20, 1967

The Assembly met at 10:00 o'clock a.m.
On the Orders of the Day.

ANNOUNCEMENT RE: KINDERSLEY CURLING TEAM

MR. W.S. HOWES (Kerrobert-Kindersley): — Mr. Speaker, before the Orders of the Day, I would like to call the attention of this House to the fact that a rink from Kindersley, in my constituency, skipped by Larry Magrath uphold the honor of St. Patrick by winning the Canadian mixed curling championship on March 17. This rink is composed of Mrs. Darlene Hill, Mrs. Marlene Sorset, Larry Magrath, all of Kindersley, and John Gunn from Brock, and I don't know whether he is in my constituency or Mr. Leith's.

Saskatchewan was not successful in the Briar competitions but I think all of us are delighted that in this our Centennial Year, a rink from this province has been successful in winning the second major curling event in Canada of the year. This rink, we feel, is a credit to our constituency as I have mentioned previously. I am sure that all of us in this House feel they are a credit to Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

QUESTION RE: RETURN NO. 22

MR. F.A. DEWHURST (Wadena): — Mr. Speaker, I would like to ask the Government when I may expect Return No. 22, which was asked on February 21.

ANNOUNCEMENT RE: SPORTING EVENT

HON. G.B. GRANT (Minister of Public Health): — Mr. Speaker, another major sporting event took place last week and I am very pleased to say the Government side of the House was successful over the city of Regina in a bowling match last week, and we now have won the trophy three times out of four. I think that we should retain it, but His Worship, the Mayor, has a little reservation. Members participating and I think this should be known were Messrs. Heald, Steuart, McIsaac, Coderre and myself.

SOME HON. MEMBERS: — Hear, hear!

QUESTION RE: RETURN NO. 49

MR. W.G. DAVIES (Moose Jaw City): — Mr. Speaker, I would like to repeat my question to the Attorney General (Mr. Heald) about when I may expect Return No. 49.

HON. D.V. HEALD (Attorney General): — As soon as it comes to hand. It hasn't come to my office as yet. I have asked the officials in the Provincial Secretary's Department to get after the Ministers in the various departments in an effort to speed them up, and I am sure we will get them.

QUESTIONS RE: RETURNS NOS. 26, 35, and 36

MR. C.G. WILLIS (Melfort-Tisdale): — Mr. Speaker, may I ask the Provincial Secretary whether or not he has tabled Returns No. 26, 35 and 36?

MR. HEALD: — I am sorry but I only tabled one and I didn't take note of the number. No. 9 was tabled this morning.

QUESTION RE: RETURN NO. 14

MR. J.H. BROCKELBANK (Kelsey): — Mr. Speaker, Return No. 14 was ordered on February 13, just about five weeks ago now, in regards to the flights of the Beachcraft Baron airplane. I just can't understand why it takes so long to get this. This is all a matter of record, and it is just a matter of somebody taking the time to copy it out. I wonder what's the matter. Could the Provincial Secretary look into this and jog up the people?

MR. HEALD: — I'll be glad to look into it.

The Assembly recessed at 12:30 o'clock p.m. until 2:30 o'clock p.m.

WELCOME TO STUDENTS

MR. H.H.P. BAKER (Regina East): — Mr. Speaker, before we start proceedings I would like to welcome a group of students from Douglas Park School who are here with their teacher, Mr. Riley; a grade seven group, some 32 in number. We are very pleased to have them here from that fine school and in my constituency. I think it is wonderful to find that these areas in our community and other communities are bringing the students to our Legislature in the Province of Saskatchewan. We hope that they will have a pleasant stay here and, as others, learn the operations and workings of our Legislative Assembly where the laws are made. We welcome them most sincerely on behalf of this Chamber and you, Mr. Speaker, and we wish them well while in the Buildings.

SOME HON. MEMBERS: — Hear, hear!

MR. J.B. HOOKER (Notukeu-Willowbunch): — Mr. Speaker, I would like to introduce to you and to other Members of this Assembly, a group of students in the Speaker's gallery. These young people are from Meyronne, Saskatchewan and they represent grades 4, 5, 6, and 7 and are accompanied by their principal, Mr. Wilson. These students are enjoying a trip to Regina. We hope that their stay in Regina will be most pleasant and educational and I know that you will join with me in wishing them a safe journey home.

SOME HON. MEMBERS: — Hear, hear!

MRS. SALLY MERCHANT (Saskatoon City): — Mr. Speaker, while we are welcoming students, I would like to take this opportunity of introducing to you and the Members, a group from St. Francis School in Saskatoon who are in the east gallery. I know that you will want me to welcome them

here as well as the other groups that we enjoy having in our galleries these days.

SOME HON. MEMBERS: — Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Heald: That Bill No. 61 — **An Act respecting Securities** be now read a second time.

MR. A.E. BLAKENEY (Regina West): — Mr. Speaker, I wanted to add a few comments to those of the Attorney General (Mr. Heald) in the second reading of this major change in the securities legislation of the province.

As the Attorney General has indicated, this Bill is a further step in the regulation of securities in Saskatchewan and in Canada. The last major step was the passing of The Securities Act of 1954, which had been patterned from the Ontario Act of a couple of years earlier, 1950 I think.

The Act of 1954 was a step in bringing uniformity to securities legislation and securities regulation across Canada. The 1954 Act has been amended a couple of times since that time but its principles have remained intact. And the Act which is now on the statute books of Saskatchewan is essentially the 1954 Act. There are drafting changes and in addition there are a few points which appear to be changed in principle. Among the changes in principle — they might be considered changes in detail — are the following:

1. There appears to have been eliminated from the Bill before us those provisions in the 1954 Act which sought to regulate fraudulent or deceptive trading in securities generally, as opposed to the regulations of the people who can sell securities or as opposed to the regulations of the types of literature or prospectus that can be used when selling securities. Thus the 1954 Act contains a definition of fraud and fraudulent act and it created a penalty for the series of offences in the nature of fraud.

I don't know why these were eliminated from the Act. I can only presume that people may have had doubts as to whether or not this legislation was within the competence of the Province, or whether or not it is really criminal legislation and therefore within the competence of the Government of Canada.

2. A number of provisions have been introduced which ensure the right of a hearing when adverse decisions are made by the Securities Commission. These could be of importance to an individual, as the Attorney General (Mr. Heald) mentioned. Conversely some provisions which required copies of decisions to be forwarded to persons adversely affected by such decisions appear to have been eliminated. Some provisions have been added which widen, and possibly unnecessarily, certain powers of investigation by the Commission.

One major change from the 1954 Act is that the material which must be included in a prospectus to be filed with the Saskatchewan Securities Commission is no longer set out in the Act. The 1954 Act detailed with a good deal of particularity, the contents of

prospectuses which were required to be filed. The new Act leaves all of this to be done by regulation. I think we have to deplore that sort of trend. Certainly as much as possible should be included in the statutes and as little as possible should be left to regulation.

