

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session – Seventeenth Legislature
62nd Day

Monday, April 23, 1973.

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

MOTIONS

Leave of Absence

Hon. A. Taylor: — (Minister of Social Services) Before the Orders of the Day I should like to inform the Assembly that his Honour, the Lieutenant-Governor having been informed of the subject matter of the following resolution recommends it to the consideration of the Assembly. By leave of the Assembly I would move, seconded by Mr. Thorson (Minister of Industry and Commerce):

That leave of absence be granted to the Hon. Member for Hanley (Mr. Mostoway) on and from Tuesday, April 24th, 1973 until Monday, April 30th, 1973, to attend on behalf of this Assembly a Federal-Provincial Welfare Ministers' conference at Ottawa, and that the Hon. Member be reimbursed for air fare and out-of-pocket expenses in attending this said conference.

Mr. C. P. MacDonald: — (Milestone) Mr. Speaker, just before the resolution is voted on, I should just like to say a word. First of all the Opposition has agreed, but I would like to point out the original resolution passed by the Welfare Committee requested that the chairman and the vice-chairman extended an invitation to attend if it was found desirable that both the chairman and the vice-chairman accompany the Minister of this trip to Ottawa to this particular conference, because it has some far reaching implications. There was a strong feeling among the Committee that if one side went the other side should go so that both would have an opportunity for the benefit. The Government did not see fit to send the vice-chairman, the Member from Morse (Mr. Weibe) and decided only to send the Member from Hanley, or the chairman of the Committee. We regret that the Government has taken this attitude. We would have hoped that this Committee was a non-partisan Committee, that if there was in going that both sides of the House should have had the opportunity, particularly at the public expenditure. We are now here asked to vote that the Member for Hanley's expenses be paid. We felt that if this was desirable, certainly it was desirable to send both of them. However, the Committee did agree in this regard.

Motion agreed to.

QUESTIONS

Protection of Japan's Agricultural Industry from Imports

Mr. T. M. Weatherald: — (Cannington) Mr. Speaker, before the

Orders of the Day I should like to direct a question to the Minister of Agriculture (Mr. Messer). Is the Minister of Agriculture aware that in a recent newspaper the Prime Minister of Japan is now receiving accolades for acting to protect Japan's agricultural industry from imports, including such items as Canadian pork? Apparently, Mr. Speaker, the Japanese Agricultural Minister as well as the Prime Minister of Japan has recently said:

The Government intends to maintain a protectionist policy for agricultural imports.

And with this they claim is one of the reasons why Canadian exporters of pork products are now not receiving orders from Japan. In quoting, Mr. Speaker, from the Financial Post of April 21st, 1973, I now ask the Minister of Agriculture if he is aware of this situation and if he is now prepared to look at the tie-in for exporting pork to Japan that has been recently announced in Manitoba?

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker, I am aware of the situation but I have not seen the newspaper report that the Member for Cannington referred to. It is one more reason why we should have been signing contracts some months ago rather than delaying the Natural Products legislation.

Mr. Weatherald: — Mr. Speaker, a supplementary question. The article I quote from is from the Financial Post and it says that the price started falling some months ago before the price in Canada started to fall. The article is entitled: "Okagi Protectionism Lowers out Pork Prices", which goes on to tell us, Mr. Speaker, what I previously said — With the severity of this I now suggest strongly to the Minister of Agriculture . . .

An Hon. Member: — Where's the question?

Mr. Weatherald: — I now ask the Minister of Agriculture if he is prepared to tell the farmers of Saskatchewan what the price of pork will be before he signs the contract with Japan?

Mr. Messer: — I will take the Member's recommendation into consideration, Mr. Speaker.

Prices of Pork in a Contract by Manitoba

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, before the Orders of the Day I should like to direct another question to the Minister of Agriculture. I have here a copy of the Globe and Mail which outlines in some detail the price of pork in a contract recently signed by the Manitoba Hog Producers' marketing Association. It works out to about 37 or 38 cents.

Mr. Steuart: — Shame, shame!

Mr. McIsaac: — I wonder, is this the kind of bonanza the Minister has in

mind for Saskatchewan farmers? Secondly, will the new Sask. Expork, or whatever it is called, Expork Canada West, will we be sharing Manitoba's good fortune to the tune of an 8 cent reduction in pork from our own Saskatchewan hog producers?

Mr. Messer: — Mr. Speaker, the relationship between former Manitoba agreements whatever they may be, has no relationship to Expork Canada West Limited. The Hon. Members opposite should wait and see and give Expork Canada Limited an opportunity to negotiate contracts at fair prices. They are trying to undermine it the same as they were other progressive steps taken by this Government

Joint Agency to Determine Production Quotas

Mr. E. F. Gardner: — (Moosomin) Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Agriculture. I have in my hand a Press report from the Minister of Agriculture in Manitoba. "Mr. Uskiw said that the joint agency will determine production quotas in each of the provinces". In my left hand I have a letter that was sent out by the Minister of Agriculture in Saskatchewan to all of the farmers in the province and he said:

It is not the intention of the Hog marketing Commissions to control the producer's production decisions.

