LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Eighteenth Legislature
30th Day

Friday, April 1, 1977.

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

WELCOME TO STUDENTS

MR. J. R. KOWALCHUK (Melville): — Mr. Speaker, it gives me a great deal of pleasure today to introduce to you and to all Members of this House, 47 Grade Eight students from the Ituna High School, seated in the west gallery. They came here early this morning under the supervision of their teachers, Mr. Hudema and Mr. Dowaschuk, and bus driver Mr. John Kentz. I know they will be visiting many other parts of the city and they certainly will be taking in the many things to see in this Legislature, also how this Legislature operates, and particularly the Question Period. I am sure they will be very interested in the operation of this Legislature as it governs for the people of Saskatchewan. Therefore, I'm sure that all Members of this House want to wish them welcome to this Legislature and I, personally, wish them a very good visit here today and a safe journey back home.

HON. MEMBERS: — Hear, hear!

MR. M. J. KOSKIE (Quill Lakes): — Mr. Speaker, through you and to the Assembly, I should like to welcome 45 Grade Ten students from Muenster High School. They are seated in the west gallery and are accompanied by their teacher, Margaret Vataman. I hope that their visit here in Regina will be enjoyable and that their visit to the Legislature, in particular, will be a worthwhile, educational experience. I will be meeting with them shortly after the Question Period. Mr. Speaker, if I may, while I'm on my feet, indicate another matter of significance for the community of Muenster.

I want, at this time, to congratulate the Muenster Pee Wees for winning their second consecutive provincial D championship. This team was coached by Mr. Joseph Dumba, a teacher at Muenster, manager Arnold Strome, and their captain was Doug Koskie.

HON. MEMBERS: — Hear, hear!

HON. E. KAEDING (Saltcoats): — Mr. Speaker, it's my pleasure to introduce to you and through you to the rest of the Members of the Assembly a group of 49 students seated in the Speaker's Gallery up there, from the schools at Calder and MacNutt. They are Grade Eight and Nine students. They are accompanied by their teachers, Mrs. Rowe from Calder and Mrs. Mann and Mr. Hagel from MacNutt. This group comes from the border line of my constituency. Calder is in Pelly constituency, just across the border from Saltcoats and MacNutt is the very north east town in my constituency. We are very pleased to have this group here with us this morning and certainly hope they will enjoy the Question Period and whatever time they can spend here after. I'll be meeting with them in room 218 at 11:45. I hope you will give them your welcome.

HON. MEMBERS: — Hear, hear!

MR. D. H. LANGE (Bengough-Milestone): — Mr. Speaker, I should like to introduce a group of 23 Grade Eight students from Gladmar, Saskatchewan. They are seated in the Speaker's Gallery, and are accompanied by their teacher, Mr. Tom Boen, chaperones, Mrs. Simport and Mrs. Hoffart and bus driver Mr. Uytterhagen. I should like to point out to Members of the House that Gladmar is a school that is very close to the American border and that there are perhaps only about ten or 12 schools in the province that are located that far south. We would like to welcome the students to the Chamber. I hope they enjoy their visit. We will be meeting with them when they leave the Gallery.

HON. MEMBERS: — Hear, hear!

QUESTIONS

REGULATIONS — SASKATCHEWAN POLICE COMMISSION

MR. S. J. CAMERON (Regina South): — A number of questions, Mr. Speaker, of the Attorney General with respect to regulations recently published by the Saskatchewan Police Commission and approved by him. I gave the Attorney General notice of some of these questions. I want to preface the questions, Mr. Speaker, with the invitation to Members to treat some aspects of them seriously because I think they raise a serious issue of discrimination with respect to My first question to the Attorney General is: — can he indicate to me, in view of the provisions of The Fair Employment Practices Act which prohibits differentiation or discrimination between men and women in employment and training for employment, how these regulations can justify drawing distinctions as to qualifications between men on the one hand and women on the other, and I refer to certain weight and height and other things referred to in the regulations which clearly make the distinction between men and women?