However, as securities regulation is a developing field, there is substantial need for flexibility, and accordingly I will take no special objection to this proposal in the new Bill. I simply note that it could be very oppressive if not wisely and fairly administered. Furthermore it could destroy the uniformity of legislation which was such a convenience to companies who are marketing their securities across Canada. I think it is pretty obvious that if a national company is selling securities across Canada, it should be able to make up a prospectus which is a description of the security being sold, and should be able to file this in any province in Canada. Just as clearly the company should not be forced to take this same information and scramble it into six or seven forms to comply with the legislation of the different provinces. The ideal of uniformity was very nearly reached in the middle and later 1950's across Canada, as province after province put their legislation into forms which allowed a national company to draw up its prospectus to meet the requirements of five, six or seven provinces. This could still be maintained but care will have to be taken to see that the regulations are kept uniform.

The principal changes in the new Bill are not changes made in the 1954 legislation, but things which have been added to the 1954 Act. These changes indicate a fairly substantial change in the philosophy of securities regulation. In the beginning, or about 25 years ago, securities legislation was really designed to do two things; to license the people who sold securities and to create offences for people who sold them fraudulently. That's about all it was designed to do — to say that it was illegal to use fraud in the sale of securities and to license the people who sold them. At this stage of the game the legislation did not try to regulate the literature which was used and it certainly didn't try to regulate the operations of the company once the shares had been sold. Both of these tasks were left to The Companies Act. Thus, if 25 years ago you bought a share, the man you bought it from would probably be registered under The Securities Act, the but prospectus which he may have given you was not that prescribed by The Securities Act, but that prescribed by The Companies Act. And the company whose shares you bought was in no way regulated by The Securities Act. The Companies Act required a prospectus to be filed. It was thought that this gave the intended purchaser sufficient information. Similarly The Companies Act provided for meetings for shareholders and provided that the shareholder could vote for his director. These devices were thought to give the shareholder enough protection.

Now the next step in the progression was the one introduced by the Ontario legislation of the early 50's and our Act of 1954. This was to realize that the Companies Acts were totally inadequate to regulate the information which was made available to a prospective purchaser by a vendor of securities. Accordingly, elaborate provisions were introduced in the Securities Acts providing for the full, true and plain disclosure of information with respect to the securities which disclosure the vendor of securities had to make for the prospective purchaser. Now this was largely a copying of the securities legislation introduced federally in the United States in the 1930's and administered there

by the Securities and Exchange Commission, the familiar SEC. However, at this stage of the game, it was, and it still is, left to the buyer in his capacity as a shareholder to protect his interests as a shareholder by attending shareholders' meetings and there to vote for the directors and so on.

Anyone who is acquainted with the field of securities has realized that a considerable portion of the fraud which has appeared in this field has not appeared at the time of the sale. Frequently securities are sold reasonably, fairly and honestly, only to find that the proceeds of the sale once they got into the treasury of the company are purloined from the treasury by some highly questionable means. Once again the Companies Acts have proved totally inadequate to protect the position of the shareholder.

The Bill before us is a substantial forward step in the regulation, not strictly of the trading in securities, or of the buying and selling of securities, but rather the manner in which the company and the officers thereof, conducted themselves vis-à-vis their shareholders. This can be some time after the shares have been sold.

I think I could oversimplify the story by saying that the 1954 Act put the Securities Commission in the office of the brokerage house watching over the broker. The 1967 Act is in part going to put the Securities Commission in the boardroom of a company watching over the management of companies so that they don't defraud the shareholder.

The provisions which have been added deal with a number of specific fields. Part X deals with takeover bids. Takeover bids are still trading in securities. This is the sort of thing where, if you own shares in, let us say, John East Iron Works, it is possible that the Steel Company of Canada may come and make an offer to all the shareholders of John East Iron Works. And assuming that each is a public company, Steel Company of Canada would make a general offer and that, for my example would be a takeover bid. The provisions in the new Bill appear to offer a good many protections to the share owner who owns shares of a company which is the object of a takeover bid. Part XI deals with proxies and proxy solicitation. By and large this has not much to do with the sale of securities as such. It is really a regulation of how a company operates, one year, two years, perhaps ten years after its securities have been sold. This is a field that, in my view, badly needs some regulation. I predict that the particular provisions in this Bill are going to be troublesome. I don't object to them on that account and I don't have any bright suggestions as to how they could be made to work better. But I do think that these are going to have to be worked through for a few years to take out some of the bugs in them. Among others things these provisions are going to require the Securities Commission to keep some very elaborate records. This is true of this Bill generally. We are going to have to be able to tell whether a company offered its shares to the public ten years ago and this information is going to have to be readily available. And similarly we are going to have to be able to tell whether any shareholders of this company reside in Saskatchewan. All of this we may need to know in order to see if we are committing an offence.

Part XII deals with insider trading and is designed to prevent directors and officers of companies from using their special position to line their own pockets at the expense of the share

holders. Insiders are people — it is just a fancy name — who have inside information. These provisions are along the lines of American legislation. There, the legislation has helped to regulate but has by no means eliminated abuses in this field.

Perhaps the most interesting provisions are those in Part XIII which require some very elaborate and continuous financial disclosures by companies which have in the past sold their securities to the public. As I read the legislation, it could mean that a company which sold securities in, say 1967, to the public of Saskatchewan, would in 1975 have to continue to make a financial disclosure to the shareholders of an elaborate kind. This is a fairly long step into the regulation of the operations of public companies. I don't regret that. I think that legislation of this type is due and perhaps even overdue. It is legislation which one province couldn't possibly introduce on its own, certainly not a province like Saskatchewan. The move had to be made by Ontario and I commend the Government opposite for following Ontario as soon as Ontario had made the move and thus making it possible and practical for Saskatchewan to make a similar move. I believe that the public wants legislation of this kind.

Several of the public scandals in the corporate field of the last couple of years have been only indirectly related to the sale of securities as such. They have more particularly been related to improper activities on the part of management, amounting to the stripping of treasuries for the personal benefit of management and for the failure to disclose these activities to the public or to the shareholders. And one need instance only cases like the Atlantic Acceptance and the Prudential Finance scandals, each of which was essentially an operation where the chief basis for criticism was not the way the securities were sold, but rather the fact of what happened to the money after it reached the treasury, and the fact that not only the public, but also the shareholders were simply kept in the dark about the financial affairs of those companies. The public seems now to believe that it is a proper function of government to regulate the internal operations of major corporations which have solicited funds from the public, at least to the extent of requiring disclosure to protect shareholders from improper activities of officers and directors of these companies. And Part X111 provides for some fairly elaborate financial disclosure.

I am generally in agreement with the provisions of the new Bill. I have a substantial number of small points which I wish to raise in Committee, but I will be supporting the Bill on second reading.