To back that up, incidentally, I have a letter here also written by the Member for Cut Knife (Mr. Kwasnica) where he has underlined this part in his letter:

. . . does not have the power to control the number of hogs you, the farmer, can raise.

Really, my question is this, is the Minister of Agriculture in Manitoba right in saying that there will be production quota in each province or is the Minister of Agriculture in Saskatchewan right and the Member from Cut Knife in saying that there will be no production quotas or no production controls?

Mr. Messer: — Mr. Speaker, my first suggestion to the Member from Moosomin is that he ask the Agriculture Minister in Manitoba in regard to the statements that he makes.

Mr. Speaker, in regard to his general . . .

Mr. Stewart: — What . . .

Mr. Messer: — . . . Mr. Speaker, may I answer the question. The Leader of the Opposition has obviously had a bad weekend again visiting the general public of Saskatchewan. Mr. Speaker, the Members opposite are well aware that Expork Canada West Limited, in no way has powers to limit the production of hogs either in Saskatchewan or Manitoba and it is not the intention of the Department of Agriculture, The Hog marketing Commission or Expork Canada West Limited to limit the production of hogs in Saskatchewan in any way. It is to do exactly the opposite to encourage and expand the production of hogs at stable prices.

Mr. Gardner: — A supplementary question, would the Minister then contact the Minister of Agriculture in Manitoba and have him withdraw these remarks because they have caused considerable concern in this province?

Mr. Speaker: — Order, order!

I think the questions are getting way from what is intended on Orders of the Day when we are talking about Manitoba.

Mr. Steuart: — Mr. Speaker, surely on a Point of Order in the question period. How can you say that the questions are getting away when the whole point of the question we are talking about is the price of hogs and statements made by the Minister in Manitoba that are printed in the Saskatoon paper? Surely we have got the right to question the Minister to find out if he has made some secret deal, whether he is lying or the Minister of Manitoba is lying.

Mr. Speaker: — Order! I suggest that Ministers of the Crown here are not responsible for the statements made by the Ministers of Manitoba. They are responsible for statements they make themselves but we cannot ask Ministers here to justify statements made by Ministers in Manitoba. That's my suggestion to the Members.

Mr. McIsaac: — Mr. Speaker, just on that point I beg to differ somewhat. The Agriculture Minister of Manitoba was speaking for the joint Saskatchewan-Manitoba corporation. So surely in that case, when he is talking for us, out only other channel is through the other partner in this great export agency right across the floor. Where else could we go?

SECOND READINGS

Hon. J. R. Messer (Minster of Agriculture) moved second reading of Bill No. 118 — An Act respecting The Saskatchewan Crop Insurance Act.

He said: Mr. Speaker, I wish in speaking to this amendment to The Saskatchewan Crop Insurance Act, to point out that the amendment provides for another change in the crop insurance program in Saskatchewan which will further reduce the premium paid by farmers for the protection that is provided under The Crop Insurance Act. Legislation has been tabled in the House of Commons to amend the Federal Crop Insurance Act. This legislation provides for the Federal Government to increase its contribution to the premium from the present 25 per cent to 50 per cent with the province paying all of the administration costs. Under the present legislation the Federal Government now pays 50 per cent of the administration costs and the province pays 50 percent of the administration costs. The possibility for this change in cost-sharing arrangement under the Act first arose at the Federal-Provincial Conference of Ministers of Agriculture in July, 1971. That, incidentally, Mr. Speaker, was the first conference that I had the opportunity of attending as the Minister of Agriculture of the Province of

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Saskatchewan. It was promoted by ourselves in our time that a change would increase both the Federal and Provincial contribution to make the program more effective to farmers, particularly in Saskatchewan. Our proposal at that time, and has been since that time, that Saskatchewan carry the full administrative cost and that the federal Government increase its share of premium to 50 per cent. Both levels of Government would increase assistance to farmers so that farmers' contributions are reduced from 75 per cent to 50 per cent of the premium necessary to cover the indemnities.

The Federal Government has finally agreed in principle at least to this position and we are pleased to co-operate with the Federal Government in providing a reduced premium rate to farmers. However, the necessary legislation is still to be passed at the Federal level.

The amendment to The Federal Crop Insurance Act for some reasons has been delayed. The Saskatchewan Government is now undertaking to put new cost-sharing arrangements into effect and has in fact committed itself to the resulting new premium structure regardless of what the Federal Government does.

This, Mr. Speaker, means that not only will we be paying the full administrative cost but if the Federal legislation for some reason continues to be delayed and cannot be passed previous to our having to pay the money on behalf of the farmers, it means that the Province of Saskatchewan is also paying the 50 per cent that the Federal Government would be contributing to premiums. The Government of Saskatchewan has taken the initiative by guaranteeing not only the administrative costs but the premium costs for 1973. Increased Government contribution by the two top levels of Government has our endorsement since crop failure not only affects individual farmers but entire communities. The resulting lack of purchasing power due to crop failures in such basic industries as agriculture can have repercussions throughout our economy. Consequently we agree that the general public should share in a substantial part of the cost involved at both Federal and Provincial level if this is possible.

With the implementation of this legislation and the previous changes that were made, the crop insurance program has been greatly expanded and improved over the last year and one half. It now offers a greatly enhanced degree of protection against crop loss. The additional features included in the crop insurance program together with this reduced premium now provides Saskatchewan farmers with a comprehensive plan of crop insurance protection at a very, very reasonable cost. The program is much more attractive now from a cost point of view.

