

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Seventeenth Legislature**  
**23rd Day**

**Wednesday, March 6, 1974.**

The Assembly met at 2:30 o'clock p.m.  
On the Orders of the Day.

**WELCOME TO STUDENTS**

**MR. A. THIBAUT:** (Melfort-Kinistino): — Mr. Speaker, before the Orders of the Day I should like to introduce a fine group of students from the village of Yellow Creek. They have been brought here by their bus driver, Mr. Alex Oleksyn and led by their teacher, Mr. Ted Magis. Yellow Creek is in my constituency. On many occasions they have taken prizes in soccer, they have taken the provincial championship at times. They are touring the city and I am sure the tour is very educational and today they are going to view Parliament in action. I hope we can make it a good Session and an educational one. I also want to wish the students from Yellow Creek High School a safe journey home.

**HON. MEMBERS:** — Hear, hear!

**MR. J.G. RICHARDS:** (Saskatoon University): — Mr. Speaker, through you and to this House I should like to take this occasion to introduce to the Legislature, students from Cardinal Leger School from Saskatoon.

**HON. MEMBERS:** — Hear, hear!

**MR. H. H. ROLFES:** (Saskatoon Nutana South): — Mr. Speaker, I should like to take this opportunity to introduce to the House a group of students from St. James School, which is located in Nutana South constituency. The 46 Grade Seven students are accompanied by their teachers, Sister Engel and Mr. Bryski. I had the opportunity to spend about one hour or hour and a half with these students last Monday when we discussed Parliamentary procedures and the proceedings in the House, so that they would have a little better understanding about what goes on in the House. I hope that for the students it will be an educational experience that they won't forget; I will be meeting with them after to answer any further questions that they may have.

**HON. MEMBERS:** — Hear, hear!

**SPEAKER'S RULING**

**PRIORITY OF DEBATE — DECLINE IN PRICES TO BEEF PRODUCERS**

**MR. SPEAKER:** — On Tuesday, March 5, 1974 the Member for Wilkie asked for leave, under Rule 17, to make a motion asking for Priority of Debate for the purpose of discussing a matter of urgent public importance.

The fundamental principle underlying Rule 17 was to provide an opportunity within a proper framework of parliamentary

procedure, where none otherwise existed, for the immediate discussion of any matter deemed to be of such urgency and importance that all of the normal or special business of the Assembly should be put to one side in order to provide complete right of way to a discussion of one specific particular subject and I refer all Members to the Speaker's Ruling of Tuesday, February 23, 1971 on page 35 of the Journals of the Legislative Assembly of the Province of Saskatchewan, Session 1971.

Although the matter raised by the honourable Member is certainly of great importance to the Legislative Assembly I do not believe that the debate on this matter is of such an urgent nature that an opportunity is not provided by the Rules of the Assembly and that public interest demands that this discussion take place immediately and I refer Members to Beauchesne's Parliamentary Rules and Forms, Fourth Edition, 1958, Page 90, Citation 100(3). Furthermore, Citation 100(1) states that the matter "must involve the administrative responsibility of the Government", and this matter does not fall into the jurisdiction of one provincial government.

The Rules and Procedures of the Legislative Assembly of Saskatchewan, 1970 on Page 16, Rule 17 (10) (f) states:

The discussion upon the motion must not raise any question which, according to the Rules of the Assembly, can only be debated on a distinct motion under notice.

I therefore rule the motion out of order on the grounds that the matter would be better introduced under a motion and given proper notice and, moreover, it is not a *prima facie* case of urgency because the situation has been continuing over a period of the "past five to six weeks" in the words of the Member for Wilkie.

**MR. J.C. McISAAC:** (Wilkie): — Mr. Speaker, is there an opportunity to speak to your ruling, Sir?

**MR. SPEAKER:** — I reserved the ruling yesterday to debate today and I was just giving the House my ruling, but if a Member wishes to comment, we can't debate the ruling, but you can have a comment on it.

**MR. McISAAC:** — I am not going to quarrel with your decision, although I regret it.

I think, perhaps, in the Province of Saskatchewan being primarily an agricultural province we have seen somewhat similar motions in past history in this Legislature that perhaps did not conform to the very line and actual intent of some of Beauchesne's rules, that I realize could apply and do apply in a broad way. But it seems to me that we debated a Motion dealing with the Federal Government and the movement of grain, which again, is the kind of thing that built up over a period of time. When does a growing problem become a crisis, or become an emergency, I suppose is the question? And it does seem to me that in the past there are at least two precedents that I can recall, Mr. Speaker, where agricultural problems, perhaps again, outside the realm of the provincial government were considered

emergencies for this purpose. It is on that basis that I had hoped that this Motion—while I did say certainly it is not some thing that happened on Friday or Monday, it is a thing that has been growing, and as I say suppose when does a growing problem become an emergency or become a crisis?

I suggest, Sir, that there are a couple of other similar instances in years gone by, where problems relating to our farm industry, which is key to all of us, key to every Member in this Legislature, were allowed to come before the House, be debated, which I think reflects as it should, a flexibility of rules, flexibility of operation here, that we can still take time out to put agricultural matters first.

I don't quarrel with the Ruling but I regret it.

**HON. A.E. BLAKENEY:** (Premier): — Mr. Speaker, I just want to make a very brief comment on the ruling, which by the way I agree with entirely.

There is one aspect of it that I did want to comment on. I noted that among the several reasons which you relied upon, there was the one suggesting that the matter was not within the provincial ambit. While I agree with that, it has come up before in the House and I thought I would use this opportunity to say that in my judgment Beauchesne is really talking of a situation in a unitary state where the difference between what Westminster deals with and what the local governments deal with is much clearer than the situation here where we have federal and provincial jurisdictions which, while clear, tend to overlap a bit.

I, therefore, would invite you Sir and the Clerk at some time—and I think it does not apply in this case,- to give some particular consideration to the application of that rule because I would have thought that the House, and more particularly the Opposition, would be constrained and perhaps unduly constrained if we view matters in the strict context of the Provincial Legislature in a state where we have governments with jurisdictions that overlap a bit.

In my judgment, I think your ruling is entirely right. It is that aspect of it which I would invite you and the Clerk to consider at some future time when a similar issue may arise.

**MR. D.G. STEUART:** (Leader of the Opposition): — Mr. Speaker, I find the ruling very strange because we debated in this House an emergency debate brought in by the Government of the day, the movement of grain, box cars, a situation that had been building up for weeks. We ended up discussing, I remember, the snow slides or the plugged railway situation, again, a situation which had been building up for weeks clearly much more outside of the jurisdiction of this Legislature than this debate is which, agreed, has both provincial and federal connotations. There are some things, we argue, that the provincial Government could do to alleviate the problems of the cattle industry, but if you are saying that we cannot debate anything that is outside the jurisdiction of this House, you are going to rule out, in my opinion, any future emergency debate, on almost everything to do with our basic industry agriculture. Because it can be clearly stated that there is very little that happens in agriculture that is totally

within the purview or the power of the provincial administration to handle or to legislate for or against.

I agree with the Premier in this regard, that if this is the ruling it is inconsistent with the ruling you made earlier since this particular Legislative Assembly has been sitting, not in this Session but before, when we did have an emergency debate about railway boxcars and so on.

I am going to challenge your ruling because I want to see if the Members on the other side consider that the desperate situation that our cattlemen find themselves in can be treated so lightly that they are not prepared to take an hour or an hour and a half out to debate it and to join together as an Assembly to see what this Provincial Government could do and what we could do acting together to urge the Federal Government to do.

I want to challenge your ruling.

**HON. J.R. MESSER:** (Minister of Agriculture): — Mr. Speaker, let me first say that I agree with your ruling.

**MR. STEUART:** — Point of Order, Mr. Speaker . . . is that debatable?

**MR. SPEAKER:** — Order; In the first place it was not debatable at all. I made the ruling but I allowed the Member for Wilkie to make a comment, I allowed the Premier and I allowed you, Sir. I think before the House makes a decision I should have the right to hear from other Members also.

**MR. MESSER:** — Mr. Speaker, in speaking to your ruling, I want to say that I, firstly, very much agree with your ruling and I am certain that the Member for Wilkie (Mr. McIsaac) is certainly sincere in wanting to express his concern, and I think there is concern by other Members in this Legislative Assembly, as well as farmers and livestock producers in Saskatchewan in regard to the grave situation that especially cattle feeders are confronted with at this point in time.

I should like, for his observation and for yours and other Members of the House, Mr. Speaker, to bring to their attention two Resolutions that are on the Order Paper.

1. Resolution No. 7 moved by Mr. Larson, a Government Member, which I should like to quote in part:

This Assembly requests the Federal Government to establish permanent stabilization plans for all commodities.

I am sure, Mr. Speaker, that you in your judgment and your wisdom, when the debate takes place in regard to that Resolution would certainly allow the debate to relate to livestock production in Saskatchewan and certainly stabilization, I think is an answer to providing the inadequacies that they are now confronted with.

I should also like to bring to your attention Resolution No. 8 moved by Mr. Carlson who is also a Government Member of the House, and quote in part what that Resolution says,

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Mr. Speaker:

That this Assembly requests the Federal Government to immediately restore the pricing authority of the Canadian Wheat Board as it relates to domestic marketing of feed grains and quickly develop a feed grains policy that ensures fair and equitable prices within the province and across Canada, under a system that leaves all of the powers of the Canadian Wheat Board intact.

I am certain that the Member who has moved the priority debate will agree that part of the problem in regard to whether adequate returns are being received by livestock producers or not at this particular time, relates directly to the high cost of feed grains and, again, I am sure that you in your wisdom would allow the latitude of debate to relate directly to the problem that the Member is concerned about.

Both of these Resolutions are before the House and can be debated and will be debated in the very near future. I am certain that the concern that he and his colleagues who sit to your left, want to express, will have the opportunity of expression at that time.

**MR. E.F. GARDNER:** (Moosomin): — Mr. Speaker, commenting on your ruling I might say that this is a matter of great urgency and to talk about it in the near future simply may not be soon enough. We are being watched right now by the farmers throughout the province and especially the cattle farmers. They know that the Legislature is in session; they know that we, as rural Members, are supposed to be in here representing them, representing their interests; they know that we are not doing anything about the situation in the cattle industry. They are becoming concerned that we are not acting and we feel that this is certainly a matter that should be discussed. By not allowing this debate it almost appears that we are saying that agriculture is not within the provincial jurisdiction, and of course it is, this is the main purpose of the provincial Department of Agriculture and its main objective which is diversification, or should be its main objective.

I would think that this is about the most logical thing that we could be debating at this particular time, to say that there is something on the Order Paper and we can discuss it later on, I don't think that this is a good enough answer for the farmers of the province. They feel that we are in here and we should be discussing it right now. I think that they are going to be very concerned that we would just take a look at the Order Paper and all of the other things that are on here and I am sure the people of the province feel these are of less importance than the emergency that exists in the cattle industry at this particular time.

If we don't debate this today, if we go down this Order Paper and do some of these other things, that are certainly not urgent and neglect to look after something that is of a very great concern to all rural Saskatchewan, I think that we shall be subjected to a great deal of criticism and rightly so, from the rural people of the province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. D.F. MacDONALD:** (Moose Jaw North): — Mr. Speaker, just to underline the emergent nature of this matter, I think we have to realize that the people feeding cattle are losing up to \$100 per head and there are a considerable number of cattle being fed in this province and that \$100 a head loss is a catastrophe.

I think that we should, as a Legislature, be going along with the industry when the industry themselves are holding emergency meetings and asking for emergency action to be taken. They need action in a hurry and I think that this Legislature should join with them in trying to find a solution to something that is of a very emergent nature.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. T.M. WEATHERALD:** (Cannington): — Mr. Speaker, I just wish to underline to you how important this is, because in today's paper, the Leader-Post the Canadian Cattle Association called for import restrictions on beef. On the weekend two calls for restrictions by the Canadian Cattlemen's Association and Feedlot Operators Seminar in Saskatoon were sent to the Minister of Agriculture in Ottawa.