HON. R. ROMANOW (Attorney General): — Mr. Speaker, the answer that I have to give the Member is that these regulations were drafted by the Saskatchewan Police Commission and were circulated to every Board of Police Commissioners in Saskatchewan, every Police Chief and indeed to the Associations of the Police Officers involved for their comments and were approved by the Police Commission and by each and every one of those organizations. They were subsequently reviewed by a senior solicitor in my department to check for their appropriateness or legality and on the basis of his recommendation that they were acceptable, the Police Commission passed them and, of course, I subsequently approved them based on that recommendation. So my assumption has to be built basically on the legal advice that I have obtained, which indicates that there ought not to be anything discriminatory with respect to the regulations in that regard.

MR. CAMERON: — Let me ask the Attorney General then if it is his opinion that, in fact, some aspects of the regulations are not illegal and I don't agree with him on that opinion, incidentally?

I think they are offensive to The Fair Employment Practices Act, which prohibits a distinction between men and women. But let me ask him if he doesn't think some of the regulations are particularly loathsome in respect of women's rights and degrading and offensive to women and I refer you particularly to a section dealing with physical requirements of entry for training and employment as a police officer, which has the following offensive passage in respect of women. It indicates that a woman can be precluded from being a police officer in Saskatchewan if she is "endowed with abnormally large or pendulous breasts" and I ask the Attorney General if he is prepared to look at withdrawing a section in those regulations which is so very offensive to women?

MR. ROMANOW: — Mr. Speaker, I want to thank the Hon. Member for giving me notice of the question which he did. It certainly gives me an opportunity, I hope, to answer the question a little more intelligently than I might have otherwise. I have looked at this matter of the regulations is some detail since having been given notice and I would like to say this. I overlooked this in the first part of the question, I'm not saying this justifies the regulation, but in addition to this having been approved by all of these organizations, so I'm advised, the particular portions that you have referred me to are described as a guide for medical examiners and are virtually identical, in fact, are identical to the regulations for recruitment by the Royal Canadian Mounted Police, which have been in existence, both before the liberalization of the RCM Police recruiting guidelines and subsequent to the RCM Police recruiting guidelines, now that females are in that force, particularly too. Again, that may not particularly justify it, but I think it does explain some of the rationale and the basis upon which we moved.

To answer your question specifically, what I'm prepared to do and I'm going to so do, and I undertake to the Member, is I am going to refer this set of regulations, in particular those portions which you have identified for me, back to the chairman of the Saskatchewan Police Commission, with the comments that they are viewed in some quarters as being objectionable. I have some uneasiness about them myself. Personally, I candidly must admit, I will ask them to take them back and reconsider them with the view to determining whether or not they can be deleted or amended, or whether or not indeed they have to be maintained. In which case if they do, I'll presumably have to come back to the Legislature and so explain.

MR. CAMERON: — By way of final supplementary, may I ask that you, along with the inquiry that you're going to make of the Commission in respect of those, may I ask you to urge upon them, if possible, to delete that and several other references that I brought to your attention which I consider to be offensive as well? May I ask you please, if you would go back to the law officers in your department and seek again, an opinion from them whether one can lawfully distinguish in this way between men and women, because as I said to you earlier, it's my own opinion that you can't, under The Fair Employment Practices Act? So would you consider that second question then as well, please?

MR. ROMANOW: — Yes, I will.

UNFAIR DISMISSAL OF SECRETARY-TREASURER

MR. R. E. NELSON (Assiniboia-Gravelbourg): — I have a question of the Minister of Municipal Affairs. Will the Minister tell this Assembly if, and when he intends to appoint a board of inquiry to look into the unfair dismissal of the secretary-treasurer of the rural municipality of Garden River No. 490?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Chairman, we have not as yet made a decision with respect to the request by the secretary to appoint a board of inquiry.

MR. NELSON: — Mr. Speaker, I understand the Minister did send a letter refusing a board of inquiry, saying he didn't have any particular reason. I wonder if the Minister wouldn't consider a petition signed by over two-thirds of the resident ratepayers of the RM asking for the reinstatement of the secretary, as well as several letters from the secretary, former secretary himself, enough reason for an inquiry?