With the expanded effort being carried out to explain the advantages and operation of The Crop Insurance Program I can see the majority of farmers using the program in the near future and benefiting from the stability of income that it provides. It is in keeping with our emphasis on development in association with stability in returns. Another example, Mr. Speaker, of what this Government is doing to stabilize the agricultural industry.

Mr. Speaker, having made these few brief remarks in regard to the amendments to The Saskatchewan Crop Insurance Act I move second reading.

Mr. E. F. Gardner: — (Moosomin) Mr. Speaker, we are certainly pleased to see the Bill before us today. We were aware that the Federal Government had recently announced some changes whereby they were increasing their contribution to the crop insurance fund and we are happy to see that the province is co-operating and that the farmers will benefit from this reduction in premiums. We are particularly pleased because throughout some areas of the province this year it appears that it may be a dry year and there may be more people thinking about crop insurance. We realize their time is rather short to make their application, we don't want unduly to hold up the Bill for that reason. I believe April 30th is the closing date for applications for crop insurance. We would hope that this is passed and that the farmers are made aware of the increased benefits to them so that more of them can take advantage of it.

With those few words, Mr. Speaker, we will be supporting the Bill.

Motion agreed to and Bill read a second time.

Hon. A. Taylor (Minister of Social Services) moved second reading of Bill No. 113 — An Act to amend The Superannuation (Supplementary Provisions Act).

He said: Mr. Speaker, I am very happy at this time to be able to introduce a Bill which will provide amendments to the Superannuation (Supplementary Provisions) Act for second reading. There are two separate sources of amendment which are embodied in this particular Bill based on principles our Government believes should be major objectives in all superannuation plans.

The first principle is that of portability. The right of every man to have his pension rights transferred with him when he changes jobs and changes employers.

The second principle is protection from inflation. I suppose that no one is affected more by the steady and constant increase in the cost of living than is the individual on a fixed pension. Some means of alleviating or compensating for this factor has to be found. In order to better cope with these and many other areas relating to superannuation, established during this Session was a special committee to study the superannuation program of the Provincial Government and related Crown agencies. Members will remember my announcement of this some time ago. In the meantime, however, the necessity of some form of interim measures to broaden the scope of the present Act becomes readily apparent. These amendments to The Superannuation Supplementary Benefits Act are, therefore intended as an interim measure pending the results of the study that have already been instituted.

First of all the Act provides for inclusion of the University of Saskatchewan in the definition of public service employers.

This has been done so that the Government of Saskatchewan can enter into reciprocal agreements with the University and vice versa on pensions. It applies to the five superannuation plans involved in this Act.

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There is presently a reciprocal agreement between the Public Service of Saskatchewan and the University itself.

This amendment will provide machinery for the introduction of similar agreements between Sask Tel, Sask Power, Liquor Board or Workmens' Compensation Board and the University of Saskatchewan.

I am certain that all the Members of the House will support this particular move which will mean that one other deterrent to the free flow of human resources within the province will be removed.

I don't need to stress the importance of superannuation and other benefits in acting as a means of deterring individuals from moving from one employer to another. By allowing the establishment of reciprocal agreements with the University we widen the range of occupational opportunities available to individuals without loss of benefits and simultaneously allow for a free inter-change and exchange of people. This exchange can do nothing, I think, but up-grade the standards of both sides.

With regard to the problems associated with the cost of living, the Government has established, as an interim measure, a cost of living adjustment for this year for all pensions established prior to December 31, 1972 and presently in effect ranging from 22 per cent for those pensioners who retired in 1952 or earlier down to 2 per cent for those pensioners who retired in 1972.

This increase, Mr. Speaker, includes increases for widows or dependants.

All pensions presently being paid will benefit from the adjustments proposed with the older pensions receiving the higher adjustments.

Similar adjustments for those pensioners receiving lower pensions have been made before. Indeed, I suppose, Mr. Speaker, that every government, whether our own or previous administrations, have had to face the same difficulty in the cost of living increasing and pensions just not keeping pace. There have been a number of interim measures introduced to provide some sort of immediate relief.

However, in making a total adjustment for all pensioners, the Government is taking a step towards recognition of the principle that erosion of pension benefits by chronic inflation affects all people on fixed incomes. And that we do have responsibility not just as a Government but also as employers to account for this in our superannuation benefits. The adjustments to be made this year is based on 2 per cent for 1972 and moving backward at 1 per cent a year to 1952 in order to provide those who have suffered most from the inflationary spiral with the largest increase.

It should also provide a reasonable starting point for whatever recommendations the Special Committee might take into account for increases and rises of cost of living when it has completed its study.

It should like to emphasize, Mr. Speaker, that this is an

interim measure to provide some immediate relief and that it ought to be a base on which further changes can be built when this Special Committee has completed its study of the plants.

If one looks then at the amendments as I do and as the Government does as providing a starting point for much wider review of the superannuation systems in Government, I think we have to acknowledge that they are important principles and I am sure that all Members of the House will support them.