I think the Bill raises once more the question of whether or not we should have in Canada, the regulation of securities by the Federal Government. First class arguments for such regulation can be put forward, and I would hope that the Government would examine these with some care, so that it could support such regulation, if proposals in that regard are raised at Federal-Provincial Conferences, as they are from time to time.

There is one further general comment which I would like to make. This Bill will make comparatively little change in the practices of the sale of securities in Saskatchewan. The legislation will offer only a moderate amount more protection to the share-buyer. It is doubtful whether any legislation can protect an imprudent share-buyer from an enthusiastic salesman. And here I want to just digress for a moment, to say that some of the stories in the press seem to indicate that there will be substantial

additional protections for the share-buyer. I want to disabuse the public of that fact. Whatever impression may have been left by the press, prospective share-buyers in Saskatchewan should not depend upon this legislation or indeed any other legislation to protect them. The two cardinal rules in buying securities cannot be emphasized too often: "Investigate before you invest", and "Deal with someone you know and trust." If however, a member of the public is talked into a share transaction which he regrets, he should get in touch with a broker or lawyer almost immediately. There are certain protections for him in the Act, but they require almost instantaneous action by the purchaser. This is as it must be in a fast-moving field like share transactions. However, it emphasizes the warning that in this field, as in some others, vigilance is the price of safety.

Therefore, Mr. Speaker, while we should not expect too much from this Bill, I say that it is a good Bill in principle; it is a further forward step in the field of securities legislation and regulation; it breaks new ground in the field of corporate regulation and it deserves the support of the House.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to and Bill read a second time.

SECOND READINGS

HON. D.V. HEALD (Attorney General) moved second reading of Bill No. 66 — **An Act to provide for the Fair Disclosure of the Cost of Credit**.

He said: Mr. Speaker, it is a pleasure for me to rise to say a few words about The Cost of Credit Disclosures Act. My Department has been studying the matter of credit disclosure for some time. At the Federal-Provincial Conference on consumer credit held in Ottawa in December last, it became clear that most, if not all, of the ten provinces were also studying the matter, and all have or are proceeding with the enactment of legislation providing for the disclosure by lenders of the cost of credit to borrowers. The Hon. Mitchell Sharp, Minister of Finance advised the conference that provision for rate disclosure was also going to be included in the Bill which is presently before the Parliament of Canada to amend the Bank Act. In drafting this Bill which is now before you for consideration, we have followed the Ontario Act which doesn't differ greatly from that of Nova Scotia. The present Bill does differ in one important aspect, as the Ontario and Nova Scotia Acts both contain provisions as to direct sellers which follows the principles of our Direct Sellers Act of 1965. Mr. Speaker, it has been generally accepted that the cost of borrowing to a borrower should be required to be disclosed, both as an annual percentage rate and also in dollars and cents. The purpose of this is to enable the borrower to first of all decide whether he can afford to borrow the money at the rate charged, or whether he should postpone purchase of the goods in view of the cost of obtaining credit with respect to the purchase. It will also enable the borrower to compare rates and costs of borrowing of the various lenders and sellers. Now, a purchaser may find that while the sale price of a certain article offered by one company for sale is lower than the sale price of another, the credit charges may be much higher, and the result is that he would be required to pay more if he entered into a contract with the company offering the article at the lower price. It may turn out that it really isn't lower after he finds

out what his finance charges are. My experience has been that a great many borrowers and persons obtaining credit do not realize the rates of interest which they are required to pay for credit. It is when they get into difficulties or discuss the matter with more experienced persons that they suddenly realize the amount of interest they are paying on a transaction. Where there is full disclosure of the cost of credit, such a person has only himself to blame if he fails to note the rate of interest and the cost of borrowing set out in his contract. One of the first questions which arises with respect to such legislation involves the question as to what charge is being made with respect to a credit transaction and what is to be treated as part of the cost of borrowing.

The question has been raised as to whether charges for insurance are to be included as a cost of borrowing. Some of the provinces have taken the position that insurance charges as well as any other charges of any kind, including solicitor's fees for example, should be included in arriving at the cost of borrowing. With respect to insurance, there is first of all fire insurance on all the chattels involved in a credit transaction. I do not know to what extent the industry requires fire insurance to be taken out, but with respect to automobile financing I believe it is usual to require the purchaser to obtain automobile insurance covering the automobile with possibly $100 deductible. Life insurance is also provided for with respect to many credit transactions. In this Bill, insurance is excluded as a cost of borrowing because it is considered desirable for the purchaser to have such insurance. And there is also the fact that, if it is not excluded, the cost of such insurance may be made the subject of a small loan at a higher rate of interest. Now there is one exception to this exclusion of interest. It is only included, and there is a section of the Act dealing with it, as a cost of borrowing where the insurance is not taken out with an independent insurance company or where it is not written at competitive rates. We felt that such considerations were necessary to prevent exorbitant charges being made under the guise of insurance. This Bill before you does not require credit granters to register in the province, as is the case with Nova Scotia's Act. We felt that it is unnecessary and would involve registering almost every storekeeper in the province as well as all finance companies. Nova Scotia is the only province which requires registration under their credit disclosure. Ontario, Alberta or British Columbia, none of these provinces require registration.

Now the definitions of the cost of borrowing contained in the various statutes on consumer credit are designed to make sure that all costs of credit are disclosed. The charges made to a borrower in connection with the granting of credit may be called interest or discount or may appear under several different headings such as commission, service fees, registration fees, insurance costs, and so on. There are also cases where part of the costs of borrowing will be part of the sale price of the goods. In some cases this will not be readily ascertainable, but in others the vendor will state that the price is not the cash price but the price at which the goods can be purchased on credit. The definitions in the Act are designed to have all costs which arise as a result of credit being obtained, disclosed to the person obtaining credit as being a cost. It is considered desirable that the cost of obtaining credit be set out in dollars and cents as that is the cost which many people understand the most readily. It is also considered desirable that these costs should be expressed as an annual rate of simple interest.

At the last Federal Conference, various methods of computing annual rates were considered, but the majority of the provinces favor what is sometimes referred to as the nominal annual rate. This is the rate of interest which Nova Scotia and Ontario intend to apply in their regulations. This is a rate arrived at by the determination of the effective rate of cost per payment period, and converting this to an annual rate by multiplying by the number of payment periods per year. It is the rate which most people have in mind when they speak of simple interest per annum; that is, it is the rate obtained by computing the ratio of the total charges for the credit in a year to the average amount of credit outstanding during the year. It is the cost of the credit to the individual and does not take into account the fact that the finance company may, by a continuous investment of its funds at such rate, actually earn more than that rate of interest on the money which it is loaning to individuals. We were advised at the Conference by the representatives of Nova Scotia and Ontario that there are no problems involved in producing tables which lenders or credit granters can apply to enable them to disclose the cost of borrowing, both as a sum in dollars and cents and also as an annual rate of interest. And of course these computations will be provided for in the regulations.