MR. MacMURCHY: — Mr. Speaker, we did refuse the initial request by the secretary. He has since that time made a second request, providing further information. That is what is under consideration at this time.

MR. NELSON: — Last supplementary, Mr. Speaker. In light of the obvious injustice of the, that have been brought upon the former secretary..

MR. SPEAKER: — Order! Next question.

MR. E. F. A. MERCHANT (Regina Wascana): — Supplementary, Mr. Speaker. This is a supplementary on exactly the same subject though to a different Minister. I direct the supplementary to the Hon. Mr. Bowerman. I wonder if the Minister of Northern Affairs would not agree that his personal involvement by way of letters that he wrote and meeting with people who were dissidents and complaining to him that his personal involvement for what I would suggest were political reasons, may not have made the situation far worse than it would have been and I wonder if the Minister would not also agree that it's most inappropriate for a senior level of government to become involved in local affairs in this way?

HON. G. R. BOWERMAN (Minister of Northern Saskatchewan): — I'd like to give a long and detailed answer to that, but I'll restrain myself and say that I represent the constituency of Shellbrook and those are my constituents and for anything that I have done there, I make no apologies to you or to the people who are coming to you with this information.

MR. SPEAKER: — Order! I'll take the next question.

COMPENSATION FROM DEPARTMENT OF NATIONAL DEFENCE

MR. R. A. LARTER (Estevan): — Mr. Speaker, I should like to ask the Minister in charge of DNS a question. The Government of Saskatchewan over the past 23 years has received for compensation for the people of the Meadow Lake area and over the past three years, $1,300,000 from the Federal Government for compensation for the Department of National Defence's use of the Primrose Lake bombing site. How much of this money has been passed on to the people of this area?

MR. BOWERMAN: — There is no way that I can give the Member an accurate answer to his specific question. The Department of National Defence, some 25 years ago or thereabouts, entered into an agreement, both with Saskatchewan and the Province of Alberta, for the development of an air weapons range in the Primrose-Cold Lake area. There was compensation paid to not only the Provincial Governments for the loss of resources revenue, but there was compensation paid by the Department of National Defence to those people who were moved out of the area as a result of the establishment of the air weapons range. The funds which were paid to the Provincial Government have no relationship to the funds which were paid to the individuals by the Department of National Defence.

ALERT PROGRAM

MR. R. H. BAILEY (Rosetown-Elrose): — I would like to direct a question to the Attorney General. We have had the Alert Program, the early roadside testing program for some time. Can the Minister tell us how many of these units are now in operation in the province?

MR. ROMANOW: — I'll take notice.

ACCOUNTING PRACTICES – SEDCO

MR. E. C. MALONE (Leader of the Opposition): — Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce (Mr. Vickar) in connection with the report handed down today or yesterday, it's for SEDCO and I think it's most appropriate that this report comes down on April Fool's Day, because certainly the people of Saskatchewan are being taken in by some of the contents of it. Would the Minister not agree with me that if the accounting practices for 1976 had been similar to the accounting practices for 1975, that rather than showing a modest profit in SEDCO, that there would have been a loss of between $2 or $3 million and I refer specifically, the Minister, to pages 22 and 23 of the report?

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, I think this is a question that could be directed to the Crown Corporations at that particular time.

MR. MALONE: — Mr. Speaker, it's perfectly appropriate for me to ask it now. The Minister, of course, can refuse to answer me if he wishes. Are you refusing to answer the question, Mr. Minister?

MR. SPEAKER: — Order! I think the Minister

has given his answer. I'll take the Member for Morse.

MR. MALONE: — Supplementary question then, Mr. Speaker.

MR. SPEAKER: — I'll take one supplementary.

MR. MALONE: — In the same report, Mr. Minister, there's reference made to a debenture purchase of some $14 million of a company that was not identified in the report, as well as a loan of about $1,600,000. Would the Minister tell this House, at this time, the company that is involved?

MR. VICKAR: — Again, I think, Mr. Speaker, that these questions should be directed in Public Accounts.