Therefore, Mr. Speaker, I would move that Bill No. 113 — An Act to amend The Superannuation (Supplementary Provisions) Act be now read a second time.

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, a few comments on Bill No. 113. And the simplest and most direct comment that can be made I think, is that it is a complete disaster and a failure on the part of the NDP Government to recognize the erosion of the pension dollar due to inflation. And especially so since the Minister pointed out himself that this is one of the great concerns of this humanitarian Government opposite. They were going to rectify any and all injustices in this regard, going to straighten out everything and going to make all things right for all people.

Now they have had two years to do something about pensions that have been eroded due to inflation. This Bill, Mr. Speaker, does not in any way solve the problem insofar as the erosion of the pension dollar is concerned.

I point out that the Minister himself mentioned this goes back 1 per cent per year. I think it was in British Columbia their own colleagues a few months ago or less boosted pensions retroactively to teachers and others to the tune of 3 per cent a year. And the best this Government can come up with is 1 per cent.

Now Mr. Speaker, the other point made by the Minister that this is an interim measure and that there is a great study going on is just pure hogwash. They don't need to undertake any great study to determine the amount of inflation and erosion that has happened as a result of that over the last number of years. One phone to DBS, one phone call to his own Department will tell him just how much the dollar has shrunk due to inflation since 1952. It doesn't take a one-year study and then two years to do something. I regret that the Government hasn't taken the kind of action that they promised everybody they were going to take in this regard.

As far as the portability features are concerned, portability isn't really new. I am not sure and I will have questions for the Minister in Committee on this aspect. But I don't really follow his comments in that regard as to where the portability is expanded in this Bill before us.

Now they added the University as being another Government agency. I don't know whether that was related to another Bill that was before us here, Mr. Speaker, to make the University a part of the Government or not. But there has also been reciprocity between the various agencies and the various corporations so there is really nothing new here.

The whole pension portability Bill — Pension Benefits Act

was brought in by the Liberal Government a few years ago, making portable pensions available to all concerned so there is nothing really new here.

Again, I can only express regret that the Government opposite hasn't taken the kind of action that they are pledged to take under the New Deal for People, and they are using as an excuse a committee to determine the degree of inflation that we have had in the last 20 years. I haven't heard of a weaker excuse since this House started, Mr. Speaker.

Hon. W. E. Smishek: — (Minister of Public Health) Mr. Speaker, I am surprised at the remarks of the Hon. Member for Wilkie (Mr. McIsaac). If he is now trying to lecture us for not going far enough, I would invite him to take a look at the Liberal Government's record for a period of seven years. They have virtually done nothing about improving Civil Service pensions.

In the last two years more has been done about improving Civil Service pensions than they did in a period of seven years. Because the truth is that they did nothing about them.

Let me remind the Member that in the area of ceilings, despite the fact that numerous representations had been made by the Government Employees Association and by civil servants generally, what did the Liberal Government do? It was not until the dying days of their administration that they made an amendment to raise the ceiling up to \$16,000. Since we have taken office, last year as a temporary measure, we raised the ceiling to \$18,000 and this year the Minister has brought in a Bill to remove the ceiling completely.

Last year we made amendments to adjust and make provision for more adequate pensions than existed last year and the previous years.

Mr. McIsaac: — On a Point of Order, Mr. Speaker. The Minister is talking about a Bill that was debated here last week. He is not talking about the Bill that is before us at all. I ask you, Mr. Speaker, to call the Minister to order.

Mr. Speaker: — As I understand it, the Minister is attempting to answer statements made by the Hon. Member who just preceded him on the pension plans.

Mr. McIsaac: — Mr. Speaker, to a Bill we debated last week, raising the ceilings of pensions. This Bill deals only with the inflationary factor and adjustment of the cost of living.

Mr. Smishek: — It is pretty obvious, Mr. Speaker, that the Hon. Member has a thin skin. I touched a sensitive nerve to which he is beginning to respond and he feels guilty about the Liberal record. The Liberals have every reason to feel guilty about their record in terms of improving pensions for civil servants and other employees of the Government, such as Crown corporations because for 7 years they sat on their fannies doing nothing

about improving pensions.

Mr. Speaker, the recommendations brought in by the Minister of Social Services and the Minister in charge of the Public Service Commission and Superannuation go a long way to try and meet the problem. It is true and I will concede that this Bill doesn't meet the problem. It is true and I will concede that this Bill doesn't meet the total problem. But to say that this can be done overnight without a study is something that obviously the Hon. Member doesn't understand. Actuarial studies to find out what costs need to be undertaken and to determine how much money is involved are necessary. This is precisely what is being done by the present administration. Certainly the measures don't go far enough but at least they go part of the way, a long way further than the Liberal administration did at any time, Mr. Speaker.

Mr. C. P. Macdonald: — (Milestone) Mr. Speaker, I can't help but respond to the Minister of Health (Mr. Smishek).

You know what the maximum pension was for civil servants in the Province of Saskatchewan? \$6,000. That was when the NDP left the Government of Saskatchewan. That was what the maximum pension benefit was. When we left the Government of Saskatchewan in 1971, it was \$16,000. We raised the pension benefits three times when we became the Government and the Minister says we did nothing.