Now, Mr. Speaker, another matter which has to be considered in credit registration is that of allowing certain tolerances due to the fact that it is not practical to have tables covering all possible sums down to the last dollar. Nova Scotia has provided certain tolerances in their regulations and we are considering similar provisions. The tolerances provided in some jurisdictions are higher in the case of small loans. Some jurisdictions have dealt with this matter by excluding loans or transactions not exceeding $50. We don't think this is a desirable approach as the borrower should know the cost to him. In Nova Scotia it was found that some rates on some small loans were as high as 48 per cent; in fact in one case it was 75 per cent. For this reason our Bill doesn't provide for any such exclusion. Now, special considerations have to apply with respect to what is usually referred to as variable credit. This is the type of credit involved in what is referred to as 'credit revolving accounts'. This Bill also provides for credit disclosure with respect to such accounts. One of the most important matters to be considered, Mr. Speaker, with respect to credit disclosure legislation is the matter of what penalty the lender or credit granter is to suffer, if he fails to disclose the cost of borrowing in dollars and cents and as an annual interest rate in accordance with the statute and regulations thereunder. In other words, what are the teeth in the Bill? Now the Nova Scotia legislation provides that a borrower is not liable to pay a lender, as the cost of borrowing, any sum or at any rate in excess of the sum or rate shown in the statement required by their Act in respect to the transaction. Ontario has a similar provision to Nova Scotia. I would point out that the Nova Scotia and Ontario provisions would leave it open to an unscrupulous lender to provide for payments which would result in a greater cost of borrowing than that disclosed. In the case of many persons the payments would be made without question, and, if they were questioned, it would merely mean that the lender would get a reduced amount in such cases. It might be very difficult to convict such a lender of fraud, as he could no doubt claim that it was due to a mistake in the tables used by him or in their use and not with any intention to defraud. Now the Bill before this House, we think, has much more effective provisions, and it follows the Alberta legislation and provides that if a lender fails to comply with the disclosure provisions, he cannot recover any more than

the amount actually loaned and may be sued for any amount paid to him over that amount. In other words, if he doesn't comply with the Act he gets no interest at all. We think that this will be a very effective way of ensuring that they will comply with the provisions of the Act. This will require them to be very careful in their transactions. Keeping in mind that tolerances will be allowed, we consider that such a provision is not too stringent and we think it will be very effective, much more so than the provisions in the Ontario and Nova Scotia Acts.

The matter of rebates to be made when a borrower wishes to repay his loan or pay the balance owing on his purchase is one that has caused us considerable concern. I have had cases brought to my attention where individuals, upon realizing the rate of high interest being paid by them, have approached the finance company with a view to paying off the loan and have been told that they may do so but have also been told that the amount of the rebate is very small. I have had to tell such persons that the contract signed by them did not provide for prior payment. The Ontario and Nova Scotia legislations provide for the amount of rebate to be allowed to be fixed by regulation. Nova Scotia has passed regulations in this connection and our Bill contemplates similar regulations.

There is one other matter in connection with the Bill which I would like to mention and that is in connection with complaints received from time to time with respect to cases where goods were sold and a promissory note is taken as well as the usual lien agreement providing for the purchase of the goods over a period of time. Now the promissory note is a negotiable instrument and it is often negotiated through a finance company, and the purchaser finds himself obliged to pay the amount due under the promissory note, even though he may not have received the goods or the goods that he did receive are of inferior quality. He runs into the rule of law covering a bona fide purchaser for value without notice or holder in due course. Now the Ontario statute passed last year dealt with this problem by providing that the lender who assigns a negotiable instrument given to secure credit must deliver to the assignee, along with the negotiable instrument, a copy of the statement required with respect to a lending transaction, and where the lender is the seller, a copy of the contract of sale. The purpose of this device is to protect the borrower or the purchaser from the consequences of his negotiable instrument, the note, coming into the hands of the holder in due course without notice. Now since the matter of promissory notes is in the Federal field of legislation, we think this is one way in which a province can deal with the situation and be legal about it, be within their legal constitutional competence. The Ontario provision guards against second assignments and provides that if the assignor does not give the notice required with respect to the contract and the maker of the negotiable instrument is required to pay, then the assignor is under and obligation to indemnify the maker. The Bill before the House tonight adopts the Ontario provisions as we believe this is necessary to prevent the kind of abuses that I have mentioned. The Bill also contains provisions for the imposition of fairly heavy penalties, but, as I pointed out earlier, Mr. Speaker, I really feel that the teeth in the Bill is the provisions that, if they don't comply with it, they won't be allowed to collect any interest or any charges. With those comments, Mr. Speaker, I would move second reading of this Bill.

MR. W.A. ROBBINS (Saskatoon City): — I would first of all like to

commend the Attorney General (Mr. Heald) for a clear and reasonable concise summation of the contents of the Bill. We of course on this side of the House very much support the principle of disclosure of credit. We feel this is most necessary, that people who utilize credit facilities have some reasonable knowledge of the cost to them, particularly stated on an annual interest-rate basis. I was particularly concerned myself that this be included in the disclosure, because I do feel that simply to disclose in dollars and cents, although it may have some value, is a pretty limited value. I think I gave a few examples of this some time ago in terms of one of the debates in the House. I think it is true to say that many of the unsophisticated borrowers are taken in and taken very badly in with respect to terms of credit granted to people in our modern day society, simply because they have no real protection in terms of gaining any particular knowledge in relation to the actual cost.

I might just cite one or two brief examples to illustrate this. You can cut ads out of the paper almost daily which indicate that an individual person can borrow a sum of $300 for a period of one year by paying back $28.37 a month. This is a particular instance without naming the grantor of credit, which any person in this Assembly could find in the pages of the Leader Post any week during any period of any year. Now, if you actually analyse that particular transaction, what it simply means is that the individual borrowed the sum of $300 but he only has that $300 credit available to him for one month because in fact, when he makes the payment of $28.37 at the end of that month, he has paid of $25 of the principal and the remaining $3.37 is interest or whatever you may wish to call it but it is a cost to him. On the basis of taking $3.37 and multiplying it by 12, because he has the loan for a year, he will find that he is paying $40.44 for the utilization of an average credit of $150 throughout the year. If you divide the $150 into the $40.44 in actual cost, you will find that he is paying an interest rate, a true annual interest rate, of 26.96 per cent. I believe the Hon. Attorney General (Mr. Heald) mentioned in Nova Scotia some evidence of credit extension at the rates as high as 48 per cent and 75 per cent. I have seen some in this province in excess of 50 per cent.