I think the fact in the statistics which I got this morning indicated that just this Tuesday there were something like 1,980 cattle came in from the United States into Ontario for slaughter. The week previous to that, there were 6,238 cattle that came into Ontario for slaughter. I think that the situation has developed very rapidly just in the last few days and that is why we think it is extremely important, as other organizations do.

**MR. J. WIEBE:** (Morse): — Mr. Speaker, I should like to make a comment in regard to your ruling. With deference to your ruling, Mr. Speaker, I feel that there are many things that the Provincial Government, for example, can do in terms of helping the livestock industry in this province, such as what the Alberta Government has done in terms of feed freight assistance, in terms of assistance in regard to the feedlot operations in Alberta.

I think that, in this province this Government is shirking its responsibility by not doing anything.

**MR. SPEAKER:** — Order! I think I am going to have to ask Members to stick to the ruling, that is what we are debating, not the subject matter of the proposed Motion. It is quite plainly pointed out that the subject matter of the Motion in itself may appear to be urgent but that doesn't necessarily make the debate urgent. There is a difference. Beauchesne points out the difference in the way urgency should be applied.

**MR. STEUART:** — Ever raised any cattle?

**MR. SPEAKER:** — I think I have raised more cattle than you have.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SPEAKER:** — In dealing with the rulings on emergency debates the

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general rule is that it must be a kind that couldn't otherwise normally be brought within a reasonable time before the House. A motion placed on the Order Paper by any private Member by agreement with the Whip could be brought up the next day. It could go right to the bottom of the Order Paper and revert back again if he wished to.

My ruling was based on a ruling by my predecessor back in 1971 and from other rules of this House and that is what the ruling is based on. Now my ruling has been challenged by the Leader of the Opposition (Mr. Steuart). Is it the pleasure of the House to sustain the ruling of the Chair?

Ruling of Chair sustained on the following recorded division:

**YEAS –36**  
**Messieurs**

Blakeney	Michaylu	Matsalla
Dyck	Byers	Paris
Meakes	Thorson	Owens
Smishek	Whelan	Mostoway
Romanow	Kwasnica	Gross
Messer	Carlson	Feduniak
Snyder	Engel	Comer
Thibault	Cody	Rolfes
Larson	Robbins	Oliver
Kowalchuk	Tchorzewski	Kaeding
Brockelbank	Cowley	Flasch
Pepper	Taylor	Richards

**NAYS – 14**  
**Messieurs**

Steuart	Grant	Lane
Coupland	MacDonald (Milestone)	MacDonald (M.J.)
Loken	Mclsaac	Wiebe
Guy	Gardner	Malone
Boldt	Weatherald	

**QUESTIONS**

**PLAINS MEDICAL CENTRE**

**MR. G. B. GRANT:** (Regina Whitmore Park): — Before the Orders of the Day I should like to direct a question to the Hon. Minister of Health (Mr. Smishek). Last fall there was a cornerstone laying ceremony and a partial opening ceremony held at the Centre of the Arts in connection with the Plains Medical Centre. At this time of year I imagine hospital beds are very tightly occupied and at that time the explanation was given that there were certain pieces of equipment that hadn't yet been ordered and/or delivered and that prevented the opening. Could the Minister tell us whether all the equipment has been ordered and delivered and when the people of Regina and southern Saskatchewan might expect the Plains Medical Centre to be opened?

**HON. W.E. SMISHEK:** (Minister of Health): — Mr. Speaker, the equipment has been ordered by the South Saskatchewan Hospital Board. There have been delays in some of the equipment. Some of the reasons for the delays are because it took time to determine the allocation of beds in the city of Regina and the distribution of beds between the three hospitals. That agreement has been basically reached as to the allocation of beds and for what purposes the hospital is going to be used. The equipment is ordered but not all of it has been received so far. It is expected that the hospital will open early in June.

**MR. GRANT:** — Mr. Speaker, a supplementary question. I really don't think the allocation of beds should have been a serious holdup but could the Minister tell us why these items of equipment weren't ordered? Was it because of the holdup on the allocation of beds or just what caused the delay in ordering the equipment?

**MR. SMISHEK:** — The Hon. Member should be aware that this is going to be part of the teaching facility. We do not propose, nor has it ever been proposed, that in that hospital there is going to be a duplication of the same services that exist in the other hospitals. Now part of the difficulty was to determine the allocations of beds to what particular services will be provided in the Plains Hospital Centre. Until that was determined it was very difficult to determine what equipment to order. Once that decision was made the equipment was ordered but in some cases it takes nine months in order to get the equipment and these are the basic reasons for delay. Might I say, Mr. Speaker, that at the time that the hospital was planned and construction started, had the work proceeded to determine the allocation of beds then the process would have been much easier. I am not trying to fault anybody, part of the problem was also to get agreement with the College of Medicine, with the medical profession locally as well as the existing hospitals. We are doing everything possible to have that hospital turned on stream. I know that the people of Regina and southern Saskatchewan are concerned about its opening and so am I and so is the South Saskatchewan Hospital Board but there was just no way that it was possible to open it any sooner.

**MR. GRANT:** — Mr. Speaker, the Minister can't expect to make mileage blaming the former administration for the planning of this hospital. The delay is entirely his and no one else's.

#### **SASKATCHEWAN FEED GRAINS COMMISSION**

**MR. E.F. GARDNER:** (Moosomin): — Mr. Speaker, before the Orders of the Day, I should like to ask a question of the Minister of Agriculture. It's a very important question because of the very, very critical situation in the livestock industry today in spite of the fact that we didn't have the debate on it.

There is a report that buyers of feed grain must now register with the Saskatchewan Feed Grains Commission and I should like to ask the Minister if this is correct, that if at this time he is now asking small feed mills, anyone with 100 cattle or more to now register with the Saskatchewan Feed Grains Commission?



**HON. J.R. MESSER:** (Minister of Agriculture): — Mr. Speaker, it is the intention of the Saskatchewan Feed Grains Commission to compile information in regard to the prices that are being paid for feed grain that is being purchased by larger livestock producers in the province and feed mills in the province so that we will be in a better position to assess what the price is of the interprovincial movement of feed grain. So the answer to the question is yes. In the near future the Feed Grains Commission will attempt to compile that information so that we will be in a better position to know what the movement of feed grain is in the province, not only volume but price as well.

**MR. GARDNER:** — Mr. Speaker, I have a supplementary question. We of course regret this action and regimentation at this particular time but in view of the problems in the cattle feeding industry and in view of the fact we are in a very critical situation today with suppliers of feed and people who are feeding cattle, not as the Minister said big operators but 100 head, would the Minister at this time consider deferring the order that he made in the last two days to force these people to register and send this information into the Commission?

**MR. MESSER:** — Well, I would not say that I would not consider deferring the order but I should like to say that the endeavors of the Commission are to enhance and hopefully provide some assistance to those livestock producers whom you purport to be concerned about. Obviously one of the very serious problems in regard to cattle feeding at this time is the high cost of feed grains. We would like to be in a much more knowledgeable position as to whether or not the APB price that generally is the relater to feed grains that move outside of the orderly marketing system is in fact the price that is being adhered to by sellers and by purchasers of feed grains. The only way to identify that problem is to have the Feed Grains Commission compile the information to tell us what the true picture is in regard to the real price of feed grains moving within the province.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that Bill No. 20—**An Act to amend The Direct Sellers Act** be now read a second time.

**MR. C. P. MacDONALD:** (Milestone): — Mr. Speaker, just a few comments on Bill No. 20, it has been debated and the concern of the Opposition has been indicated. I should just like to repeat the arguments against Bill No. 20 that were proposed by my two colleagues in this House.

The Minister came into the House and introduced Bill 20 as a housekeeping measure. Well if this is a housekeeping measure, Mr. Speaker, I should like to see a major change. What this Bill purports to do is to insist that every business in the Province of Saskatchewan that direct sells must now register under this Act to obtain the required license. Mr. Speaker, the original purpose of The Direct Sellers Act was to prevent fly-by-night operators from outside the province with no assets, no

securities, no tradition of business, no reputation in the Province of Saskatchewan from coming in here, doing some quick selling and then getting out. It had in no way intended to take a Saskatchewan businessman or a business in the province, force them to buy a licence to come under The Direct Sellers Act. Now we find that every business—it doesn't make any difference how long they have been in the Province of Saskatchewan, how much their investment is, how old their reputation is, how honest – it now indicates that they now have to come under this Act. I think this is a very, very major change.

The reason we adjourned this debate, we were hoping that the Minister would come in and be able to tell the Members of the House just what abuses have been engaged in by people in business in the Province of Saskatchewan for many, many years, that would make him introduce this kind of an amendment in the House. Now the business community and Members of the Legislature would like to know just exactly what this is or is it additional red tape for the business community in the province.

**MR. D. G. STEUART:**(Leader of the Opposition): — Mr. Speaker, when The Direct Sellers Act was first introduced and the amendments that have been brought into it have changed it from time to time, my understanding at the time and since then has been that this was to give the province some measure of control and give the people some measure of protection, against people who come into the province and sell from door to door, most of whom have no fixed place of business in that community. They might have a fixed place of business say in Regina and they sell in Prince Albert or North Battleford or Weyburn but in many cases they have no fixed place of business in the province at all. They come in and there is nothing wrong with it, it is a legitimate form of business and if it is run properly and run legitimately or run ethically, it gives people a service that obviously many of them want and in some cases in the rural parts of the province in the past, they needed it. It brings merchandise to their home that they might not have access to normally or they might have to travel long distances to be able to buy or to at least be able to consider.

Now, this changes the rules of the ball game. What we are now saying is that people who are legitimately here or in business at places, a store set up, locations, pay taxes, have their roof here in this province, if they do send people out and sell from door to door they will not be subjected to the very stringent rules and regulations that are in this Act and the rules that will have been passed as a result of this Act. I would like the Minister when he closes debate to tell us why. As it stands now with the lack of evidence that I have seen I can't support this Bill. But if the Minister can stand up and quote to this House, chapter and verse, of complaints, of abuses, of the need to involve the ordinary merchants of this province—and a great many of them use the door to door technique from time to time, some of them regularly and some from time to time—to sell merchandise, if he can point out that this is necessary, fine, then I will support the Bill. However, if it is, as I suspect, just another piece of control by this Government, another in their endless harassing of the business community, large and small, in this province and this is what I suspect it is, then we cannot support or certainly I cannot support it. If there have been one or two instances then I don't think that is good enough to subject the entire business community in this province to the red

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tape and the bureaucratic control that is inherent in The Direct Sellers Act. It is there and we recognize it's there and some of it is there for a good purpose. Some of it is there, as I say, to protect the consumer and also to give the Government some control which they didn't have before this Act was passed and incidentally it was our government that passed this Act and put it on the books. There was a need for it.

Now, I wait to hear what the Minister has to say in closing the debate, but unless he's prepared to give us better evidence than he has given us so far I couldn't support this Bill. If he has, if he's got chapter and verse of instances that call for this very drastic measure, and it is a very drastic measure and a very great change in the laws that now exists in regard to merchants, to people in business having a location in the province in our communities. If he can, then I would support the Bill, if he can't I would have to oppose it.

**HON. E.L. TCHORZEWSKI:** (Minister of Culture and Youth): — Mr. Speaker, I get from the comments of the Members opposite and I think that they are well made, but I think they are based on an interpretation of the scope and the intent of the amendment. I hope that in my few remarks I'll be able to clear that up and the Members opposite will see it, themselves, that it is good consumer protection legislation, and that in fact they will be able to support it. I agree with the Member for Milestone (Mr. MacDonald) that in fact it is an important change. I never in any way suggested that it was not. I did indicate that it was a clarifying amendment and that it is.

One of the reasons why we have initiated it is because it is now unclear as to the rights of the consumer with respect to a direct sale that is solicited at his home. The Members will know, and it is correct that it was passed during the time of the Liberal Government, that the rescission rights apply to those sales which are made and solicited in the home by a direct seller, but they only apply if that direct seller does less than 50 per cent of his business in a place of business that he may have in a community.

There are in fact situations where direct sales are solicited on many occasions and as a regular practice of business at the home of the consumer and because that business operation does over 50 per cent of his business in a place of established business in the community, the rescission right does not apply and is not therefore available to the consumer. That is the area that we are trying to clarify.