Mr. Speaker, we brought in the Pension Benefits Act in 1966 to guarantee portability. Mr. Speaker, in those seven years there was more done for pension benefits than any other thing and don't let the Minister of Public Health try to come to the Minister's defence and try and justify the hopelessly inadequate measures of this particular Bill.

The erosion of the pension dollar has been a significant factor right across Canada and governments right across Canada are recognizing this, the last two or three years particularly. And governments from British Columbia to Ontario, right across this nation have recognized that the erosion of the pension dollar has become very drastic and pension benefits, particularly for retired civil servants and teachers of many years ago, are hopelessly inadequate.

Now all governments are making special provision to make up for that. Except the NDP in the Province of Saskatchewan, Mr. Speaker. And let us not let the Minister of Health confuse the issue. Let's not let him talk about what the Liberal Government did. It is his responsibility and their responsibility to bring forth adequate pensions to retired civil servants who are on very low income and have had their dollar eroded.

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, the Hon. Member for Milestone would rather be wrong than quiet.

Some Hon. Members: — Hear, hear!

Mr. Robbins: — He made a comment about a \$6,000 pension when the New Democrats left office and he talked about \$16,000 when the Liberals left office. He is comparing two things that are totally different. One is a pension, an actual pension payment, the other is the ceiling on which contributions can be made for pensions. Two totally different things.

The maximum pension in terms of The Public Service Act is now at \$7,000. If you are going to compare the two you had better start comparing things that are comparable.

Frankly, one of the real difficulties we have in pensions is that most people really do not have much understanding concerning them. The Members opposite are clearly indicating that they are in that category.

I agree with certain measures of the Bill as an interim measure. I agree with them on this basis. It will increase portability to some extent and at the risk of boring the House I must repeat that we are not going to get portability in pensions until we get vesting and lock-in, which will solve the problem. If we do not do that we can talk about portability from now until the year 2000 and will simply not accomplish it.

There are 16,137 pension plans in Canada. There are 2,882,000 people covered under the latest statistical data available and it is obvious that we are not going to secure portability between those pension plans other than through an Act like The Pension Benefits Act which was introduced originally in Ontario. It was copied eventually by Alberta, Saskatchewan and also in Quebec. The remainder of the Provinces of Canada do not even have a Pension Benefits Act at the present time.

I want again, at the risk of boring the House, to ask Members to face up to some facts.

Currently we have a pension plan which simply says that we will pay 2 per cent of the five or six best earning years, times will pay 2 per cent of the five or six best earning years, times the total years of service when that person becomes pensionable.

I will give you an example to illustrate how ridiculous this situation can be. Let's assume that an individual had an average earning of \$5,000 a year over a 30-year period. That is not impossible when you go back into the past when wages were relatively low. Let's assume that individual ended up with his last five or six earning years with an average salary of \$12,000. If you take 2 per cent of \$12,000 you get \$240 and you multiply by the 35 years you have got a pension of \$8,400. But the individual's average income over his working years was \$6,200. He will have an annual pension \$2,200 higher than his average salary. A totally impossible situation because it is simply not reasonable to assume that the total contributions that he made and his employer made on his behalf will come anywhere near paying that pension. He is being heavily subsidized. Where? He is being heavily subsidized by the fact that numerous people, the vast majority of people who participate in that pension plan never get to pension. They terminate employment. They lose their vesting rights in terms of the employer's contributions. In 9 instances out of 10 the employees' contributions are paid out and the money is spent for something else. A totally incorrect approach.

We are going to have very seriously to look at this final earnings period. We are going to have lots of opposition from some people who feel that their own personal benefits are being hurt at that particular time. But this will not be solved until we get vesting and lock-in and the individual gets the pension for his period of service with his employer irrespective of the fact that he does not stay with that employer until he retires.

I should like to say that the escalator clause obviously will be of some benefit to people. If you assume an individual had a pension of \$200 per month and was retired in the year '52 he is going to get a \$44 per month increase. We all know that there are real problems for people on pensions for a long period of time because their pensions were based on very low salaries and inflation destroys their purchasing power. Pensions will not basically solve that problem. The real problem lies in the field of inflation. The real problem lies at the national and inter-national levels. As long as that inflationary factor is there and it is very severe at the present time, people on pensions are going to be hurt. However, if we could get to the stage where we instituted some protection against the inflationary factor through an escalator clause and a person received the pension, which he had earned, we would achieve a realistic approach to pensions. An escalator clause gives some benefit in relation to the rising cost of living. In this way we will effect something which is useful.

We must take a very hard look at pensions. I support the pension commission approach. I don't think it will come up with all the answers but in any event at least we have some hope of making some progress in this regard.

Insofar as Bill No. 113 is concerned obviously anything it does to improve portability, and this is a very limited factor, is beneficial. The major factor is the escalator clause. Members of the Opposition point to British Columbia and say why don't you do the same as British Columbia — 3 per cent. They know perfectly well that the financial capabilities of this province are not in the same category as British Columbia. They know that British Columbia is one of the "have" provinces of Canada. They know that we are in the category of seven provinces, we are no different than those other six provinces, which fall below the national average line. British Columbia, Alberta and Ontario are above.