Another example that might just briefly illustrate why we feel very strongly that disclosure of credit should be law is the example related to discounting. Now you will see many examples of this. I can cite examples of banks advertising on this basis, where they will have people join a Christmas Club. They will have loans of $120 wherein the individuals, in effect, have the $120 loan discounted at the rate of six per cent. I think quite frankly that the ads are misleading in this respect because they lead one to the belief that they are getting money at six per cent when they are not. If you take the six per cent discount on $120 you will find this comes to $7.20. You deduct this from $120 leaving you $112.80. If you divide that $112.80 by two, and I agree that it is not completely accurate but it is roughly accurate, $56.40 average outstanding credits throughout the year at a cost of $7.20 means that the individual is actually paying at a rate of 12.7 per cent. Yet most people that you find borrow on this basis have been led to believe that they are borrowing at a rate of six per cent. Now, I feel that it's vital that we begin to educate people in this particular field and at least give them some semblance of protection.

I know the Attorney General mentioned that there would also

be dollars and cents disclosure. I think this is important too, and I cite again an example that I have used here before. An individual might go into a store, borrow money in effect by buying goods totaling $100 in cost, have a credit cost of $12 and have to pay for the article in six months' time. He might go to another store and buy a similar article costing $100, have an interest cost or carrying charge of $18 but have a year in which to make the payment. Now obviously, although the dollar cost is appreciably greater in the second instance, in terms of true annual interest-rate cost, the interest rate is much higher in the first instance. I think unsophisticated borrowers, and there are many people in this category, could be readily fooled simply by dollars and cents disclosure. So I commend the Minister in terms of the fact that the Bill also covers annual interest rate. I know we have heard a lot of arguments down through the years that this was not possible, and particularly true with respect to variable or revolving credit. I have always contended that this is not true, that it is possible to give at least a reasonably close estimate in terms of true annual rate costs. Obviously the Bill attempts to do this or assumes that this will be done in terms of the regulations of the Bill. I have had a chance to peruse the Bill in conjunction with the Nova Scotia Act, and, if I am to offer a criticism, a basic criticism, I feel that perhaps it should be related to the fact that we do not contemplate appointing a Registrar of Credit. Now I realize, as the Attorney General pointed out, that there are problems here too, but I do feel that the Nova Scotia legislation with a Registrar of Credit with fairly wide powers may be of great value in terms of the actual disclosure of credit. I do feel that this may be a weakness in terms of the proposed Bill. I did find that a goodly number of the clauses in the Nova Scotia legislation were not included in the Saskatchewan legislation, but the Attorney General has satisfied me in this respect by pointing out that the Saskatchewan Bill also took some sections of the Ontario and Alberta legislation into account in terms of drawing up the Bill. So in conclusion, Mr. Speaker, I would simply say that we support the Bill in principle; we may have some criticism with respect to various clauses of the Bill, but, as we have felt for a long, long time, the disclosure of interest is essential and required in terms of good utilization of resources in the field of consumer economics. We certainly support the Bill and I personally would commend the Attorney General and the Government for bringing it in, even though they are doing it a bit belatedly.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to and Bill read a second time.

MR. HEALD (Attorney General) moved second reading of Bill No. 67 **An Act respecting Mortgage Brokers**.

He said: Mr. Speaker, in rising to propose second reading of The Mortgage Brokers Act, I will not deal with it at length. The purpose of this Bill can be stated very simply. It is to license and regulate persons who carry on the business of lending money on the security of land or of any interest in land or who carry on the business of dealing in mortgages. Now the licensing provisions of the Act do not apply to any person residing in Saskatchewan and lending money on the security of not more than five mortgages in any calendar year. It was felt in considering this Bill that we shouldn't cover every individual. Say somebody moves

in from the country and has got a little money he wants to invest. This isn't the kind of fellow who we think needs regulation, so we thought that by allowing an exemption of five mortgages per year, we would be exempting the fellow who is really not in the business of lending money on mortgages. It is the mortgage brokers that we want to require to be licensed. This Act will be administered by the Superintendent of Insurance who is given power to suspend or cancel the licence of a broker where the broker has, among other things, first of all been guilty of misrepresentation, fraud or dishonesty, and secondly by any false misleading or deceptive statement or advertisement, representation or promise, induced or attempted to induce any person to borrow money, or thirdly has demonstrated his incompetency or untrustworthiness, to carry on the business of a mortgage broker. The Act also provides the Superintendent of Insurance with powers of investigation in a mortgage transaction upon the receipt of complaints from members of the public, or where the Superintendent deems it to be necessary. Mr. Speaker, I think that is all I want to say about this Act. As I indicated in an earlier debate, the reason why we feel this Act is necessary is because our sister province of Manitoba has had a great deal of trouble with unscrupulous mortgage brokers and two or three years ago found it necessary to appoint a Royal Commission under the chairmanship of Dean Tallin of the Law School to look into a great many of the abuses which were taking place in the Province of Manitoba. You had a situation there, and there have been some indications; there have been some advertisements in the Province of Saskatchewan by some of the companies that were in trouble and were the subject of the investigation by Dean Tallin, so we think it is desirable to close the door before the horse leaves and this is why we are proposing this Bill at this time. With that short explanation, Mr. Speaker, I would move second reading.

Motion agreed to and Bill read a second time.

MR. HEALD moved second reading of Bill No. 69 — **An Act to amend The Regulations Act**.

He said: Mr. Speaker, these are proposed amendments to The Regulations Act. These amendments are prompted by representations made to the Government by the Queen's Printer, who has advised us that, if he were required to print in the Gazette all the old regulations which have been filed with the Registrar of Regulations, this would involve an additional expenditure of somewhere between $150,000 and $200,000. One of the original purposes of The Regulations Act was to provide a central place at which all regulations would be filed and be available for reference. Now there are certain exemptions which have been authorized by Order in Council. Mr. Speaker, it was hoped that the requirement to file all those regulations with the Registrar would cause departments to review their regulations and to have them re-enacted by an Order in Council in a revised and consolidated form. This has been done in a good many instances, and these regulations being in effect, new regulations, have already been printed in the Gazette. Unfortunately, however, certain departments have chosen merely to file without review the existing regulations, some of which have been found out-dated and in need of revision and consolidation. Mr. Speaker, it is considered that no useful purpose would be served in reprinting the old regulations which in most cases are already available in printed form, either in old issues of the Gazette or in the consolidation of the regulations made in 1943-44.

Prior to the time that The Regulations Act was proclaimed in force which was January 2, 1964, the Attorney General at that time directed that all regulations were to be revised and consolidated and issued in the consolidated volumes simultaneously with the Revised States of Saskatchewan in 1965. This directive was later withdrawn for the reason that the consolidation of regulations would be impossible to complete along with the heavy work load at that time involved in the revision and consolidation of the statutes.

Now there is a retroactive effect in these amendments. The reason for that is that some of the old regulations were filed with the Registrar during the summer of 1964, and it may be that others have been filed since. These regulations were never reprinted in the Gazette. We therefore considered it desirable that the proposed amendment be given retroactive effects, otherwise the Registrar might be required to publish these old regulations which are already filed with him.