This amendment will not require those businesses as are under Section H which I shall outline in a little while, in a more legalistic fashion, this will not require those businesses to become licensed or bonded. It only provides the protection of the rescission clause to the consumer. I see the Member for Milestone is nodding his head and obviously he must understand that.

Going back to some of the comments that were made on the day when I first gave second reading to this Bill and spoke on it, it appeared to me that the Member opposite, the Member for Lumsden (Mr. Lane) I think it was, assumed that Section 20(a) which is the amendment would apply to all the sales when in fact it applies only to sales that are made by persons in a direct selling business, those persons who are making direct sales and soliciting

direct sales.

Then the question which remains is, who is a direct seller? The amendment 20 (a) was not intended to deal with this aspect. It's our interpretation and a valid one I think that the delivery boy as mentioned by and used as an example by the Member for Lumsden is not in the business of direct selling.

Now, more precisely to the amendment. "Person" as used in Section 20 (a) in the amendment applies only to persons who are in the business of direct selling and that is self apparent from the amendment. How can a person take advantage of the exemption under 4 (2) (h) unless he is in the business of direct selling in the first place. I think that may help the Members change their opinion as to the amendment.

Now, to determine whether or not the rescission rights in Section 20 apply therefore, we must first determine if the person is in a direct selling business and to determine whether or not the person is in a direct selling business we must look to the definition of direct seller in Section 2 (c) of the Act which states, "a direct seller means a person who goes from house to house selling or offering for sale or soliciting orders for the future delivery of goods or services". It is our interpretation of Section 2 (c) that, for instance in Mr. Lane's example, the delivery boy is not a direct seller as defined in the Act. His purpose in being at the consumer's house is to deliver goods. His purpose in being there is not to sell goods and therefore he is not in the business of direct selling and so the amendment as proposed in Section 20 (a) does not apply in that situation or similar situations.

Mr. Speaker, I already mentioned that in the area of licensing and bonding, which is also covered by The Direct Sellers Act, it should be remembered that in cases where this new subsection applies, the merchant involved will not be licensed or bonded under the Act. So there is no increase in the so called red tape or bureaucratic involvement as the Members opposite call it. The amendment merely clarifies the question as to whether or not the purchaser is entitled to the rescission and that is the rescission rights where the seller is deemed not to be a direct seller as is now outlined in Section H.

Let me just attempt to answer another question that was raised by the Members opposite and that is cases where the amendment would have helped the consumer. The Act presently states that a person is not required to be licensed if he has a recognized retail store and more than 50 per cent of his sales are not by the direct sales method.

In addition the Act states that in these instances the person shall not be deemed to be carrying on business of direct selling. Let me give you an example. If a merchant sells home improvement products and installs them, he has a retail store and makes the majority of his sales out of that store. He sends his salesmen out to the consumers' homes to see if they can make a sale. Under the Act the seller is not required to be licensed even though he is occasionally making direct sales. In this instance the question to be asked is, does the consumer have the same rights to cancellation as would a consumer buying from a direct seller who is licensed and we feel that there is some doubt in this area and hence the reason for the amendment.

Section 20 (a) would mean that consumers have an equal right to rescind direct sales contracts regardless of whether or not the seller is required to be licensed.

Now, we have encountered quite a large number of situations with respect to sales in several areas and for the benefit of the Members opposite, let me name some of them. Some of the commodity groups in which there is a great deal of difficulty is in such areas as sewing machines. It's a common practice for direct sales to be made in the sewing machine business where salesmen go out from an established business and that's perfectly all right and valid, and solicit sales on a direct sales basis from home to home. There have been a large number of situations brought to our attention which has caused the department to become concerned over the fact that the Act as it is now is not clear as to whether the consumer has a right to rescind that contract. We are making that clear with this amendment.

Another example which is common is in the area of vacuum cleaners to give you another one. Now, of a more recent nature, have been such things as steel and prefabricated buildings and we have had situations where steel buildings have been sold through the direct sales method to people on farms and people in towns and villages and cities. The building material after the consumer has taken a better look at the deal he has made, sometimes under some pretty strong type of persuasion in his home, really is not what the purchaser might have thought that it was and we feel that if it is made through the direct sales method the consumer should have the opportunity to be protected by the four day rescission clause.

These are the areas, some of the major areas in which we have identified a considerable amount of difficulty and some of the reasons for this amendment.

I don't know what more I could say to clarify what the amendment means and to answer some of the questions raised by the Members opposite. I think the most significant ones asked were the increased amount of form filling and red tape and so on, and the answer to that is no, it will not in fact happen because the licensing and bonding will not apply, if a place of business is established. Only the four day rescission section will.

With those few words, Mr. Speaker, I think I have covered what the intent of the amendment is and I think that the Members will be satisfied with it.

**MR. STEUART:** — Mr. Tchorzewski will you answer one question? Customer A buys a sewing machine by contract in his home. Customer B buys the same sewing machine by the same contract only completes the deal in the store. Do they both have, under this amendment, the rights of rescission?

**MR. TCHORZEWSKI:** — No, they are in two different circumstances. Customer A I don't know whether A or B went to the store, but I will assume you said . . . okay, A stayed home.

Customer A who stayed home may have made the purchase through the direct sales method because a salesman has been going door to door persuading the people who might be likely customers to buy the goods that he is selling. Customer B who is the

fellow or lady who went to the store, went to that store on her or his own volition looking for a sewing machine. Therefore, the circumstances are different and this amendment will not apply to the fellow or the lady who went to the store. It only applies if the situation exists in which there was a direct sale at the home by the seller.

**MR. E. C. MALONE:** (Regina Lakeview): — Would the Minister answer another question?

**MR. TCHORZEWSKI:** — Mr. Speaker, I don't mind answering the questions, but I'm wondering if they are not better raised in Committee of the Whole.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Taylor that Bill No. 27—**An Act to amend The Corrections Act, 1967** be now read a second time.

**MR. E. C. MALONE:** (Regina Lakeview): — Mr. Speaker, when I adjourned debate on this Bill some days ago now, I indicated to the Assembly that I would be supporting the Bill and I will be. It's a continuation, as I said earlier, of the progressive policies that were started under a Liberal Government, and I believe under my friend the Member for Milestone and I'm glad to see that the present Minister is continuing those policies.

However, I do have one concern with the Bill, Mr. Speaker, and I wish to draw this to the attention of the Minister and of the Members. One of the amendments in the Bill, I forget which Section it is right now, indicates that where there is a breach of probation that the probation officer will report the breach to the prosecutor of the original case not to the Judge who gave the probation order. Now, I'm not sure whether the Members of the Assembly realize it but in the prosecutions that this Bill will cover approximately 90 per cent of them are done by RCMP officers and not by lawyers as are involved in the more serious offences.

Now, firstly I disagree with RCMP officers being involved in prosecutions but I gather it's just a matter that they can't afford to pay anybody else to do that. Secondly, this is a matter that really is not within the jurisdiction of any police officer. He is trained to investigate and to prevent breaches of the peace. He's not trained to be involved in probation matters.

Now, I understand that the reason for having this additional duty, which of course it is, cast upon the prosecutor rather than the Judge, is that the Judge is already overworked. Well, this is true. He is completely overworked; in fact, the Magistrates' Courts of this province are scandalous. They are archaic, the Judges are overworked and underpaid, there is not enough staff and what is there is underpaid and overworked.

Now, this is not a matter that is within the Minister of Social Services' (Mr. Taylor) jurisdiction but I would hope that some day, somewhere along the way, that the Attorney General would give consideration to improving this situation. To be fair, I must say that the Attorney General has taken some steps along these lines. I think that both the previous administrations for too long have ignored this situation and the Attorney General has

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started this process. But I say, he has not done enough and I find this particularly an unhappy situation where both Premier and Deputy Premier are lawyers, although I suppose that neither one of them ever got down to the lower levels of going to police court.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MALONE:** — Except maybe to be prosecuted, I don't know.

In any event, Mr. Speaker, I would say to the Minister of Social Services that you don't try and solve one problem by creating another. The answer is not to have prosecutors dealing with these matters, the answer is to improve the judicial system. And hopefully he can talk to the Attorney General, the Premier and the Minister of Industry (Mr. Thorson) and persuade them to do something about our present court system.

As I said, Mr. Speaker, I will be supporting the Bill however.

**MR. C. P. MacDONALD:** (Milestone): — Mr. Speaker, I just want to add a few comments and I want to tell the Minister I certainly agree with all the amendments. The Corrections Act was first introduced in 1967. It had some rather far reaching changes and innovations that this Province of Saskatchewan introduced in Canada for the first time.

For example, it did originally set up provincial parole, provincial probation, provincial work training and these now are being clarified and after some experience with the department and the corrections branch in the Department of Social Services. The rules and regulations as to their operation are now being clarified and set out within the Act and I certainly agree with this.

One of the things we did in The Corrections Act in 1967 was to set up volunteer probation officers. With the concept that some of the rural communities of course there were very few probation officers in the Province of Saskatchewan, some of the rural people would not have that opportunity, it would be very costly to put in probation officers in all the districts in Saskatchewan and therefore we felt that there might be a school teacher or minister or somebody in that community who would be willing to assume that responsibility of supervision. However, the concept now of remunerating them for a certain amount of their work and so forth, I think is a good concept because I know I tried to get as many volunteer probation officers as possible in rural Saskatchewan. I found a great deal of difficulty because many of the kinds of people who would make the best contribution in those areas were very difficult to obtain because of their other responsibilities.

I also noticed that you changed the word to community training program. I think this is a wise move because when work training was first instituted in Saskatchewan and as the Minister knows we had more people on work training in the Province of Saskatchewan than all the other provinces in Canada combined. It was a very interesting innovation. We even set up two work training buses, both of them closely related to the actual correctional facility in Regina, as a beginning.

We then, as you will recall, initiated a study to investigate the possibility of moving them down into the community.

But it wasn't only work training. We had work training officers who went out in the community to look for jobs, but we are equally concerned in seeing that the person in the correctional facility left that facility with something more than he originally entered with. Therefore we attempted to send some to school, we even had some going to university, as the Minister will recall as he goes back over the records. I think this was a good program, but it went beyond the scope of work training and therefore in many ways it was a misnomer. I think this is a good concept.

I also agree with the change of the concept of facility. In the original Corrections Act as the Minister will recall, that the Minister of Welfare or the Minister in charge of Corrections had the power to designate what was the correctional facility. But most of them were on the grounds or closely related to the correctional centre itself and now certainly we've got to turn corrections into a community base. We've got to move offenders on probation and so forth into the community. Very often there is a need of halfway houses, even after the term has expired and there is the need for people perhaps to stay until they become stabilized in the community. Perhaps they need some assistance, some help, halfway houses are good, not only for those who are serving their term, who perhaps do not need the incarceration of the facility itself but a halfway house is more than sufficient. It will serve the purpose much better for that particular individual and now there is a real need to broaden the base. To get out into the community as the federal system has done. I think that this kind of an amendment also indicates that thrust and direction and I certainly approve.

I think I could make some comments on corrections in general. I won't do that at this time. I am glad to see that there are more probation officers being introduced in the province of Saskatchewan. I have always been of the opinion that 20 per cent incarcerated in Saskatchewan—you should lock them in and throw away the key and the other 80 per cent you should let out. I think we will have to extend probation, we have to extend the parole system. If we don't the problem of people going back and back time and time again in the Province of Saskatchewan is going to increase. The biggest problem in corrections of course is the problem where an offender goes in for a very minor offence and he becomes indoctrinated with the correctional facility itself or perhaps he gets an education that he didn't have before he entered that particular institution. Very often then instead of helping that particular person we are really contributing to the misdemeanors or perhaps a life of crime even in the future. Therefore probation perhaps is the strongest tool in the correctional system and we should be expanding it and improving it. Certainly parole is also a very, very worthwhile device and therefore, anything that moves in that direction and that kind of a thrust in this Act and the correctional system as a whole is certainly a good one.