Perhaps I should answer the Member for Wilkie with respect to The Pensions Benefits Act. He said this had created portability for all. In a very, very limited way. It does invoke vesting and lock-in to a very limited degree. Insofar as it does, it improves portability indirectly, but it's only scratching the surface. It is quite obvious that unless some major changes are made in this respect, we will not solve the problems in relation to pensions.

I support Bill 113 despite the fact that as the Minister has stated, it is a temporary solution only.

Mr. K. R. MacLeod: — (Regina Albert Park) Mr. Speaker, one cannot help but feel that the Member who just spoke has neglected to consider the real importance of

the Bill to the various people who actually receive money. Now he's talked about all sorts of fancy solutions to future problems and maybe even to current problems but this Bill neglects to deal with people who today have a very serious problem. A person who retired in 1952 drawing a pension at that time of \$200 which would have been a good pension now finds that he is able to get the magnificent amount of \$244 per month. That, Mr. Speaker, is entirely inadequate. A person who retired in 1952, if he were 65 at that time, would find that he is now in his 86th year and while he must express a great deal of pleasure at the people who might someday benefit from the studies and delays and all the rest of it, that may produce a better Bill, he himself at age 86, with \$244 per month, can hardly be satisfied with the amount of money that this generous Government is offering to him.

Now, Mr. Speaker, another difficulty with this kind of a Bill is that \$200 back in 1952 was not a bad pension. It wasn't a good pension, but it wasn't a bad pension. But over the years it got worse and worse. Other pensions were added to the stock of pensions available to the citizens. Some of these are more punitive than they are beneficial and the problem with this kind of small, niggardly increase is that it is no inducement at all to save. A man nowadays getting \$244 after 35 years of saving and effort on behalf of the people of Saskatchewan finds that he is losing out on his Federal supplementary pension and for the Province of Saskatchewan to give him such a niggardly amount of money is to say to him, "You're better off to have been wasteful during your life, you'll earn almost as much money though the Federal pension plan than if you were thrifty and saving and attempted to provide for your own well being after you retire". It doesn't take any actuarial study, Mr. Speaker, to determine that the Government is, in fact, falling far short of what is the necessary, having regard to the change in the cost of living. Over the past 21 years it has averaged something in the order of five per cent per year. The Federal Government generally accepts something beyond four per cent as not unreasonable inflation. This Government falls short at least by half of the moneys which it ought to be providing to the superannuates of Saskatchewan. A person who in 1952 was earning \$200 per month as a pension should today get not less than \$300 per month. That doesn't do anything more – it does nothing more at all – than keep pace with the cost of living. To suggest that we are not in the position of a Government like British Columbia is, of course, trite. We know that, we've had too many years of NDP-CCF Government to be in the position of British Columbia.

And I might suggest that we have a lot of disjointed arguments coming from the Government side. When they increase the taxes upon the waitresses and the bartenders and the ordinary working people of the province, they tell us that this is a tax shift. They then come to a Bill like this and they say that we cannot afford to add to the old age pensioner and our superannuates. The fact is, Mr. Speaker, there is no tax shift in favor of these people, and the working man, the wage earners of Saskatchewan are being taxed at a rate higher than any time in history in Saskatchewan but none of these moneys are going to the people who so desperately need an increase. I'm sure that this 86 year old man must feel some but of pride that he himself is making a sacrifice so that the businessman can have a larger share of the Property Improvement Grant. That is the kind of approach that this Government is now taking and it

certainly isn't the kind of thing that the people of Saskatchewan were led to expect in 1971 when they went to the polls.

There are more things to be said about this, Mr. Speaker, and I beg leave to adjourn to debate.

Debate adjourned.

Hon. G. MacMurchy (Minister of Education) moved second reading of Bill No. 103 — An Act to Amend the School Act.

He said: Three amendments to The School Act, none of which are of a controversial nature. Two of the amendments deal with elections, one, pressure coming from the trustees with respect to assigning of expenses in an election in a subunit and in section 4 provisions, since we no longer hold elections annually.

The other one is of more significance in nature and deals with provisions for boards to set their own remuneration, their own per diem, their own travel allowance and it's in line with the amendments to The Larger Units Act which provided that sort of possibility to school unit trustees. There has been a good deal of pressure coming from boards particularly under \$100,000 expenditure and we are very pleased to provide this amendment for these people in these districts as well as those over the \$100,000 and I think it will be welcomed by trustees in this level. I move second reading of amendments to The School Act.

Mr. C. P. MacDonald: — (Milestone) Mr. Speaker, I have no comments on this Bill. This Bill follows the previous amendments in the other Act. There are three substantial principles involved here. One is the payment of election expenses, the second is remuneration to the board members, and the third, of course, is to submit application for debentures other than the year of the election. I think the amendments are certainly of a housekeeping nature and we're led to the opportunity for school boards to look after their own financial affairs. We will certainly support these amendments.

Motion agreed to and Bill read a second time.

Hon. Mr. MacMurchy moved second reading of Bill No. 91 — An Act to amend The Teachers' Superannuation Act, 1970.