AMENDMENTS TO LAND BANK ACT

MR. J. WIEBE (Morse): — Mr. Speaker, a question to the Minister of Agriculture (Mr. Kaeding). I was wondering if the Minister of Agriculture could advise me and the House as to why the amendments to The Land Bank Act, which have been put on the Order Paper for a matter of two weeks, was withdrawn? Secondly, if he could advise us if these amendments will be reintroduced?

HON. E. KAEDING (Minister of Agriculture) Mr. Speaker, the amendments were withdrawn on a decision by the Government, because they were basically administrative amendments, which we felt we could get along without and the decision was simply made that we would not go with them in this Session, so they will not be reintroduced.

FEDERAL BUDGET

MR. J. G. LANE (Qu'Appelle): — Mr. Speaker, I'd like to direct a question to the Minister of Finance (Mr. Smishek). Last night's Federal Budget, presented somewhat of a pessimistic note as to the national economy over the next few months. The Minister of Finance for Canada predicted higher energy prices and higher food costs. Would the Minister of Finance be prepared to urge his Cabinet colleagues to stop any further negotiations and purchase of Alwinsal potash mine and instead use those funds to reduce gasoline taxes in the Province of Saskatchewan and give further tax benefits to the people of the province to compensate for the higher food prices that have been predicted?

HON. W. E. SMISHEK (Minister of Finance): — No, Mr. Speaker.

MR. LANE: — Supplementary, Mr. Speaker. I should like to direct a question on the Budget to the Minister of Agriculture. The proposals in the Budget indicate that the Government of Canada intends to remove any capital gains taxes on the sale of farm lands if it's being reinvested in a similar business. That will have a probable possibility of forcing up land prices in the Province of Saskatchewan as the competition and the transfer of purchase of new lands may be escalated as a result of the provisions. Would the Minister of Agriculture be prepared to

restrict Land Bank purchases until such time as the Federal Government capital gains proposals are in effect and we can determine the impact on farm prices in the province?

MR. KAEDING: — Mr. Speaker, the purchase program for the Land Bank for this year is already completed and there will be no further purchases until later in the fall. So that any changes that will be made in that Act will, of course, be in place by that time and we would be cognizant of those.

ACCOUNTING PRACTICES – SEDCO

MR. C. P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, thank you. I want to direct a question again to the Minister of Industry and Commerce and hope that he will reconsider and answer the question. Last night the report came out SEDCO shows modest profit, which is a completely deceitful presentation in this report.

MR. SPEAKER: — Order! I'll take the next question. The Member for Assiniboia-Gravelbourg.

UNFAIR DISMISSAL OF SECRETARY-TREASURER

MR. R. E. NELSON:(Assiniboia-Gravelbourg): — Mr. Speaker, I have a question of the Premier. In light of the obvious injustice brought about by the firing of the former secretary of RM No. 490, as well as the gross interference of two Members..

MR. SPEAKER: — Order! I'll take the Member for Prince Albert-Duck Lake.

FIRE FIGHTING AIRCRAFT

MR. G. N. WIPF:(Prince Albert-Duck Lake): — Mr. Speaker, I should like to ask a question of the Minister for Government Services (Mr. Shillington). Last year the Government bought several tracker aircraft for fire-fighting and I understand that several of these were damaged in a wind storm. Are these air craft repaired and ready for the fire season this year?

HON. E. B. SHILLINGTON:(Minister of Government Services): — The answer is, yes.

MR. WIPF: — Mr. Speaker, a supplementary here. Can the Minister assure this Assembly that air ambulance aircraft will not be used in the fire season this year?

MR. SHILLINGTON: — No, I can't give you that assurance that air ambulance aircraft as such will not be used for fire fighting. I can give you the assurance that aircraft will be available for air ambulance this year.

MR. J. G. LANE:(Qu'Appelle): — Final supplementary to

the Minister of Government Services. What efforts have you made then to refit Government aircraft and what Government aircraft in place of air ambulance, if the air ambulances may be used for water bombing or fire fighting purposes?

MR. SHILLINGTON: — All I can tell the House is at the moment the entire matter of air ambulance is under study. There will be, continually available aircraft for air ambulance, but at the moment the entire matter is under study.