I do support the amendments; I think they are an evolution from the original Corrections Act in 1967. The experience of the Department has indicated that this kind of a broadening should take place at this time. I would like to tell the Minister that I don't think the amendments go far enough. I could make some very concrete suggestions as to some improvements. I am also very



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happy to see one particular thing, the study he referred to which most of the changes come from. I initiated that study as he recalls, I disagreed with one of the major recommendations of that study which was to transfer corrections back to the Attorney General. The person whom I hired to that particular study, I met at a corrections conference in Japan. I was quite impressed with him but he was one of those that was a very strong believer in the Attorney General and a very specific corrections program. And even though he and I had "any arguments about it, he still recommended that, I disagreed. I am glad to see that the Minister and the Government has made the decision which is one of the most unusual of any corrections program, in North America that the Corrections Agency in the Province of Saskatchewan is located in the Department of Social Services or that particular branch of Government which is dedicated to rehabilitation.

The Attorney General's Department has a specific job and that is to defend the justice in the province to prosecute offenders and I don't think that their real direction and thrust is in rehabilitation. So I am glad to see that the Minister hasn't responded to that particular recommendation of that study but has certainly taken into consideration many of the other positive recommendations.

**HON. A. TAYLOR:** — Mr. Speaker, may I refer first of all to the member for Lakeview's concern regarding the amendment to Section 9. His concern was that the prosecutor now would be give some leeway in making decisions as to who would be prosecuted. The old Section 9, Mr. Speaker, says in clause 2 and paragraph (c) that the probation officer may report to the Judge if the person convicted is not carrying out the terms imposed by the court. The change which we are instituting here is to say first of all that someone on probation should be treated in a similar fashion to any other citizen. And that is that a prosecutor lays the charge.

One of the difficulties when the probation officer does this is that the probation officer is in a counselling relationship with the client. And if he lays the charge to say the least he disrupts that relationship. So the change will require by law that the probation office report any breach of probation to the prosecutor. That breach may simply be a matter of the man returning to the community training residence 15 minutes late in the evening. The prosecutor then will lay a charge if it is deemed advisable. The same as frequently happens in normal cases with citizens. I believe that this is a wise move not just because the amount of people appearing before our courts, the congestion in magistrates courts. I might say in that regard that some two and one half or three years ago when we came to office, the magistrates in this province, — and this is one of the difficulties and we are still facing it, — one of the difficulties was that our salary scale was \$15,000 a year for magistrates, today it is \$20,000. I am not a lawyer but I am sure a competent lawyer probably can on his own make more than this. It is therefore difficult to attract men and I think this is one of the things that we have to look at.

I am happy to hear the comments from the Member for Milestone. Quite frankly I expected similar comments from him. I felt fairly

sure he would support the direction in which we were going. I might say that I am a very strong believer in community correction. It makes absolutely no sense to me to rehabilitate a man within an institution and then expect him to live in society if we can do it the other way. I don't know about his 80-20 per cent split. Certainly I think 80 per cent should never be there in the first place. If we can stop them from ever entering the correctional centre, I think society will be that much further ahead.

Mr. Speaker, the Member for Milestone did mention the correction study again. When we looked at it we felt that the person presenting the study was being reasonable in many ways. He speaks of a systems approach. And to us the decision was which system. The system of justice or the social system. And we happened to opt for the social system. I am happy to hear that he supports this.

With these few remarks and there may be more questions in Committee of the Whole that can be answered in more detail, I move second reading of this Bill.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. MacMurchy that Bill No. 50—**An Act to amend The School Act** be now read a second time.

**HON. J. R. KOWALCHUK:** (Dept of Natural Resources): — Mr. Speaker, when The School Act was amended a year ago it permitted Indian reserves to join the school units as legal entities with legal representation. I remember making the statement that that was a step in the right direction. It provided the machinery for democratic representation of Indian reserves on unit boards which previous to that time irrespective of how many Indian students attended these unit boards had no real basis for legal representation. Making these provisions a year ago for Indian reserves to participate directly in decision making on unit boards, maybe that wasn't a very big step but in my opinion, Sir, it was a big step in the right direction. Thus the Indian people if they so desired could have legal representation on unit boards and the big question is, Sir, if they so desired. And in my opinion that is an important question because the right of freedom for Indian people is thereto make this choice.

In this new amendment to The School Unit Act, provision is made for Indian reserves to have their representation on other school boards including consolidated school boards. That of course, Mr. Speaker, is long overdue. In Balcarres consolidated school system which is in my constituency as already mentioned by the Minister of Education in his opening remarks, for the past six years it has been permissible for Indian representation on that board on a voluntary basis. An Indian lady by the name of Mrs. Penny attended every meeting. Even to the extent of allowing that representative a vote, Mr. Deputy Speaker. Granted one single associate board member representing four Indian reserves indicates a very unequal representation. And it was recognized as being uneven and unequal. Although Indian sharing in construction grants was almost equal to that of the consolidated school district even though, they, the Indian people, had approximately 150 children or almost a third of the total student population there, they nevertheless had one invited board member. A very glaring bit of inequality, Mr. Deputy Speaker.

The Balcarres consolidated board recognized this as well. They, as well as the Indian people of the four Indian reserves, Little Black Bear, Star Blanket, Oakeness, and Peepeekisis, will welcome this legislation of providing the machinery for fair and equal representation on the school boards where Indian students of the reserve attend.

As expressed so firmly by the then chief of Little Black Bear Reserve, Wilfred Bellegarde at that time, the time of apparent dissatisfaction and even some open opposition last fall, his comments were thus:

For years we have asked for fair and equal representation on school boards in which we are involved. Now, we are getting it at last. Let's not lose what we have been fighting for.

I think, Mr. Deputy Speaker, that his position statement is to the greatest degree indicative of the thinking of Indian people regarding the Indian input and Indian participation on boards where Indian students attend.

The new amendments also provide for teaching of minority languages in Saskatchewan schools. This is concrete and positive recognition of the fact that the population of Saskatchewan is made up of people originating from many lands, people of diverse languages, customs and cultures and that such recognition in a tangible form as being able to study in a variety of languages is also long overdue, Mr. Speaker. These people have contributed to the overall welfare of the Province of Saskatchewan and the country of Canada as a whole. It is to engender the growth and the richness of Saskatchewan multiculturalism and this cosmopolitanism that extending the teaching of languages such as German, Ukrainian and Cree is being offered in the Saskatchewan school systems under this new legislation.

The extension of kindergarten from a series of pilot projects to a full fledged program to be expanded throughout the school systems of Saskatchewan costing some \$3 million will be looked at with appreciation and respect by all the people of Saskatchewan.

Mr. Speaker, I want to congratulate the Minister of Education for recognizing the needs of the times in education, for moving with the times, Mr. Speaker; for his perception of recognizing that people themselves must have an input into the many varied and necessary programs that are in the making; programs that I am certain the people of Saskatchewan will appreciate and will make use of.

I certainly will support the amendments to The School Act as outlined in Bill 50, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. D. L. FARIS:**(Arm River): — Mr. Speaker, I am pleased to support Bill 50. I am very pleased to see this change in regard to representation of Indian reserves on unit boards. I am also pleased to see this opportunity for the use of language other than English for instruction in schools. I think that is an exciting and a very interesting aspect of this Bill. The change in regard to the educational council is, as the Minister said, perhaps not as significant as these other items.

What has prompted me to rise in this debate were the comments of the Member for Wilkie (Mr. McIsaac) the former Minister of Education, I am sorry he is not in the House at this time. He took the opportunity in this Bill to attack the Family Life Committee which is travelling through the province hearing representations from the public concerning the possibility of including family life education in our educational system. He suggested that this was perhaps a move by the educational system to move in and take over some of the rights and the responsibilities of the family. I disagree with this; I think it is a very unfair construction to put upon this Committee. I think the Committee is an excellent committee. I have had the opportunity to meet with a number of the members and I made a representation to the Committee when it had a hearing at Davidson. I can say that the Committee is carrying out its work in a very mature manner and that the public interest is very great. I was very pleased to see the representation of parents and educators and people from various churches making representations. I would say that when they heard the kinds of concerns that the members of this Committee have for family life, they were very impressed and they felt that they were really being heard.

I think that the kind of subject that this Committee is dealing with is extremely important. I think the area of family life education is all too often considered too narrowly, that is, family life education considered as merely sex education. I think that if you do wish to take it in this narrow sense, that even there it should be a matter of public concern that all too often in our present society our families are failing in their responsibilities to inform their children and to inform them in a way that mixes values with simple information.

I think in the area of matters like birth control, abortion, masturbation and venereal disease, that probably the source that the children should have for information and values in this area (and they cannot be separated) should be the family. It would be my observation that possibly five per cent of the families in this province would seriously sit down and talk to their children at the various stages in their lives when questions are raised about these matters. Other Members may have a different view in this regard, but I would suggest that it is probably around five per cent and that concerns me. The approach which I think this Committee is taking and I think which it should take is to ask this question. How can the education system, how can the churches which are the traditional bearers of the values in our society, how can they work with and support the family in doing a better job in this area? Everyone I know who is seriously concerned about these issues is concerned about the failure of the family to pass on information and values to the younger generation.

I also have a great personal concern in the area of drug education. It seems to me in a broader sense of family life education this is the kind of issue that could very well come up at the dinner table between parents and children. I want to read to Members of the Assembly a small quote from a very fine article by Seymour Halleck, entitled "The Great Drug Education Hoax". In this article Halleck points out that a lot of what is going on in the name of drug education in the United States and in Canada, has really been a hoax, that it has been extremely unsuccessful, it's been extremely dishonest, it hasn't dealt with values. He says this:

I do not mean to suggest that educational programs

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must, of necessity, be useless or injurious. They can certainly be helpful to adults. When it comes to holding dialogues with teenage children about the potential dangers of drugs, the average parent is totally outmatched, for reasons mentioned earlier, his child is likely to have a fund of information and a grasp of the issues which exceeds his own. At the very least parents who decide to counsel their children about drugs, should start out with a knowledge of the facts.

It is also important that professionals know about drugs—the family physician, the high school counsellor, the teacher, and the minister, quite frequently seem to be as ignorant of the uses and effects of drugs as the ordinary adult.

Unfortunately, once again I would say my observations would bear this out. Once again, very few families in this area feel competent to deal with this important area of life, and so we see in our society a growing drug dependence. All too often, parents don't see that their example is more important than their words. Very often they will give fine words of advice to their children, but their example destroys its value.

In this area of drug education, the narrow area of family life education taken as sex education, and in the broader areas of a parent being able to sit down and communicate with a child about how they feel about things in life, how they feel about themselves, the kind of goals they have, I think that parents need and can in fact receive a great deal of help. I am glad to see that the Family Life Committee in going around the province, has a very high representation of people who have a concern about life in this broader sense. A very strong representation of Christian people on it.

My own suggestion would be that one of the ways in which the kind of assistance that is needed in family life education in the broader sphere, could and should be presented is not just through the public school system, and in fact there may be ways in which it can be delivered there, but I would think that a good deal of very necessary education should be aimed at adults through the Community College System. I think there could also be very exciting possibilities in the education of families, as family groups, and I personally have carried on some experiments with family life education in this mixed kind of group and I think it works. I think that all too often in our society we peel people off by age group and we separate them and this could, in fact, be one of the reasons why the generations have difficulty talking to each other. We don't discuss these important subjects (particularly those that are laden with values) when we have the family together.

As I say, I was extremely pleased, and I am extremely proud that this Government has set up this Family Life Committee. I think that it is one of the best things that has happened in the last three years. I see this as part of the move, which I was very happy to see, of putting trustees on curriculum committees.

Looking back over the last 20 or 30 years, I find it almost inconceivable that both former CCF and Liberal Governments should have failed to have non-professional trustee or parental kind of representation on curriculum committees. When you really think

about it it's almost unbelievable that it has taken us this long to get this representation.

I was pleased that the Minister of Education (Mr. MacMurchy) has done that and I see it as part of his continuing concern to try to get as much parental involvement in education as possible.

I support the Family Life Committee, I support this move to trustee representation on curriculum committees, and I will be pleased to support Bill No. 50.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. P. P. MOSTOWAY:** (Hanley): — Mr. Speaker, I agree with the various sections of this Bill. However, there is one section, Section 10, where I have a particular interest and concern. Now this section allows the language of instruction to be other than English or French. With this, I have no quarrel.