He said: Mr. Speaker, in moving second reading of Bill 91 I wasn't to outline briefly some of the main points. Section 28A brings in a fairly substantial pension increase ranging from \$16 to \$32 per month. The increase is directed to those at the low end of the scale and the total amount of new money involved comes to some \$210,000. Now, Mr. Speaker, this is not a huge new input but it is significant and it is the second year in a row that we have provided more for superannuated teachers. Also the size of the increase is greater than last year. Last year the total amount of the new money provided was \$130,000. This year as I said, it's up another \$210,000. In two years, Mr. Speaker, the NDP Government has provided teacher pension increases up to \$340,000. This averages out to \$170,000 per year.

This new Bill also makes early retirement more attractive

to our senior teachers. The age and service requirements are again scaled down. This is the second year in a row that this has been done. A teacher who is now 60 and has 20 year service background will now be able to retire on the single condition that he or she has ten consecutive years of service prior to this retirement date.

Another provision allows teachers to pay into the fund beyond 35 years in order to raise their pensions to the maximum. Previously there was a deadline of June 30, 1973 on this option. It is now going to be removed and the option continued. However, those who have stopped contributions will not be allowed to resume those contributions.

We've also taken off the deadline for paying contributions on war service. Last year, Mr. Speaker, we brought in a measure to allow teachers to superannuate at 55 if they had paid into the fund for 35 years. This 35 year total includes war service. But with the old deadline of July 1, 1971 some teachers could not take advantage of this change. We are removing the deadline and these teachers will be able to retire at full pension.

One of the highlights of this Bill is found in section 43 of the amended Act. Under existing legislation the surviving husband or wife receives half of the pension. This new clause will pay another 10 per cent of the pension for every dependent child up to an extra 25 per cent of the total. This means that a teacher's widow or widower will be able to receive 25 per cent of the full pension. I think this is a progressive step. It will help make The Superannuation Act a little more humane and better equipped to help out with people's problems.

One last point, Mr. Speaker. This is probably the last Bill on superannuation before the pension plan becomes a negotiable item under the new bargaining Act. From now on most the changes or most of the amendments will originate from the free collective bargaining process.

I am pleased to move that Bill No. 91 be now read a second time.

Mr. C. P. Macdonald: — Mr. Speaker, once again I want to say that the Members of the Opposition are extremely disappointed in Bill No. 91. And I would suppose, Mr. Speaker, that in all of the Bills that have come before this House, certainly for retired pensioners, and particularly superannuates of the teaching profession, this Bill has been waited for with great anticipation and expectation. I want to say this has been awaited by superannuates and their dependants and I think Members of both sides of the House, because no particular group has come and visited Members of the Legislature and put their case before us as often as these people, the superannuates in the teaching profession. I have had correspondence from them and from everybody concerned expressing their sincere regret at the inadequacy of the provisions of this Act. There are some amendments that have some good parts to them certainly, but on the whole it is a real disappointment. It does not look after the erosion of the pension dollar as did the previous Act introduced by the Minister of Public Service. One of the other things is that the Bill completely fails to take in any recommendation of the Superannuated Teachers' Association. And I have a copy of a letter sent to the Minister of Education:

The Saskatchewan Superannuated Teachers' Association Saskatoon Chapter, meeting in session on April 11 to study Bill 91 note with great regret that the presentation made by our group to the Minister has been virtually ignored.

And this group of pensioners or superannuates went to a great deal of time and effort. I should like to briefly outline some of their requests.

It's another example, Mr. Speaker, of the Government's failure to listen to those concerned, the superannuated teachers. This Bill, I think, has three very serious deficiencies. The first one, there is no escalation clause. Once again, the superannuates next year will have to come 'hat in hand'. It has been a humiliating experience, Mr. Speaker, over the year to watch the superannuated teachers come time and time again with hat in hand, people who have spent their life in dedication to the education of the Province of Saskatchewan and come year after year and beg the Minister of Education and the Government of Saskatchewan to grant an increase in order to look after the erosion of their pension dollar. They have one serious request, that we put into this Bill an escalation clause that would relate to the cost of living index and that we remove once and for all the need of these people to come hat in hand year after year. I do admit there is a provision in the Bill which will make it possible by Order-In-Council but there is no guarantee and no legislation itself.

The second, of course, is the fact that the increases provided in the Bill, are hopelessly inadequate. Mr. Speaker, I want to refer to the section of the Bill. It starts off July 2, 1963 to July 1, 1972 — \$16 per month. It goes back to July 1951 — \$32 per month. I have here a copy of the changes in the pension legislation for teachers in the Province of British Columbia. My colleague mentioned it in the discussion of the last Bill. It starts off with a three per cent increase and it goes back to 1950 with a 66 per cent increase in teachers' pension benefits. It starts in 1971 with three per cent; 1970 — six per cent; 1969 — nine per cent; and it goes right back to 1950 to 66 per cent. And certainly, Mr. Speaker, this is the kind of an increase that is warranted by the superannuated teachers.

I also want to say, Mr. Speaker, that I think every Member of this Legislature has been sympathetic to the superannuates' cause and the Government has failed to listen not to the superannuates themselves but to the Members of the Legislature on both sides of the House.