UNFAIR DISMISSAL OF SECRETARY-TREASURER

MR. E. F. A. MERCHANT:(Regina Wascana): — Mr. Speaker, I wonder if I might direct another question to the Minister in charge of Northern Saskatchewan? Would the Minister not agree that, notwithstanding your interests in the welfare of your constituents, that it would be very difficult for local government to function if they faced constantly the carping negative criticism such as was portrayed in your letter of October 3 to the Rural Municipality for..

MR. SPEAKER: — I will take the next question.

MR. R. E. NELSON:(Assiniboia-Gravelbourg): — Mr. Speaker, I have a question of the Premier. Will the Premier appoint an administrator to run the affairs of Rural Municipality No. 490 and immediately call a judicial inquiry into the entire matter seeing that there has been gross interference by two Cabinet Ministers of his Cabinet?

MR. SPEAKER: — Order, order!

ROYALTIES TO DUVAL CORPORATION FOR PATENTS

MR. R. A. LARTER:(Estevan): — Mr. Speaker, a question to the Minister in charge of the Potash Corporation. What royalties, if any, are being paid to the Duval Corporation for use of their potash patent by the Potash Corporation of Saskatchewan?

HON. E. L. COWLEY:(Minister in charge of the Potash Corporation): — Mr. Speaker, [believe the answer to that is none. The agreement with the Duval Corporation enabled us to use any patents, etc., which they had rights to. However, I will take the Member's question as notice and provide him with a written answer to that question.

MR. J. G. LANE:(Qu'Appelle): — Supplementary, Mr. Speaker. Would the Minister undertake to advise the Assembly that on the purchase of Duval whether or not the patents and the patent rights held by Duval were assignable to other potash mines purchased by the Potash Corporation of Saskatchewan?

MR. COWLEY: — Mr. Speaker, I will look into that.

ACCOUNTING PRACTICES – SEDCO

MR. S. J. CAMERON:(Regina South): — Mr. Speaker, a question to the Minister in charge of SEDCO. I wonder if the Minister can tell us what reasons there were for converting about $16.5 million of debt funding in SEDCO to equity recently?

HON. N. VICKAR:(Minister of Industry and Commerce): — Mr. Speaker, the idea for this is, I think, to give a better equity base to SEDCO, as in any other private industry. I would like to go further into that decision during the inquiry in Crown Corporations.

MR. CAMERON: — By way of supplementary. I am asking the Minister if he would agree that but for that transfer of debt to equity SEDCO's expense would have shown an additional $1.5 million this year because SEDCO would have had to pay interest, if it had remained a debt rather than transferred to equity?

MR. VICKAR: — I think it is just good business practice, and I think that will be answered later.

MR. C. P. MacDONALD:(Indian Head-Wolseley): — Mr. Speaker, would the Minister of Industry and Commerce please tell me why he has reduced the provision for possible future losses of $2,209,000 last year to $1,146,000 this year, half of it covering up another million dollar loss when a loss..

MR. SPEAKER: — Order, order !

INTENSIVE LIVESTOCK RELOCATION OPERATION POLICY

MR. E. A. BERNTSON:(Souris-Cannington): — Mr. Speaker, a question to the Minister of Agriculture. In conversation with the Minister over the last few months it had been indicated to me that there would be a review or revision of the intensive livestock relocation operation policy and that this policy would be forthcoming. Can the Minister tell this House whether this policy is yet in place?

HON. E. KAEDING:(Minister of Agriculture): — Mr. Speaker, the policy is ready for Cabinet approval and we are just in the process of getting it approved at the present time.

MR. BERNTSON: — Supplementary, Mr. Speaker. Would the Minister not agree that since the last policy expired one year ago yesterday that this is a rather unusual period to ask people to wait, who are locked into a situation due in large part, not of their own making, but they have been locked into zoning laws or something like this. They can't expand, they can't modernize, they are just locked in. Would the Minister not agree that one year is a rather unusual period for these people to be locked in?