Mr. Minister of Education and he's not here right now, he's tied up, what I should like to bring to his attention is this: I hope that school students will be asked for their opinions; should local boards, central boards and fiscal boards, as well as the Department of Education, consider instruction in a language other than English or French in a particular school.

I am extremely interested in this regard, because while I favour the preservation of the various rich cultures and languages to be found in Saskatchewan, I think it could be possible, although highly unlikely, for the legal decision makers, in a burst of enthusiasm, to possibly overlook the wishes of students. Now you may find it difficult to believe that students wish to be overlooked in this day and age. However, I believe that this could be possible (as I mentioned before), although unlikely, particularly when students might be caught in a sort of tug-of-war between the culture and language of a community, as opposed to a newly emerging culture and language of this province, or of this nation.

Therefore, Mr. Speaker, I hope that students of schools where such action may be contemplated will be encouraged to voice their opinions, because it is they who will benefit in the future, based on decisions of their day.

I certainly will support Bill 50.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. H. H. ROLFES:** (Saskatoon Nutana South): — Mr. Deputy Speaker, just a few words on Bill 50.

Bill 50 makes four significant changes to The School Act. The first one was to change the role of the education council to that of a lay-advisory board; secondly it allows Indians to be elected to school district board trustees; and thirdly to permit school instruction in a language other than English or French; and fourthly, the changes allow for establishment of publicly financed kindergartens throughout the province.

Although, Mr. Speaker, I believe that the first two changes, or amendments will have a significant impact on the education in

this province, I have spoken on these on previous occasions, and, therefore, will spend no time on them today.

However, to permit school instruction in a language other than English or French, will be welcomed, I believe, by most people as a step in the right direction. This province is comprised of people with many different traditions, with different cultures, and ethnic backgrounds. I believe that the people in this province wish to make certain that these are brought forth to fruition and not just English or French. I think that the changes made to The School Act will help to strengthen and promote the advancement of our multi-cultural heritage.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROLFES:** — The other thing, Mr. Speaker, I would like to draw to the attention of the people of this House is that I think these changes to The School Act are very much in keeping with' what the Minister of Culture and Youth (Mr. Tchorzewski) is trying to promote in this province through his department.

If we want our young people to understand and appreciate their ancestry, and if we want them to be proficient in the language of their parents, then I believe school instruction must be in the language of their parents, and it must be begun at a very early age. Today, in many of our schools we begin French in Grade IV and in the opinion of many educators, and many parents, it is already too late to begin the instruction of a foreign language, or the language of the parents. I would therefore wish to advocate to the Minister of Education that the language of the parents somehow be incorporated into the kindergarten program and, if at all possible, that maybe this could be one of the things that we could look forward to in the day care centres that we spoke about yesterday.

The native people of Saskatchewan have certainly recognized this problem, and have made strong protestations because their children were not able to receive instruction in their own language. They will welcome this amendment and will see that it is a real opportunity to revitalize their cultural heritage in their children.

In Saskatoon the Ukrainians have already established a pre- school class where the instruction is in Ukrainian. I am certain that other groups, like the Germans and the Indians, and the French, will take advantage of the amendments, and if they do, Saskatchewan will be the richer by having a strong mosaic of many cultures.

Mr. Speaker, I should like at this time to spend most of my time on the establishment of public financed kindergartens throughout this province.

I believe it's been somewhat discriminatory on the part of this Government and previous governments to provide public financed kindergartens for Regina and Moose Jaw and not provide them for other cities in this province. I have some objection to the policy of this Government by not making money available immediately to other school systems that are already operating kindergartens. I think it is discriminatory to ask the people of Saskatoon to support kindergartens at the present time until next fall, and I would hope that the Minister of Education would

look very sympathetically upon requests of the Saskatoon Separate and Public School Boards to furnish the money immediately for kindergartens.

Mr. Speaker, I certainly support kindergartens, and as I mentioned yesterday, I think that an ounce of prevention is certainly worth more than a pound of rehabilitation. We know that rehabilitation is very, very unsuccessful. It's very costly and I think our schools will just simply have to reach out into the community. We can't work in this isolation policy that we have adopted. I think, also that a slight criticism could be extended to the people from the STF and the SSTA. Too long, over the last five or six years, they were overly concerned about negotiations and we appreciate the attempts that the STF made and the success the STF has had on the financial aspect. But I hope (and I notice Dr. Sterling MacDowell sitting in the gallery) that he would take the STF on a new road and make certain that the emphasis is on education and give new direction in our schools.

If educators, trustees and the STF feel that schools can work in isolation, they simply are not facing reality. I would hope that the Minister in the new kindergarten program, will make available sufficient funds for school boards so that they can make available to parents, consultants, counsellors and store-front operations for counselling in marriage, and what the Member for Arm River (Mr. Faris) was referring to, the whole area in the family life program.

I think the day has passed where the schools can simply work from 9:00—5:00 o'clock in their small building and forget about what happens to children once they leave the school.

The other thing that I should like to mention is that I feel that kindergartens simply cannot be a step-down program from Grade 1. If this is the case, then I hope that many, many kindergartens will not be instituted. This must be a time, in my opinion, where we are going to really observe the young people, where we are going to try and find out where they are, what problems they may have, and then try to act in solving these problems. I think parents are really looking forward to this help and this assistance. I hope that the Minister of Education will try and do something about it.

While I spoke of the SSTA and STF in spending too much time in possibly negotiating in the last five or six years, I would be somewhat remiss, I suppose, if I didn't criticize the Department of Education. I believe under the previous Minister, and certainly under this Minister in the first year and a half, or two years, the Department of Education has done very, very little in being a real leader in this province, and I would like to ask the Minister of Education to do a little shake-up in that particular Department and possibly bring in some new faces, with new ideas. Certainly not to go out and fire these people who have spent 20—25 years in giving some leadership and who have been very effective in the past in giving leadership. But I should like to see some new faces in there, with new ideas and people that are up with the times.

I will support the Bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. C. P. MacDONALD:** (Milestone): — Mr. Speaker, this has been a rather far-ranging debate



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from family life, which I can't find in the Bill, to firings of people in the Department of Education, which I certainly will subscribe to.

However, Mr. Speaker, I was not in the House when the Minister introduced the Bill. I did read the comments of the Minister and my colleague the Member for Wilkie (Mr. McIsaac). I have listened to the comments of the four Members who spoke this afternoon, and certainly I want to say that all of the Members on this side of the House are going to support Bill 52. There is nothing controversial in the Bill that I can find – in fact most of us will support most of the principles.

I want to comment for one moment on one or two of them in relation to some of the comments made by my friends opposite.

First of all, the opportunity of native people to serve op. school boards is certainly an evolution of the process that began a few years ago where native people were permitted to become ratepayers (or the equivalent of ratepayers) and vote on affairs in relation to their schools and their children and their education process. This was brought about by the Balcarres situation and certainly the Minister responded to the needs of the Balcarres community in trying to broaden the scope of this particular Act to make this feasible. I think it will certainly expand the interest of the native people particularly, as they have a very difficult educational system where first of all the band itself (as a rather independent body is involved), the Federal Government who have priority of responsibility for native people, the Department of Education who provide the educational facilities and service. So this is important.

I do want to comment a moment on the aspect of the handicapped becoming an integral part of the public educational system I have a special interest in this particular program. In fact, my wife is a volunteer in one of the handicap programs in one of the school systems in Regina. I am most interested in its progress—I think this is one of the great innovations in education in Saskatchewan in the past few years. One of the things that does bother me, is that I am a little concerned about the program and I recognize the fact that programming for the handicapped is a very difficult thing to categorize or to catalogue because the handicaps are physical or mental or emotions the variety of needs and requirements are so broad in scope that it is difficult to pinpoint any kind of specific program. I think that the Department of Education, the School Trustees Association, the Saskatchewan Teachers Federation has got to become more interested in standards, requirements, program content and so forth in the future and I am sure that will come.

In the language instruction, the only comment I want to make is that this is long overdue particularly in northern Saskatchewan. You can go to many communities where the only language of the majority of people is the native language. This will provide this kind of an opportunity. Also we would like to talk about Canada as a melting pot, and certainly Saskatchewan is a good illustration of that melting pot for it does provide this opportunity in those communities where they have a sufficient population of a certain ethnic group where they will have this opportunity to discuss it.

I do want to comment on the remarks of my friend from Arm River in just a moment. I did read what my colleague the Member

for Wilkie said about family life. I didn't quite take the same interpretation as he did, I would have to go back as it is a week or "so since I read those remarks. But I think that my colleague for Wilkie believes in family life education. In fact I grew up in a system of family life education, and this is the one system in Saskatchewan that does provide this kind of an opportunity. I participated in that kind of instructional program myself and believe in it very firmly. However, I do not believe that I want somebody else to impose their values on whether or not birth control is good or bad. Nor do I want anybody else to impose their values whether or not abortion is good or bad. I think my colleague was merely expressing the concern that somewhere along the line parental control or the trustees or the parents representative have some control over the curriculum that is being taught to their children in their system because there are many, many people who are concerned right now in Saskatchewan about the Family Life Committee and their emphasis on birth control or abortion or sex or anything else. They want to make sure that the scope of their program is broad enough and that it isn't rigid in presentation or in curriculum, that it will not infringe upon parental decisions or parental morals that parents should be able to pass on to their children themselves. I think that is the concern that was expressed by the Member for Wilkie, maybe I misinterpreted him.

I certainly agree with the family life concept. I believe that one of the great tragedies in education is we put a smear of knowledge in front of the child, give him no opportunity to direct or to present any kind of value judgment to them. The public educational system in Canada and I suppose in the world has been too concerned about alienating various religious groups and therefore has stepped very gingerly on the transmission of values to children. I think if we can get into this, certainly family life does give us an opportunity to present many, many values without getting into contradictory or conflicting moral judgments that may arise in various religious groups or various ethnic groups. I certainly support the concept, I hope that the program is a broad one and is not a rigid one, that it leaves flexibility for the various school systems and the various cultural and religious groups to apply in their own way and in their own manner.

Mr. Speaker, I don't think I have any other comment on this. I think I will adjourn the debate, one of my other colleagues wishes to say something who is not at this time present.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins that Bill No. 29—**An Act to Establish a Saskatchewan Development Fund** be now read a second time.

**MR. G. B. GRANT:** (Regina Whitmore Park): — Mr. Speaker, when I was speaking on this Bill the other day, I indicated my feeling that this type of development company or fund was not required in the province. I feel that this is one of the things that the new Minister of Finance has inherited, that he wished he hadn't, and now he has to push it through the House. I really can't feel that he was speaking completely with enthusiasm when he introduced the Bill the other day.

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To me, Mr. Speaker, it is a sneaky way for the Government to get into the banking and investment business, because the Bill really covers, banking, trust company business, real estate business, mortgages, the issuing of notes, bonds, debentures, annuities, registered retirement plans and what have you. It is a very, very broad Bill and covers every facet almost of financing in Saskatchewan.

Reference is made that it will provide an opportunity to the residents of Saskatchewan to invest a portion of their savings in shares of an undertaking involving a minimum of risk to such people. Well let's look at it, is this really required? I believe the savings deposits in the Province of Saskatchewan right now and deposits in investment certificates and guaranteed funds are probably at an all time high. I am not aware of any of the trust companies or any of the banks or any of this type of institution closing their doors to receiving more funds. I don't think there is a need for adding to the outlets for this type of investment in Saskatchewan. There is all kinds of opportunity. The Government is really not providing a service that is not readily available in the province. If such is the case if there is a choice of services being provided by the private sector and there is no price fixing, there is a variety of earnings that you can make, the government has no business getting into that field.