I just want to summarize again some of the requests of the superannuates and the justification for them. First of all, they asked a floor of \$10 a month for each year of teaching. In other words if they taught for 40 years there would be a minimum of \$4,000 pension and what is the justification for this, Mr. Speaker. Well, for example, if you go back to the changes brought in by the Minister, there is absolutely no allowance for service. If you received a pension prior to July 1951 and you've taught for 25 years you got \$32 and if you've taught for 45 years you get \$32. And certainly service has always been an important feature in any pension program.

The second request was that you recalculate all existing

pensions on the basis of the formula used today over a single life plan, which would mean bringing uniformity to the pensions for all superannuated teachers.

The third one is the escalation clause and I already discussed that where it would once again remove the humiliating experience of superannuated teachers coming back year after year.

The fourth thing that the superannuates ask and I think it's something that the Minister and the Government should give very serious consideration to, matching amounts of teacher contribution by the Government of Saskatchewan. Now I am not saying that the Government of Saskatchewan has to match per dollar the amount of money put into the teachers' superannuation fund, it may not be necessary to match but certainly I think it is significant and important that the Government recognize that they had better start putting in a substantial portion into this superannuation fund because ten years down the road it could amount to withdrawal from the consolidated fund of ten to fifteen million dollars a year. It could have a very serious impact on future programs and the budget of the Province of Saskatchewan when year by year they are going to have to take out such a substantial amount to pay teachers' pension benefits.

I think the Minister is aware that a few years ago there was no requirement to put any revenues from the consolidated fund into The Superannuation Act. Now there is a requirement to put in a certain small portion, but ten or fifteen years down the road this is going to become a very substantial amount of money out of the consolidated revenue, and it certainly makes good common sense for the Government now to start contributing and, perhaps not matching the contributions of the teachers but certainly to put in a substantial portion each year so that that particular fund will be built up.

Now the third defect, Mr. Speaker relates to the pensions of toady and to those teachers who are still teaching and nearing superannuation age. And that, of course, relates to the right to contribute on a higher salary.

Mr. Speaker, the unfortunate thing is that the Government of Saskatchewan has already made amendments to existing pension plans. For example, the Public Service Plan, the Power Corporation Plan, the Workmen's Compensation Plan, the Liquor Board Plan, Saskatchewan Telecommunications Plan, whereby it has made possible for members of these unions and these particular Crown corporations to now contribute on a higher salary, for example, if they are receiving \$18,000 by going back and paying the interest that they can turn around and pay on an \$18,000 pension instead of a \$10,000, \$9,000, \$12,000 or whatever their salary was at that particular time. I cannot understand why the Minister of Education is discriminating against the teaching profession when all other employees covered by the pension plans of the Government have been provided this particular clause to contribute on a higher salary were eligible and yet he has ignored this request from the Saskatchewan Teacher's Federation. He has ignored the request of teachers who are now drawing close to retirement.

Certainly if this particular benefit was put in it would discourage teachers from teaching after reaching pensionable age.

Now there is one other clause and it is a rather technical clause and once again it is a request of the Saskatchewan Teachers' Federation and I think the Minister of Education should look at it. And that is the Section 2 of Bill 91 be deleted. Of course, this is the section that defines widows and widowers. The reason is because in the present Act there is discrimination against a widower, by the fact that the widower must be a dependent widower in order for any pension benefits to be received if the widow dies.

For example, a male teacher with 10 years or more of service, his widow receives an allowance and there is no re-marriage restriction. The female teacher with 10 years service, the widower receives an allowance only if he is dependent. For example, Mr. Speaker, we will say that it is one-half of the earned formula. If a teacher, for example, taught for 20 years his average salary was \$8,000, the formula now is $2 \times \$8,000 \times 20$ or \$3,200 would be his pension. One half of that would be \$1,600, which certainly isn't very much. But the teachers have requested for years that this discrimination factor be taken out. I would hope that the Minister would have a good look at that.

The reason, of course, for the teachers requesting that is, the Member for Nutana South (Mr. Rolfes) has brought this up in the House on many occasions, that a pension is an earned pension. It is related to his contributions, it is related to his years of service and certainly if it is an earned pension then there should be no discrimination against a widower. I want to say that the Minister is going against the trend in Canada at this time. British Columbia has just removed this restriction. Ontario has already done this. The trend, of course, is away from this kind of restriction.

The other reason that the Teachers' Federation is so concerned about these particular definitions is they feel that there is a conflict and it is not consistent with the other parts of the Act. However, I shall leave that to the Minister.

I should like to ask the Minister if he would consider particularly the clause relating to the amendment which would bring the teachers' plan in line with other plans and would permit teachers to contribute on a higher salary in certain cases.

I want to repeat, Mr. Speaker, that the Opposition is completely disappointed in this Bill. It is disappointed for three reasons.

1. There is no escalation clause which will, once included, eliminate the necessity of teachers from having to come and beg for an increase in pension benefits.
2. Because it is hopelessly inadequate – in no way does it look after the erosion of the pension dollar and this is, no one will deny, significantly more than it has been in the past.

However, the escalation and the cost of living is rising faster than it ever has before and some of these pensioners 80 and 85 years of age, who have taught all of those years, certainly require it.

April 23, 1973

Mr. Speaker, I think that this Bill is rather important. Some of my colleagues want to say a few words on it. We have no intention of delaying this Bill very long, but I would beg to leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 9:30 o'clock p.m.