MR. KAEDING: — Mr. Speaker, there are a lot of problems relative to the policy of intensive livestock operations and whether we should be responsible for paying for the moving of people. We have problems with municipal governments and with other regional governments and so on, with regional parks and it is pretty important that we arrive at a policy that will encompass the needs of all of those groups. It has taken a lot of discussion to arrive at a proper policy and we hope that we have arrived at that now.

MR. BERNTSON: — Final supplementary, Mr. Speaker. How soon can we expect candid approval on this policy?

MR. KAEDING: — I think it will be announced when it is made.

UNFAIR DISMISSAL OF SECRETARY-TREASURER

MR. E. F. A. MERCHANT:(Regina Wascana): — Mr. Speaker, I should like to direct a question to the Premier, (I want to make sure there are no adjectives, Mr. Speaker). It has very recently come to the attention of the House that two of your Ministers have very directly involved themselves in the private affairs of Rural Municipality No. 490. Would the Premier look into what might be considered improper interference and report to the House at some point next week?

HON. A. E. BLAKENEY:(Premier): — Mr. Speaker, I would advise the Hon. Member that the words "private" and "improper" in each case are adjectives. And I further advise him that I have confidence in the Minister of Municipal Affairs (Mr. MacMurchy). The other Minister referred to was acting, not in his capacity as a Minister, but as a Member of the Legislative Assembly and I do not in any way wish to suggest to any Member of this House, be it on this side or the other side, how he ought to conduct himself with his constituents. With respect to the governmental aspect of the matter, the Minister of Municipal Affairs (Mr. MacMurchy) will take cognizance of the request. I gather from the comments made that a municipal secretary has been discharged by a duly elected council. He was neither hired nor discharged by the Government of Saskatchewan. If in fact the council was wrong and if in fact there are appropriate grounds for having an investigation, I am sure that the Minister of Municipal Affairs will take the appropriate steps.

MR. MERCHANT: — Mr. Speaker, would the Premier, and I will forward to the Premier a copy of the letter written by his Minister of Northern Saskatchewan (Mr. Bowerman). Would the Premier not agree that it is far different for a Cabinet Minister to become involved in the local operation of a Rural Municipality than for an MLA, as a private Member, to become involved? But when a Cabinet Minister becomes involved it would seem that Government is meddling in local affairs.

MR. BLAKENEY: — Mr. Speaker, I do not feel that a Cabinet Minister, when he assumes Cabinet office, loses his right to conduct

himself in his constituency as he would if he were not a Cabinet Minister. Obviously, some care must be taken to make clear that he is acting as an MLA. I have no grounds whatever for believing that any MLA on either side of the House has acted in any way improperly with respect to the RM of Garden River.

SOME HON. MEMBERS: — Hear, heart

ACCOUNTING PRACTICES – SEDCO

MR. C. P. MacDONALD:(Indian Head-Wolseley): — I would once again direct a question to the Minister of Industry and Commerce (Mr. Vickar). Could he please tell the Members of the House why he reduced the provision for bad debts in the SEDCO report from 1975 to 1976?

MR. SPEAKER: — Order, Order 1

POINT OF ORDER ON THE QUESTION PERIOD

ACCOUNTING PRACTICES – SEDCO

MR. E. C. MALONE:(Leader of the Opposition): — Mr. Speaker, on a Point of Order. Mr. Speaker, twice today you ruled out of order questions that were directed by my deskmate to the Minister of Industry and Commerce (Mr. Vickar). And I believe in listening to the questions as put by deskmate that they were very carefully worded so as not to use descriptive adjectives or anything else. In my view the questions were entirely proper dealing with the accounting practices of SEDCO which arose from the statement for SEDCO being tabled yesterday and a certain story in the Leader-Post saying that there was a profit.

MR. SPEAKER: — Order! Can we have some order please? Yes, go ahead.

MR. MALONE: — I believe in my view that the questions were entirely proper and I am asking you at this time if you will give your reasons for ruling the Member out of order. I don't like questioning your ruling because usually they are quite appropriate. But in these two cases I believe that the impression could be left that the Minister was being protected by the Chair and I think that perhaps it would be proper for you at this time to give reasons for ruling these questions out of order.