MR. A.E. BLAKENEY (Regina West): — Mr. Speaker, I was disappointed to hear the words of the Attorney General with respect to this matter. I think that all of us will know that the idea behind The Regulations Act was that there could be a consolidation of regulations over a period of time. We thought it would take three or four years but if it's going to take five or six, that it seems to me would be all right. But it seems now that we will not have anywhere in printed form, in relatively small compass, all of the regulations which govern us. The figure he used struck me as a very large one indeed. Can it be that the regulations which would have to be printed would cost on the order of $150,000 to $200,000 to print? If so, that's a fair story in itself of the number of laws which we have of which we know very little. These are not all of the regulations by any means. As the Attorney General has pointed out, the previous Attorney General gave a direction that regulations were to be consolidated and a substantial block of regulations have been consolidated over the past three or four years. But, as I understand the Attorney General (Mr. Heald), what he is telling us is that, notwithstanding the fact that a substantial block of regulations have been consolidated over the last three or four years, the ones that haven't yet been consolidated but which still are binding and valid regulations would cost $150,000 to print.

I think the purpose of the Act was to provide citizens and their lawyers, (and this is not for the convenience of lawyers but rather for the convenience of their clients, because when lawyers spend time hunting they charge it to their clients), the purpose was to provide a place where lawyers could find regulations without have to go back to obscure copies of the Saskatchewan Gazette for 1946 to find this regulation, and for 1953 to find that amendment, and on and on through the decades. I find it difficult to believe that the regulations which aren't now consolidated would still cost $150,000 to print. If it would cost that much, that is perhaps a special reason why these regulations ought to be printed, because there would seem to be an enormous volume of law which is not readily available. It's all right for lawyers in Regina because we can simply come up to the office of the Registrar of Regulations and look at his files, although that's hardly convenient. But for people who live outside of Regina, it's going to be excessively difficult for them. I would have thought that the general principle of providing that regulations ought to be published in consolidated form, just as

statutes are so published, would be accepted by everyone. While I do concede that it may be that the number of years during which this was sought to be done, two or three years, was too short a time. Perhaps we ought to lengthen the time. I am very loath to agree that there ought to be a substantial block of regulations which would have the force of law but which would not be published anywhere during the last 20 or 25 years. Accordingly, Mr. Speaker, I feel, at least based upon the explanation that I have so far, that I will be opposing this Bill.

MR. E.I. WOOD (Swift Current): — Mr. Speaker, I would like to have a few words to say in regard to the amendments to the Regulations Act. I, the same as the Member from Regina West (Mr. Blakeney), view with some apprehension and alarm, the amendments which have been put forth in this Act.

I have had some acquaintance with the regulations, more closely in the last couple of years, while sitting on the Regulations Committee, which has been set up by this House. It has been an exercise which I have very much enjoyed, as I believe all the members on this committee have. I believe we have done some good work in this regard as the report that was tabled in the House this morning pointed out.

This last year alone we examined some 346 regulations, or at least our legal counsel, Mr. Wakling, did examine some 346 different regulations of which he brought to us on the Committee recommendations concerning 50 of them. Of these, as was pointed out in our report, we sent to the authorities, the different departments which have issued these regulations, comments from which we have received some 24 replies. This deals with the year's work alone. I might say, Mr. Speaker, that possibly the reason we had not received more replies and that there were still some replies outstanding, was that because of certain reasons beyond the control of our Committee we had some delay and we were not able to sit until shortly before the House met this year.

I believe, Mr. Speaker, that we have performed for the public and for the Government a valuable service on this Committee. I can't say that we have always been right, that our decisions in our Committee have always been right, and I can't say that we have always been appreciated by the departments to which we sent our recommendations, but in some instances at least I'm sure that they have been. Some of the departments' attitude toward our recommendations were somewhat along the line that they were very pleased indeed that we have pointed out these things to them, and they took immediate steps to rectify the errors that had been made and had holes plugged in the legislation which might have been very embarrassing, if the court case had come up in regard to some of these regulations that have been passed.

I'd like to say that our Committee, I believe, has acted on a purely non-political basis. I may say, Mr. Speaker, that I have had rather mixed feelings when certain actions of the Department of Municipal Affairs under my jurisdiction were brought up before the Committee, and I, as Chairman of the Committee, had to recognize that a comment had to be turned back to the department which criticized these things. There were again some feelings of a nature when they were brought back into the House and rectified by the present Minister. This is simply a type of the work that we have done there, and I think that we have done some good work on this Committee.

Now my understanding has been that all the regulations of the Government are being scrutinized by the various departments and being brought up-to-date and that they are in turn being brought before this Committee and they are scrutinized by our counsel and by the Committee itself and reports on them are brought back into the House. Now, I would be very sorry indeed if this was not carried through to the completion which had been originally intended, if the regulations which we have been going through are only part of them. It is my understanding that regulations have been brought up-to-date by some departments. I think that the procedure that we have carried through has been very good and very desirable, and I can see no reason why this same procedure should not be continued in the rest of the departments.

MR. HEALD: — When you change the procedure at all so far as the filing is concerned, I think the Hon. Member has misapprehension. This has to do with the advertisement in the Gazette. That is all we are proposing to take out here. No change at all in the filing.

MR. WOOD: — It is my understanding that the regulations will still not be published as a complement to the Gazette.

MR. HEALD: — They have been filed . . .

MR. WOOD: — Possibly I am in error on this, but my understanding from this was that the regulations which we have been studying and which have been published as a complement to the Gazette, that it was anticipated that this would no longer be done. If I am in error on this, I'll apologize to the Attorney General, but if it is my understanding that these regulations that have been published with the Gazette are no longer to be published in regard to the regulations of the past, I think that this is an error and I do feel that they should continue to review these old regulations; that the Government continue to make them available, not only to us but to the public, so that the whole area of law covered by regulations can be scrutinized not only be this Committee, but they can be made readily available to the public at large. If I am not mistaken on this, Mr. Speaker, I think it is something that is worthwhile giving consideration to by this House at this time.

MR. F.A. DEWHURST (Wadena): — Mr. Speaker, I would just like to add one or two words on this discussion. In my experience on the Regulations Committee, there have been times when we have discussed some of the regulations, and some of them have been referred back to the department. We find when we get the answer that those regulations have been discontinued and a fresh one has been issued and therefore it is of no effect anyway. If I understood the Attorney General right, he said that a number of regulations from some departments had just been filed but had never been reviewed or revised or brought up-to-date. I think that it would be much more valuable and effective if the Government had to issue a directive to the department telling them that these must be filed and brought up-to-date within two, three, four, or five years, whatever is necessary. After a certain date all regulations prior to a certain date are canceled and they'd have to issue them all over again. I think they should pull up their socks and clean up the regulations and get them filed. When you travel throughout the

country and find that someone is in trouble and they say, "Well I didn't know what the law was," for the law may be in statute or it may be in regulation, the answer to them is that ignorance of the law is no excuse. Well how are these people going to find out what the regulations are if they are not going to be brought up-to-date and filed so that they or their legal representative can readily get the information for them. I would earnestly ask the Attorney General to reconsider this Bill and see whether ways couldn't be found, even if he extends the time, to have these regulations compiled or consolidated by the department so that they can be brought up-to-date. I don't think any of us on this side of the House are pressing that this be done within the next year or two as long as this is proceeding along that line. I wish the Attorney General would consider withdrawing this Bill to see what could be done in the future on getting all our regulations printed.