Secondly it says, it is to provide a source of capital to assist in the retention of the control of the Saskatchewan economy by residents of the province. Well this is only partially true, because the capital that is going to accrue to this fund can also be used outside the province. They don't necessarily have to invest it within the province. This could mean that the fund might be contemplating taking over some of the business enterprises in the province. That is really the only way they could assist in the retention of control. I suppose they might assist by making some of the funds available to help out the Saskatchewan resident who wishes to retain control. I think this will be quite minimal. »

I believe the Government is trying to get the best of two worlds here really, because the Minister states that the people of Saskatchewan have demonstrated that they are prudent investors. I think this is true, I think it stems from the dirty Thirties. Having been a victim of the dirty Thirties, I consider myself a prudent investor. I certainly don't have the desire to take risks that younger people do who never experienced the dirty Thirties. I think this has affected the thinking of a good many Saskatchewan people. I think it is unfortunate in some respects too because risk capital is certainly needed in every jurisdiction and particularly needed in Saskatchewan and in Canada. One of the reasons why so many of our businesses are controlled by Americans is that they seem to have this initiative to risk capital whereas Canadians and particularly Saskatchewan people have not. This was demonstrated in Alberta. Everybody in Alberta knew that there were tremendous pools and reservoirs of oil there. We in Saskatchewan sat next door and said, isn't this marvelous. In the meantime the Americans came in with their know-how and their desire to risk capital and suddenly we discovered that what we knew was true, the Americans had capitalized on it at our expense.

The Government plan is really not a guarantee, certainly not in the sense that it is required. The, example used by the Minister of the chap who invested \$100, he had \$96 left over after the commission of \$4. If at the end of a year he wanted to get out, he might end up with \$105.84, I think that was the

example he used. Well this is really no great guns in my opinion. In a true savings account, you don't have to leave it a year even, the rate today I believe is  $6\frac{3}{4}$  per cent. I believe the Minister is only using the \$5 as an example, I don't suppose he is suggesting that that would be the maximum guarantee return on \$100. If it is I can assure him that this fund will not attract money, except the money that is under the control of the Government, because money is very fluid, even a difference of one quarter of one per cent will cause it to flow from one depository to another.

As pointed out, the Minister said that this would be a wonderful opportunity for people to invest in Saskatchewan. He said, because of this particular situation, the Government is determined to provide a medium for Saskatchewan residents with an opportunity to invest in a Saskatchewan fund. I don't know what is so peculiar about a Saskatchewan fund. I think the people who are interested in investing are more interested in the return they are going to get. They really don't care what use is made of the money as long as they are guaranteed a good return. Whether the money is invested in Manitoba or Alberta or even the liquor interests or anything else their interest is the rate of return they are going to get. So I don't really think the people of Saskatchewan are clamoring for an opportunity to invest in a Saskatchewan fund.

The Minister says that it should prove attractive to most residents of Saskatchewan who currently place their money in savings accounts. Well I don't think it will, unless he is going to be more competitive with the savings accounts than his example indicated.

It strikes me that what the Government is actually trying to do is get the best of two worlds. They want an opportunity for people to get an equity position in so-called Saskatchewan businesses but it could be a cellulose plant out in British Columbia or the Manitoba Forest Products plan, because the Bill is wide enough to include those investments. Besides having an equity position they want to have a safe position. I don't think this is possible to attract money trying to fill both roles because they are filled at the present time by so many means of investment either through a non-chequing savings account, a guaranteed investment certificate, through deferred stocks, bonds, those to me are the safety investments. If you get to the point where you are going to have an equity and share in the growth of the company you are going to get into a risk area in common stock. Why should anyone be interested in depositing money at 5.84 per cent when they can invest it in a guaranteed certificate for maybe 8 per cent and if they leave it there for five years it is closer to 9 per cent.

The suggestion has been made that a fee or a commission of 4 per cent will be paid to the agents that are going to be set up. I would hope the Minister would elaborate who are going to sell this, who are going to be the agents. I would expect that he is going to utilize people who are in the business at the present time to a large extent, because otherwise it is not going to be remunerative enough for an individual to devote his full time to this fund. I don't think that's what he visualizes. Actually, I don't think that he is going to find that it is very competitive, if he goes to the institutions that are currently in the investment field, I think he will find that the Saskatchewan Development Fund because of its commission set-up and other

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features is not that attractive and may not be pushed to the extent that he would like to see it. This doesn't say that there won't be large sources of funds, because of the involvement of government in so many areas today I am sure that they can control funds.

There are some investments, and I refer now to the guaranteed investment certificates where there is no charge made whatsoever. If you invest \$1,000 in a guaranteed investment certificate, you get a \$1,000 certificate. There is no commission; the commission comes off the earnings that the trust company or the investment house makes on it. They do pay their salesmen some commission, but as far as the investor is concerned he gets his full \$1,000 guaranteed certificate at 7 1/2, 8 1/2, or 9 per cent. Other funds are run on a charge of about three-quarters of one per cent. I see the suggestion is that there be a maximum on the guarantee section of this so that the fund would not be stuck for more than \ per cent, anything over and above that would be paid for by the Government. To that extent I object also because this fund suddenly becomes a potential subsidized fund.

Later on I think the Minister came right down to the truth of the matter when he described the nature of the fund. I did make reference to this, but I shall repeat it again. He says that the fund will have a province-wide sales force available to all citizens. I am not aware of any difficulty anyone in Saskatchewan has investing in a registered retirement plan. For instance, in the last month or so, we have been bombarded by trust companies and the like, the Co-op and the credit unions, telling us to hurry up and get them in by February 28. I don't think anybody has been denied that opportunity. He was very careful to say that while they hoped to help maintain control over Saskatchewan businesses and investments, that it will not be limited to Saskatchewan investments and obviously will have investments in other areas as well. I made reference that in respect to the Saskatchewan Development Fund we could find them holding an interest in shrimp boats off the coast of Florida as an investment or the cellulose plant in British Columbia, in fact it is wide open. The investments could cover any area, any financial area and any geographical area.

He also went on to say and question himself, and I think this is the crux of the whole matter and he says:

The question has been asked, Mr. Speaker, why is this Government (I suppose any government) becoming involved in the investment trust business? We feel that the legislation being discussed today is in line with the philosophy of government which stresses that there should be many opportunities in which people may share in the growth and the development of this province.

Well, I guess that is where we part company because I really don't concur in that type of philosophy when the government gets into competition with existing businesses, with the existing tax paying businesses, and that is another feature of this fund, it will not be paying any income tax, and the argument there is that it is the same as the co-ops that it is non-profit and goes back to the people and the people pay the individual tax. But that is not the way it is with the trust companies and investment houses, they pay the corporation tax of maybe 50 per cent and what's left over and paid out by way of dividends and interest and the likes of that, out of that the recipient pays his share

of the taxes as well.

Another point was made to try to justify this fund, that the proceeds will be invested in Saskatchewan. I don't know whether the Minister by inference, is suggesting that present investment companies and insurance companies are not investing in Saskatchewan, but if you picked up all the mortgages that people have in my constituency, I think you would find that — one that I am aware of, Prudential Life, has?, pretty big risk, a pretty good investment in Regina Whitmore Park and Hillsdale. I believe they have some \$60 million invested in Saskatchewan. I see by the Press that another trust company, Canada Permanent, is very active in the mortgage business in Saskatchewan. I believe they are one of the biggest lenders. London Life, at one time, was one of the biggest investors and I don't just know where they stand now, but I am sure they are still investing a good portion of the premium business in Saskatchewan.

These companies, I think, have made a reasonably good effort at being good citizens and investing some of their money, a major portion of it, where it is produced.

Mr. Speaker, I think there is only one other comment here that I have in connection with the Minister's remarks where he says that he would like to stress that the Development Fund will not interfere with functions already carried out by other agencies. I don't know what he has in mind by 'other agencies', but by my interpretation that would be the Credit Foncier, City Trust, Co-op, credit unions and all those. I would hope that he would clarify this if I am off the track. But if this is going to be such a success as the Government visualizes I can't see how it could do anything else but interfere with the other agencies. I would hope that he would enlighten us on that.

Mr. Speaker, I don't think this fund is going to work and if it does it is going to be at a cost, a very, very heavy cost, to the private sector. The Minister himself said that it wouldn't interfere with other agencies.

Mr. Speaker, I should like to designate this Bill as unwise, unnecessary and unfair, subsidized possibly in an unfair way as far as competition is concerned. I think it is just another demonstration of the desire of governments, and I am not pointing the finger necessarily at this one, because it has happened out in British Columbia and it is happening down in Ottawa and it is happening in Manitoba, to a lesser degree in Alberta. We seem to have only one area in Canada that is relatively free of this, namely Alberta. Even good, old Ontario sometimes sprouts up with these socialistic ideas.

I should like to suggest that the economy of Alberta has not suffered from the lack of this type of thing and inroads into competition with business. And it puzzles me no end as to why government, as the Member for Rosthern (Mr. Boldt) said yesterday, seems to be a separate body or anything, it is us, it is the people. Government relies on taxation from businesses and individuals and yet they seem so anxious to, not only set the rules as I have said so often in this House, but get in and play the game.

I think the Members have gathered by what I have said that I will certainly be opposing this Bill and I think the Members on this side will.

**SOME HON. MEMBERS:** — Hear, hear!

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**MR. F. MEAKES:** (Touchwood): — Mr. Speaker, I am sure the Hon. Member who just sat down knows before I speak that I will be disagreeing with what he said, after the companionship that we have had in recent months on traffic safety committee.

I rise, not only to support this Bill, Mr. Speaker, but to congratulate the Minister of Finance for bringing in the Bill, which will establish the Saskatchewan Development Fund.

For too long the people of this province if they wanted to invest their savings had to turn to investment, very often, outside of our province and often outside of the country. I don't mind saying that I have some savings in mutual funds and many times when I got their reports and read and saw listed some of the investments that these mutual funds are invested in, I felt very guilty.

Let me just quote a few: Dow Chemicals, Rockwell Electronics, ITT and I could go on and on. These companies are tied up with the United States military complex, dropping bombs on Vietnam or on Cambodia or arranging the overthrow of the government in Chile, or insurrection in Guatemala. I can assure the Minister that when this fund is ready, that my bit of savings will be invested in the Saskatchewan Development Fund. It will be invested in Saskatchewan, the province where I was born, the province where I have lived all my life, the province where I made my living and managed to save a few dollars and the province where I hope that I die whether it is tomorrow or not for 40 years. I am certainly proud of the fact that this Bill is coming in where I can really help and put some of my savings into an investment into my province, the province that I owe so much to.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. H. OWENS:** (Elrose): — Mr. Speaker, before I begin my short talk on this legislation I want to congratulate my former seatmate for his appointment to the post of Minister of Finance. I am sorry that he is not in his chair at the moment. With this important department under his watchful eye, I am confident it will be managed with key efficiency. With the Development Fund under his supervision I will prove my confidence in him by investing in the fund as soon as I have sufficient savings to meet the required minimum of \$20, providing that doing so will not create a conflict of interest, we have heard something about that in this House too.

I cannot agree with the former speaker for Whitmore Park (Mr. Grant). His philosophy and mine simply just do not complement one another.

Mr. Speaker, I compliment the Minister on the introduction of this legislation. His clear and concise presentation on such an important Act indicates his complete understanding of the program. The legislation of this proposed fund is timely, inasmuch, fortunately, at this time a goodly number of people in Saskatchewan do have savings of various amounts and who are seeking a source of investment that is not only safe and guaranteed, but a fund that is directly and distinctly Saskatchewan.

Distinctly, inasmuch as they made and saved their money through labors and services in their own communities and towns and would now prefer to invest these hard-earned dollars in a

Saskatchewan fund that will be managed under the jurisdiction of the provincial government, by creation of a Crown corporation, rather than by a board of directors through a finance corporation with headquarters outside of the Province of Saskatchewan, possibly outside of the Dominion of Canada.

Residents of Saskatchewan,—and I refer mainly to residents of a number of years ago or possibly more properly put, to the pioneers of this great province—faced, hardships, such that a goodly number of people living in Saskatchewan today have a great deal of difficulty in accenting, as a possibility not alone a reality. To help overcome some of these problems and to assist each other—and I should like to emphasize that, Mr. Speaker, to assist each other, the credit union movement was initiated in Saskatchewan. The growth of this movement has been so spontaneous that it proves without a shadow of a doubt the interest and the concern the people have in the use of, and control of, their deposits, their small savings and their small investments.