SOME HON. MEMBERS: — Hear, hear!

MR. HEALD: — Mr. Speaker, I want to make it clear. I think perhaps when I first heard the Member for Swift Current (Mr. Wood), I thought that he was under a misapprehension, but I think perhaps he does understand that the effect of this amendment is not to change the requirement with regard to filing at all. The only thing that is proposed here is to change the requirement with regard to printing in the Gazette, and perhaps I should read from the memorandum from Mr. Amon, the Queen's Printer. This is what brought this about and he made this recommendation. He quotes Section 18 of the Act which we are proposing to amend here and he says:

> If my interpretation of The Regulations Act is correct, it means that this office must assume full responsibility for their publications in the Saskatchewan Gazette as they are filed with the Registrar during the next two calendar years.
>
> As a result I am rather disturbed and very much concerned if the Act should remain in its present form. My reasons are as follows:
>
> 1. Printing the regulations, especially if they are not revised or consolidated, would involve an enormous amount of work for this office and the printer.
>
> 2. Actually I cannot see what useful purpose would be gained in republishing the regulations in their present form or consolidation; these 25 or 30-year old regulations.
>
> 3. The cost would be prohibitive which would come to approximately $150,000 to $200,000.

Now the Member for Regina West, (Mr. Blakeney) expresses surprise at the figure. I was surprised too when I received this memorandum, but this is what the Queen's Printer says, between $150,000 and $200,000. Then he goes on and I quote:

> For your information I would like to review by going back to the printing of the Revised Statutes of 1965 when the former Attorney General wanted to undertake the task of printing the statutes and regulations at the same time. This, however, was impossible and consequently the consolidation of regulations was delayed until the

> statutes were to be completed. Fortunately no action at present has been taken to go ahead with the consolidation of regulations. Therefore, I would like to recommend that at the next regular session in February, 1967, an amendment be made whereby those regulations in force prior to January 2, 1964 be filed with the Registrar and still filed with the Registrar except that it will not be necessary to republish them in the Saskatchewan Gazette.

Now the Member for Wadena, (Mr. Dewhurst) made the point that people out in the rural areas couldn't be informed. I wonder how many of them are informed that they are printed in the Gazettes. The information is still all here with the Registrar. I really wonder how many people out in the country would know, would keep the Gazettes first of all. Now they could go to their lawyers of course, and most lawyers keep the Gazettes and get the information there. But so far as actually being able to get the information by getting in touch with the Registrar in Regina, and I think that Mr. Amon makes a good point here when he says, "Why should we reprint some of these regulations which are 25 or 30 years old?" I repeat, we have given this consideration, we gave it consideration last year, we put it off a year, but the Government has considered it very seriously and we really can't see that an expenditure of $150,000 to $200,000 of taxpayers' money is justified in the public interest to print all these old regulations. I would move second reading of the Bill.

MR. DEWHURST: — Mr. Speaker, could I ask the Hon. Member a question before he takes his seat? The regulations which are being issued at the present time and in the future, will they still be printed in the Gazette as they are now?

MR. HEALD: — Yes, I think so. The new regulations are being printed all the time. There's no problem with respect to the new ones. That was the original idea you see, that all the departments would rehash their old ones and print new ones and they would be caught up in the printing of the new ones. What happened was that a lot of the departments didn't get to having new regulations, so because of the wording in Section 18, it would have been necessary to reprint all these old ones and that's where the money would have been involved.

Motion agreed to and Bill read a second time.

MR. HEALD moved second reading of Bill No. 70 — **An Act to amend the Attorney General's Act**.

He said: Mr. Speaker, this is a very short amendment and really is an enabling amendment to The Attorney General's Act to enable us to get into our program of legal aid which was announced by me earlier in the Legislature. It simply provides that where the Law Society of Saskatchewan operates a plan, under which the legal services of a member are made available to indigent persons, the Attorney General may authorize the payment to the member of the Society who renders legal services to an indigent person. So it simply is an enabling amendment to allow the Attorney General to enter into this scheme of legal aid with the Law Society.

Motion agreed to and Bill read a second time.

MR. HEALD moved second reading of Bill No. 78 — **An Act to amend The Statute Law**.

He said: Mr. Speaker, this is an amendment which comes in just about every year. It's used by most Legislatures to amend various provisions of the Statute Law and most of the provisions herein are simply to correct various errors. Section 2 of the Bill is correcting a printing error, subsection 1 of Section 3 of the Bill corrects a printing error, subsections 2, 3, 4, and 5 of Section 3 of the Bill have to do with The Election Act. When the new Election Act was passed in 1965, the word "representatives" was used in lieu of the word "agents" in The Election Act. However, it was found that in certain references the word "agents" was inadvertently left in and a change is now proposed in the nature of corrections to the forms by substituting the word "representatives" for the word "agents" and the words "business manager" for the words "official agent". Section 4 of the Bill is a printing error, Section 5 has to do with a change in The Land Titles Act, Section 98 of the present Act is Section 93 of The Land Titles Act, 1960. It appears that the printer in setting type for the present Section 98 inadvertently dropped down a line with the result that certain cross references were omitted. The omitted cross references adjusted to the new numbers of the present Land Titles Act are now to be included in the proposed amendment. Section 6 is a correction of printing errors. Section 7 of The Municipalities Seed Grain and Supply Act, the sections of this Act were renumbered on consolidation and it appears either that the cross reference was not corrected upon consolidation or that there was an error in printing, so we are fixing that up. Section 8 is a printing error. Section 9, this was an error in the 1966 Statutes. And so those are the changes, Mr. Speaker, and with that explanation I would move second reading.

Motion agreed to and Bill read a second time.

HON. G.J. TRAPP (Minister of Education) moved second reading of Bill No. 80 — **An Act to amend The University Act**.

He said: Mr. Speaker, this amendment adds to the duty and power of the Senate and the University. It permits the Senate to authorize establishment of an Advisory Council. Heretofore advisory councils were set up by statute and therefore these could not be set up in between sessions of the Legislature. In Section 78, this Section would refer to the College of Education Advisory Council and is repealed. This is because there is an Advisory Board of Education established under The Teacher's Education Act, thus making unnecessary an Advisory Council under The University Act. I would move that Bill No. 80 be now read the second time.

Motion agreed to and Bill read a second time.

HON. W. ROSS THATCHER (Premier) moved second reading of Bill No. 81 — **An Act to impose a Tax on the Income derived from Motor Vehicle Insurance Premiums in order to raise Monies to assist in financing Programs of Instruction respecting the safe operation of Motor Vehicles**.

He said: Mr. Speaker, the Government recently announced a Drive Training Education Program in the high schools of this province.

It will begin in September. I mentioned in the Throne Speech that we are particularly concerned over the increasing accident rate of younger drivers. In the past, driver education has been provided in some schools through the efforts of the Saskatchewan Safety Council. With the financial support of grants from AAIF, we intend to expand this program with the objective within five years of providing the opportunity to all young people in Saskatchewan to receive proper driving training before reaching the age of sixteen. We have already recruited an administrator of driver education to plan and organize a program. The Department of Education is offering bursaries of $100 to encourage enrolment and approve driver training instructor courses. This Act provides that the Minister of Education will have authority to make grants to high schools for the program and to make bursaries to instructor trainees. We believe this new program will in the long run reduce the financial losses resulting from motor vehicle accidents. The insurance industry has suggested that driver education, available to all students as part of their regular school program, will be a major step in solving the accident problem. The savings will accrue to all drivers and automobile insurance companies. The Government proposes to finance this program by a tax of one per cent on all premiums for automobile insurance, including the compulsory automobile accident insurance fund premiums. The new levy of course will come into being April 1, 1967. This Act is patterned after The Insurance Premiums Tax Act. The Treasury Department will assess and collect a tax equal to one per cent written by insurance companies which carry on a business in Saskatchewan on motor vehicles that are required to be registered under The Vehicles Act. I move second reading of the Bill, Mr. Speaker.

MR. LLOYD (Leader of the Opposition): — Mr. Speaker, I want to say just a few words. They are in the form of questions. Perhaps the Premier can clarify them when he closes the debate. This Bill is of course the writing of a tax levy which will be paid directly by the insurance companies, I presume. And the Premier didn't inform us as to the amount of the money we are expected to raise. My memory from previous announcements was that they expect this to produce something in the neighborhood of $200,000. My memory further is that this is approximately the amount which the Department of Education proposes to spend on Driver Training. My memory further is that last year the Saskatchewan Government Insurance Office made grants of maybe $140,000 or $160,000 for driver training. In other words it seems to me that they are, in the whole pattern this year, proposing to increase the expenditure of the Government by some $40,000 to $60,000 and proposing to increase the taxation by the Government by $200,000. And I would like to have the Premier comment on these aspects of it.

MR. J.H. BROCKELBANK (Kelsey): — Mr. Speaker, I don't think we should let this occasion go by without drawing attention to the situation. How has the mighty fallen! The Premier who made such a fuss about taxes in the past! Tax after tax bill he brings into this House and asks for the support of these taxes by Members of this House. Of course, the fact of the matter is either the Premier didn't know the facts of life before or was disregarding them. But he is using this situation now as an excuse to propose another tax on the people of Saskatchewan, because it is the people of Saskatchewan that in the final analysis will pay this tax. I never want to hear another word out of the Premier of this province about taxation in this province in the last twenty

years of CCF rule.

MR. THATCHER: — Mr. Speaker, it just happened . . .

MR. I.C. NOLLET (Cutknife): — Mr. Speaker . . .

MR. THATCHER: — Mr. Speaker, it happened that tonight I was reading the Financial Times. In that Financial Times on page 2 there were indications that this year the Federal Government will have a deficit of $1,000,000,000. If you turn over to page 7, you will notice that Premier Johnson of Quebec has recently increased the sales tax from six per cent to eight per cent.

MR. C.G. WILLIS (Melfort-Tisdale): — You're next!

MR. THATCHER: — And if you go over to page 14 you'll see that Premier Smallwood in Newfoundland just increased his sales tax from 5 per cent to 6 per cent. Now, compare the actions of all these other Governments in Canada with the actions of the Government of Saskatchewan. Mr. Speaker, this is the only Government in all of Canada that in the last two or three years has reduced taxes, reduced taxes!

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — We have reduced them in a material way. Well, Mr. Speaker, there has been the odd little increase in Saskatchewan. We put up the gasoline tax one per cent. It's true. That will mean $2,500,000.

MR. R.H. WOOFF (Turtleford): — Taxes, taxes, taxes!

MR. THATCHER: — The cigarette tax went up a little. But compare those minor increases with the major decreases. Compare it with the cutting of the sales tax from five per cent to four per cent. We have the lowest sales tax in all of Canada now, except for Alberta.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Compare it with the $8,000,000 we are giving our people in the homeowner grants. Compare it with the $4,500,000 we're saving on purpose gas. And above all, Mr. Speaker, let us never forget that since this Government came to power at a time when every other Government has been raising taxes or experiencing major deficits, we have brought in three successive balanced budgets and have saved the taxpayer about 22,000,000 annually.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Mr. Speaker, that record looks pretty good when you compare it with those other Governments. But how much better it looks when you compare it with the record of the Socialists over 20 years.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Why, back in 1944 . . .

MR. F.A. DEWHURST (Wadena): — Mr. Speaker, on a point of order . . .

MR. THATCHER: — Little Tommy said he was going . . .

MR. SPEAKER: — Order, order!

MR. DEWHURST: — In closing a debate the mover of a motion cannot introduce new subject material and I believe this Member is doing so.

MR. SPEAKER: — Now, the rules in closing a debate are well known. The Member in closing the debate may answer the arguments of others.

MR. THATCHER: — I don't blame the Hon. Member for not wanting to hear us talk about taxes, Mr. Speaker, because in the 20 years they were in office, 600 new taxes were brought in and 650 others were increased. You don't get anything for nothing in this world. Someone must pay for it. Therefore I say that our record looks infinitely better when you compare it with the Socialists and what they did in 20 years. I want to say, Mr. Speaker, that this is one of the best Bills brought in the House this session. We are sick and tired of having young people go out and murder other people on the roads. We are going to give them driver training. This driver training is going to save money in the long run, not cost the taxpayers money.

MR. LLOYD: — Mr. Speaker, before the Premier takes his seat would he answer a question?

MR. THATCHER: — Certainly.

MR. LLOYD: — The question is, would you mind answering the question I raised on second reading.

MR. THATCHER: — Well, as I said, I proposed to do so in Committee because you have asked a detailed question. However, I don't mind answering it now. This Driver Training Program will cost between $200,000 and $225,000. Now, next year when we train another substantial number of young people we could lose a little money.

HON. D.G. STEUART (Minister of Natural Resources): — But we don't mind!

MR. LLOYD: — We can take it up in Committee.

MR. I.C. NOLLET (Cutknife): — When you begin to save all this money are you going to progressively abolish this tax?

MR. THATCHER: — Mr. Speaker, we'll do what we always do. We'll increase

services and at the same time keep trying to get this Socialist tax-load down a little more all the time.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to and Bill read a second time.

The Assembly adjourned at 10:02 o'clock p.m.