The Saskatchewan Development Fund will in no way hinder the growth of the credit union movement, but will enhance its operation by providing a much broader base for investments in a variety of income and growth selections fitted to the need or the requirements of the investor.

Furthermore, the guarantee feature provided in the legislation relieves the worry and the frustrations which so often confront the small unsophisticated person with little, if any, experience in investing his life savings.

How often have we heard of cases where "fast money sharks" have persuaded too many people to invest in supposedly rapid growth funds, only to hear of them losing, in many cases, their total investment, their total life savings. This fund will completely remove this possibility by appointment of reliable agents throughout the province.

The last point I raise in support of this development fund is the opportunity it provides the people of Saskatchewan to invest in a Saskatchewan fund that will be used primarily for the growth and development in various enterprises in their own province. Up to this point in time this opportunity has not been available in a guaranteed form. Saskatchewan people, generally, are proud of their province and its growth and development. Since its formation in 1905 in spite of adversities, prior to 1944 and during 1964 to 1971 period, largely due to the policies of the governments of the day.

Saskatchewan people are anxious to leave a heritage for future generations that will be beyond their fondest hopes. I believe they are anxiously awaiting for the opportunity to invest in this development fund. They have been deprived for too long of the opportunity to invest their own savings in a sound and safe security for use in Saskatchewan, managed by Saskatchewan people.

Once again another first the Saskatchewan Fund, for Saskatchewan investors, for Saskatchewan development. It sounds like good business, Mr. Speaker, and I certainly support it.

**SOME HON. MEMBERS:** — Hear, hear!



**MR. T. M. WEATHERALD:** (Cannington): — Mr. Speaker, I wish only to make a few brief remarks on this simply because the Member for Regina Whitmore Park has very, very eloquently outlined the objections to the fund.

In listening to the Member for Touchwood and the Member who just took his seat (Mr. Owens) it appears to me that both Members, in supporting this fund, have lost complete and total sight of one of the most important aspects of attempting to get a good rate of return on our money. And that is that they talked—particularly the Member of Touchwood—about large American corporations" investing in war equipment and supplies and that we would prefer not to do this, which I would suggest to him is certainly his right and is not very difficult to escape simply by investing in Canadian funds that do not have any money whatsoever in American bonds or stocks. There are several of them if you look. The Member hasn't obviously looked very hard. If he took a look through practically any investment brochures he could find any number of funds that invests only in Canada.

But in any event I think what the Member lost sight of was that possibly he was thinking in terms of large investors. And it is quite possible that if you are a large investor that really the rate of return, if it is half of one per cent less, it doesn't make much difference and you can afford the luxury of not investing for the best rate of return. But what I think both Members lost sight of was that the large bulk of investors of savings are people with small amounts of savings. They are people who are old age pensioners, young people in setting aside a small amount of money per year at an early age for their eventual retirement and they are looking for the best rate of return possible. And this is what their number one concern is, to get the best rate or return on their savings as possible.

There is no reason to believe whatsoever, as was outlined already by at least two speakers on our side, Mr. Speaker, that this fund will be able to pay as much, or close to as much, a rate of return as is already available. I think that this certainly must be of prime concern to anyone in our province who has savings no matter how small those savings may be. In fact, I would suggest that the smaller a person's savings are, the greater necessity of worrying about his rate of return. Certainly the very large saver is in the luxurious position of being able to have a slightly lower rate of return and not suffer any of the hardships.

It is certainly obvious that many of the investments, we may well take a look at one of the investments that the province made last year in Interprovincial Steel. I am not certain of what the dividend rate is as of now, but I know that at the time of the investment it was approximately 3 per cent on the rate of return on the money that the Government had invested according to the dividend rate. Since that time the stock itself—I haven't looked recently—but about two weeks ago it was about \$1 or \$2 lower than it was at the time of the investment. Certainly this type of investment would not give a very large rate of return to a person on a small income.

Now as to how well the investment in Intercontinental Packers has done as far as the rate of return for the investor remains to be seen, but I think it is highly doubtful that it will return anything like the 9 per cent that is available in so many other funds. Certainly it is difficult to foresee other

investments that the Government is going to make in Saskatchewan that can compare to many or the guarantees that are available on the money market today.

One of the interesting things that prevails at this time as far as interest rates are concerned, is that the short term interest rate is extremely close to the long term interest rate and both of them are revolving somewhere around 8 1/2 to 9 per cent.

Guaranteed income certificates now are available at 9 per cent anywhere from about three to five years, even lower if you wish to take them for one or two years with no risk to your money whatsoever. They are certainly a prime investment vehicle for a person who does not wish to take any risk but which gives a high rate of return. For those who wish to take a greater risk there are equity funds available which will revolve around the stock market itself and they can take a greater risk if their financial position allows them to do so. But essentially my point is that it is extremely difficult to see at this time how the Government fund that is being set up here is going to be able to return the type of interest rate that is now available to investors across the country and at a small rate of charge. In fact I looked at the charges and commission, as the Member for Whitmore Park mentioned that it would be four per cent of assets. I also looked a little further and found that the annual charge could be a maximum of 1 1/4 per cent. Most trust companies now charge approximately 3/4 of one per cent on the yield which would be 3/4 of one percent if their annual yield was nine per cent. It has also been brought to my attention recently that one trust company had no particular charge at all on their nine per cent money. In fact I believe that the collection agency for Co-op Trust is the credit union and my understanding, in checking with credit unions that they are not charging commission on the nine per cent yield that they are currently giving when they are advertising registered retirement plans. So again I repeat that it looks difficult for the Government Fund to be able to earn a rate of return comparable to what is already available to investors in our province.

Now I think, Mr. Speaker, that the real point behind this plan is that it is a political answer to what the NDP Members have been suggesting for a long time. It is a political answer. I say that because business has long been the NDP's whipping boy and they have successfully convinced many people in Saskatchewan of great quantities of money to be made in business.

Of course I realize that much of this information and propaganda put out for their own purposes has not been very accurate and in fact many of them that give the speeches wouldn't dare invest a few dollars in the investments they tell everyone else is so good. In fact, I listened the other evening to their spokesman on the Prices Review Board, Mr. McKinnon and their favorite whipping target currently is the food industry. If you take a look at the food industry as an investment it has just about been one of the worst ones that anyone could invest their money in in the last ten years. Most of the companies such as Loblaw's, Dominion Stores, etc., have earned on an investment certificate, Mr. Speaker. In fact I think the Loblaw stock when I looked up the other day the record in the paper is now lower than it was ten years ago. The given end return of the stock is substantially lower.

**AN HON. MEMBER:** — Gibberish.

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**MR. WEATHERALD:** — Well, I suggest you look it up and you will find that Loblaws today is about 6 1/2 where ten years ago it was about 7 or 8 and there has been no stock change or split or anything, the yield is around 6 or 7 per cent, that's the current stock market rate I think you will find similar situations exist with many other stores. As an example, the Member who speaks simply doesn't know because he has never bothered to look it up. He swallows what Mr. McKinnon tells about the food chains so well that he never bothered looking it up. If he does look it up he'll find what I've said is correct. I recommend to him a book called "The Survey of Industrials", which will give him a complete record, a ten year record, of all the food stores, all the business. It will show their stock market share prices and it will also show that it has been an extremely poor investment for anyone who put his money into it.

I think they have convinced each other of this, they have convinced a lot of their supporters of it and now they are going to get into the business and now we are going to find out how much money they can make. They made a trial run last year in Interprovincial Steel and a trial run in the meat packing industry. It is too bad because a lot of their political propaganda about all these profits simply is disappearing because they haven't been able to come up with those profits.

So I just want to say, Mr. Speaker, that I think anyone in Saskatchewan should take an extremely close look at what they may be able to earn from investing money in this fund because that will be by far the most important consideration for most of the people of Saskatchewan. I am quite convinced that the Finance Minister (Mr. Robbins) knows most of the things that I have said and agrees with them but he is in a situation of having to pass this piece of legislation. It fitted a political answer at the time of the last election and still does to a certain extent but the eating of the pudding is coming up very quickly and the rate of return will be watched with great interest in the next year or two ahead.

Mr. Speaker, obviously I won't be supporting the Bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. A. W. ENGEL:** (Notekeu-Willow Bunch): — Mr. Speaker, I wish to rise to support Bill 29 and first of all I want to congratulate the Minister for his appointment to the portfolio of Minister of Finance.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ENGEL:** — I had the privilege of having the Minister serve on the Special Committee on Business Firms with us, and if anyone has ever established a credibility in my book it has been this Minister. He has a wide knowledge of business activities in this province, he is capable of handling figures, and knowing what he is talking about. So first off I want to say that I am really pleased with his appointment.

There are several remarks I wish to comment on at the outset, one from the Member for Cannington who just took his seat and also one made by the Member for Whitmore Park (Mr. Grant).

The Member for Whitmore Park said and I quote, "It won't work and if it does at the cost of the private sector." The comment that the Member for Cannington made about "sight" and "what we can't see". This is something this side of the House hasn't taken into account. What really is it going to cost the people that are already in the financial business and are involved in this aspect of business? The Leader of the Opposition says it won't cost them anything. If it doesn't why are they against the Bill?

In 1961, Mr. Speaker, the Members on this side, when they were in Government, a CCF Government, established a fund similar to this, not quite the same in all respects, I'll grant it, but it was called the Saskatchewan Savings Bond. That fund didn't work did it? Only \$100 million worth was invested in that fund, in the Saskatchewan Savings Bond. I suppose the people weren't for it, and that's why it was dropped in 1971. That year kind of rings a bell. I wonder what happened in 1971 when the Saskatchewan Savings Bond was dropped? I can't speak with the same kind of backing as the Member for Whitmore Park has when he speaks. I am not as prudent an investor as he is, I'll grant that. I'm younger, I'm more venturesome, I maybe gamble more and I don't have the same kind of thinking as that Member has. But the one point I want to make is that I don't really worry if it is going to cost the private sector something that are in a financial business. Because just last year a very close friend of mine, someone who has established some degree of confidence in me, not because of my political involvement because he is not considered a socialist in any way, shape or form, he has been a Grit all his life and I think he still is. But this little man from LaFleche brought a book to me that had a record of an investment he had in a—and I don't want to name the company, but it is in a Canadian mutual fund. He invested \$10,000 in a fund about 1961 or 1962, that fund grew quickly to about \$22,000 or \$23,000.

**MR. GRANT:** — Why didn't he sell it then?

**MR. ENGEL:** — Maybe he should have, but the company came back to him, and this old man was selling his farm, those high pressure sales- men said, "Look at what your fund did for you, it doubled itself in three years". So he invested all the returns of his ranch, \$100,000. This man put it all in that fund. I brought this book down to one of the Minister's assistants, Mr. Meiklejohn.

**MR. GRANT:** — He's not very prudent.

**MR. ENGEL:** — Okay, you maybe don't call him prudent. He isn't prudent in his decision in politics either.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ENGEL:** — But he took that fund and in 1964, that bad year, the same as the bad year must have been in 1971, and invested this \$100,000 in that fund. They promised him \$1,000 a month income from that fund and the principal was going to stay exactly the same. He took about four months or five months at \$1,000 out. He saw this thing was depleting and he was really upset about it. So he brought it in here and he asked us, "What can I do, or what are the prospects for this fund?" I showed it to some of the people down here and maybe that is one of the reasons they came up with a fund like this where we are going to guarantee

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the assets. That fund with \$22,000 he had plus the \$100,000 he put in it is now worth \$37,000. That's the good deal you are talking about and those are the people the Members opposite want to protect and I think it's a crime! I think it's downright rotten!

**SOME HON. MEMBERS:** — Hear, hear!

**MR. GRANT:** — Poor investor, that guy.

**MR. ENGEL:** — I am interested in seeing a fund established where, when people sell their farms when they quit farming or they sell their wheat, and they are selling lots today and they have lots of money, the fund will be secure. I talked to a rancher at Woodrow's Kinockey night on Saturday night and this person was hauling his quota this week and he has got about 30,000 bushels he is going to haul in. I explained this fund to him and told him what we were establishing and he is anxious to invest some of that \$100,000 in this kind of a fund. Our ranchers are looking for a fund where they can get a guaranteed income where they know they are going to do some good.

**MR. GRANT:** — He should put it in Canada Savings.

**MR. ENGEL:** — Maybe he should but he is interested in putting it in a Saskatchewan's saving fund and this what we are developing. For this reason I am supporting this Bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. D. BOLDT:** (Rosthern): — Mr. Speaker, I should just like to say a few words about this Saskatchewan Development Fund. One thing I like about the fund is that it isn't compulsory and I don't think any sensible businessman would invest in a socialist enterprise. It is just impossible.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BOLDT:** — I can look back to—I'll say I'll look into the future of about ten years from now and another man in the capacity of the late W. Ross Thatcher stand up in Mossbank and say that the boot factory was subsidized and it went belly up; that the linen factory went belly up, and the Saskatchewan Development Fund went belly up and there is a new one. Ross Thatcher would have also said the Automobile Accident Insurance Act was subsidized by the Government which it is now by three cents per gallon. This is the danger of the Saskatchewan Development Fund. I am not so sure whether the Minister has the power to put in superannuation funds from various unions and civil employees. If he can I sure wouldn't want that. I can't see anybody in his right mind who can go to any bank now, to a credit union, almost any investment dealer and buy a \$1,000 certificate today at no commission, absolutely no commission and he will get 8 3/4 per cent interest rate. It is paid to him biannually, he can reinvest the interest. There is no risk whatsoever involved. Why would he be so foolish, it would be a socialist that would invest in such a fund. Surely the Member for Notukeu-Willow Bunch knows by now that I hate Government involvement where it is unnecessary.

Surely this fund isn't necessary and I agree with my colleague the Member for Whitmore Park and the Hon. Member for Cannington that we on this side of the House will absolutely oppose the Bill. We see no reason for its existence.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. B.C. MALONE:** (Regina Lakeview): — Mr. Speaker, I have not yet had the pleasure of meeting the new Minister of Finance but I, too, wish to congratulate him on his appointment to his new portfolio.

Mr. Speaker, I find that I am unable to support this Bill as well. I find it completely unnecessary and there must be hundreds of mutual funds already available for investors in which to invest their moneys in something like that. I must say that I don't know very much about mutual funds. I usually don't have any money left to invest after I have paid the taxes that have been imposed by our friends in Ottawa and our friends across the way from us.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BOLDT:** — And the church.

**MR. MALONE:** — Not the church, Dave. However, Mr. Speaker, in introducing the Bill the Minister I believe, if I understood him correctly, indicated that one of the purposes of the Bill was to provide a pool of money for investment in Saskatchewan. I think this can be taken. Mr. Speaker, as an admission by the Minister on behalf of the Government that they created such a political climate, an anti-business climate, that there is no other private investment in this province

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MALONE:** — If the purpose is to obtain money for investments if they would change some of their policies there would be ample investments in Saskatchewan.

Now, I have two or three concerns about the Bill, Mr. Speaker. The first is, who is going to run the fund?

**AN HON. MEMBER:** — A cousin.

**MR. MALONE:** — I want to make it very clear that my friend and recent opponent, Don Keith, I am sure will be a very able and competent administrator but the job must go beyond that. There is a certain amount of expertise required to invest large pools of money and so far we have never heard from the Minister or from the Government as to who is going to be retained to do this.

**AN HON. MEMBER:** — Keith's cousin likely.

**MR. MALONE:** — As well, Mr. Minister, I would trust that the first purpose of a fund would be to get the greatest possible return on the investment in it. I would suggest that because of this that most of the moneys from the fund will likely be invested outside of the Province of Saskatchewan if that is where the highest return can be obtained. Accordingly then, Mr. Speaker,

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I would think the fund would then be self-defeating if the original purpose was to promote investment in this province.

Now there is one great concern I have with the Bill as proposed and I refer to Section 10 (e). I would like to just read this:

The objects of the corporation are: (e) to act as trustee of employees' profit sharing plans, registered supplementary unemployment benefit plans, registered retirement savings plans, deferred profit sharing plans and retirement pension funds.

Now the Minister and the Members opposite can talk all they like about providing of funds for small investors, the \$20 investor and so on, but I am sure that if this fund is to be successful the salesmen who will be operating the fund will be going to where the large pools of money are and those of course are the pools referred to in Section 10 (e) of the Act. I am sure that the salesmen will be going to trade unions, to any place where there is a retirement savings fund already established, and that they will be attempting to get these various organizations to invest their pool of money in the Saskatchewan Development Fund. I see great danger in this, Mr. Speaker.

Firstly, the salesmen will not be competing on an equal basis with private funds, because always behind them there will be the arm of government. It will be very tempting for government to flex its muscles and to put, what I would call, improper pressure on these private funds for them to invest in the so-called government fund. I think this is a very real danger. I'm not suggesting that this Government will do it, I'm not suggesting that governments of the future will do it, but it will be very tempting for them to do so. I would suggest that for this reason alone that the Bill should be studied much more carefully before it is passed.

Mr. Speaker, I hope to have further remarks to make about the Bill at a later date. At this time I would ask leave to adjourn the debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow that Bill No. 32—**An Act to amend The Automobile Accident Insurance Act** be now read a second time.

**MR. J. G. LANE:** (Lumsden): — Mr. Speaker, there was some confusion in our caucus, which doesn't happen very often . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — . . . which as I said, doesn't happen very often. But the reason the confusion arose is because of the rather strange approach that the Attorney General (Mr. Romanow) gave us the other day when he introduced a bill and came up with a second reading speech and then didn't deliver it, and we find out now that parts of this bill are in and parts are out, and we still don't know whether or not the Government opposite is firmly committed to its policy of encouraging impaired drivers or not. The Opposition would like a definite statement from the disaster

committee or treasury benches, or the Attorney General (or whatever you call it over there) whether or not the Government opposite intends to withdraw . . .

**MR. ENGEL:** — It is a disaster committee for the Liberals.

**MR. LANE:** — Well the Member for Notukeu-Willow Bunch says it is a disaster committee and that's what he prefers to ride with, but we would like to know if the Government opposite is definitely withdrawing that provision dealing with impaired drivers and intoxicated drivers or if that statutory condition will still be in existence? If we could get a clarification on that I think we are satisfied with the rest of the Bill but we should like a clarification on that.

**MR. D. BOLDT:** (Rosthern): — I should like to say a word but I don't know what the Minister is going to say and if he says that it is going to stay as it is, then I would sure like to debate it.

**MR. ROMANOW:** — I said yesterday . . .

**MR. BOLDT:** — Okay, that's all I wanted to say, Mr. Speaker, because I certainly want Section 4 of amended Section 32, deleting (e), that must stay in or I will oppose the Bill.

**HON. R. ROMANOW:** (Attorney General): — Mr. Speaker, with respect to this particular Bill, I must say that I apologize to the House for this because I think that to a large extent I was the author of some of the confusion. To a large extent (I think it's fair game in the political world) when that happens, the Opposition jumps on it, but to a large extent they helped to add to the confusion.

Really the situation is that we will be proposing a House Amendment to remove the letter (e) on Section 4 which would have the effect of leaving the drinking and driving provision in there.

I want to just make a little point if I can about Section 4 of the printed Bill and this is this. It relates to Section 32 of The Automobile Accident Insurance Act, and Section 32 of The Automobile Accident Insurance Act relates to Part 2 of the Bill only. Members will know that there's Part 2, Part 3 and Part 4 of the Bill. I always get confused as to what part deals with the physical and what part deals with other aspects of the Bill. But in any event, Section 4 of the printed Bill relates only to Part 2 and it has no relevance to any of the other parts of the AAIA. Now the law at the present time reads as follows:

That anyone who suffers permanent disability, or death, and is impaired at the time, is not deprived of Part 2 benefits.

This is set out in Section 76 (2). It was the law under my friends opposite when they were the government, and it is the law under us and has been the law (I am advised) for the past number of years. So that for example, if a person is driving his vehicle and he is impaired and he rolls the car and kills himself in the process, under Part 2, under the existing law, he is entitled to a Part 2 benefit (or his estate is—a death



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benefit)—\$300 or whatever for funeral expenses, and there is \$2,000 death benefit to the estate. Or, if he permanently disables himself, as well, he is entitled to a Part 2 benefit. That's the present law, and (e) as it is proposed in Section 4 of your printed Bill would have had the effect of extending that principle in a very limited capacity only, namely, to a weekly indemnity and out-of-pocket expenses only, where he was impaired. The vast majority of Part 2 now he receives payment on.

I didn't mention this in my second reading speech because quite frankly the Government was not of the mind to include that limited extension. I must also tell the House quite frankly, that we were considering it at one stage of the game, before it appeared in the printed Bill. I honestly felt that it was pulled out of the printed Bill before we even tabled it and before it came up for the second reading. But in any event, if we allowed it it wouldn't have meant the extension of which all of the speeches were geared at, namely the third party liabilities and things of that nature which is still the law. To clarify it all, I undertake to the Members and Members of the House that we will delete reference to (e) and thereby the effect will be that the law as it was four months ago, three months ago, as it is today, will remain the same and that provision will drop out. I had intended to do that at the time, I overlooked to do this, because what I say was my error, and so I apologize to the Members opposite and to other Members if I may have misled them in that regard.

Just one other brief word with respect to the other provisions of the Bill. I think the other provisions of the Bill are (as the Members opposite say) noncontroversial and I think they do improve the provisions of the AAIA. I simply wanted to rebut briefly and dispassionately, if I can, the remarks made by -he Leader of the Opposition (Mr. Steuart) with respect to the three pennies that are being allocated to the AATA as premiums. This was raised in the Leader of the Opposition's remarks and I will be very brief about it and simply say this.

I repeat again to the Leader that it is not a subsidy. I know the Opposition will represent that as such, and I know that's politics.

**MR. LANE:** — You mean it's a transfer payment? From here to here?

**MR. ROMANOW:** — Yes, it is a transfer payment there is no doubt about that (you can take a look at the dictionary – it's not going to help you one bit in that regard)\_. Maybe I should wait – I said dispassionately, but I would like to see what the dictionary definition says and maybe I'll get passionate about it. But tempting as that is, Mr. Speaker, I'm not going to. It's not a subsidy. What it is as Otto Lang says in the Florida Law Review, and I'm sorry I don't have the quote, but I read it in Crown Corporations Committee, and I thought it was a very succinct quote, I read it today. What it is, according to Mr. Lang and other writers, but I am using Mr. Lang for politically obvious reasons – it's an effort to build in more equity into the AAIA rating system on the principle, tied into exposure.

**MR. STEUART:** — Did Otto say that? Did he use the word—exposure?

**MR. ROMANOW:** — Yes, he said that, he decided to use the word 'exposure'. Otto is so exposed that I think that sometimes he is overexposed. In any event, I see that there is not very much, point in belaboring this. I really say that time will tell whether or not the public accepts it as a subsidy or whether it accepts it as a more equitable rating system.

I say to the Members opposite that the public will accept this as a more equitable system of rating. I think this is going to prove to be one of the more popular moves that the Government has done so far as AAIA is concerned.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — I do believe that it's got logic and consistency on its side and very frankly I am surprised at the Opposition for opposing it. I would have thought that their political tactics would have been to have welcomed it. I generally felt that as a rough political rule, Oppositions fight against increase in taxes. It is the first time I have seen the Opposition fight against a decrease in the form of a tax or a premium, which is really what the Opposition is doing here.

I simply say, Mr. Speaker, that I believe that it is not a subsidy. I believe that it is a positive step forward, and I move second reading of an amendment to The Automobile Accident Insurance Act.

**MR. STEUART:** — Mr. Speaker, would the Hon. Member answer a question?

**MR. ROMANOW:** — I'll try.

**MR. STEUART:** — Now would you agree, this is Page 37 of the Concise Oxford Dictionary . . .

**AN HON. MEMBER:** — Page 37!

**MR. STEUART:** — Page 1237 . . . now you made me lose my place . . . "Money contributed by the state to keep down the price of a commodity, etc."

Motion agreed, to and. Bill read a second time.

The Assembly adjourned at 5:18 o'clock p.m.