MR. SPEAKER: — I am sorry if the Leader of the Opposition got the impression that I was protecting the Government, or the Minister as he stated. Now I would suggest to the Leader of the Opposition that the Member for Indian Head-Wolseley (Mr. MacDonald) had previously asked a question on SEDCO which I ruled him out of order because I felt it was debatable and I think the record will show that. At the time which I think you are specifically referring to, I ruled him out of order, not on the framing of the question or anything of that nature, but just that it was, first of all, not urgent and second, because it was the improper forum, because the Minister had

previously stated that the question would be dealt with in Crown Corporations. With regard to urgency, I might remind the Members that the Member for Indian Head-Wolseley was standing with the report and, I assume the report of the SEDCO Crown Corporation in his hand, which was for last year, and therefore I can only assume that the matter is not of urgent pressing importance at this moment.

MR. MALONE: — Further on the Point of Order then, Mr. Speaker. Of course the question of urgency is always debatable, but as I indicated to you the matter becomes urgent in my view when there is a story carried in the Leader-Post that a certain event happened, in this case that there was a slight profit. We are trying to correct the impression that was left by that story by pointing out that there was not a slight profit because of the change in accounting procedures and therefore..

MR. SPEAKER: — I think the Member is now arguing the case rather than the Point of Order. I am sorry that I can't accept questions here as urgent because of what some newspaper might say. I have to decide on the basis of the fact that the report that the Member is referring to is "after the fact." It has already occurred. It is in the year under review in Crown Corporations, which is last year. Therefore, it is not of pressing urgency at this moment.

MR. C. P. MacDONALD:(Indian Head-Wolseley): — On a Point of Order.

MR. SPEAKER: — Is this the same Point of Order?

MR. MacDONALD: — Yes, Mr. Speaker.

MR. SPEAKER: — I will accept a final comment on it.

MR. MacDONALD: — Mr. Speaker, on the Point of Order, you said because it was a year old. I would like to point out the urgency of this. This report was just tabled and just made public yesterday. The public has just been informed of this. It is not a year old. This information is brand new. Highly questionable. A highly questionable practice, Mr. Speaker. It is not a year of age. This is brand new information of major importance as far as I am concerned.

MR. SPEAKER: — I think with that interpretation upon what is urgent we could do the same with all Crown Corporations and have them all dealt with in the Question Period. On that basis I cannot conduct the Question Period under the rules which this Assembly has given me to conduct the Question Period. I just can't allow that to happen.

MR. E. F. A. MERCHANT:(Regina Wascana): — On a Point of Order.

MR. SPEAKER: — Is this a new Point of Order?

MR. MERCHANT: — It is related, Mr. Speaker, but it won't include any comments, as my friends did, about complaints. I suggest to you, Mr. Speaker, that the rules, the authorities as I have read them say that urgency depends on the date of discovery, as well as the date of commission. Any other interpretation of urgency, Mr. Speaker, would mean that were the Opposition to discover some error that the Government, say, had made two years ago and discover it now it would be impossible to ever bring that to the attention of the House through Question Period because of the date of commission, and I believe, Mr. Speaker, you will find that the authorities indicate that the date of discovery is important. You may well be right in your ruling about Crown Corporations being different in quality, but in general the date of discovery is a matter to be considered.

MR. SPEAKER: — I will comment on the Member's comment. I still find myself in the same position in that I would be dealing with Crown Corporations in the Question Period. I feel I can't do that at this time.

The Member for Qu'Appelle.

TABLING OF DOCUMENTS

MR. J. G. LANE:(Qu'Appelle): — On a Point of Order. Mr. Speaker, the rules as brought to the attention of the House preclude an Opposition Member during Question Period tabling documents. Some individuals in the press gallery expressed to me the view that they would prefer that if documents are being used that are somewhat controversial that they be tabled and I would beg leave to table the document referred to yesterday by the Opposition in questioning the Minister of Northern Saskatchewan (Mr. Bowerman) – an internal memo on a report and background information on one of the wilderness camps.

MR. SPEAKER: — Order, order! In any case I am unaware of the wishes of the local newspapers about tabling documents. However, my comment on tabling documents, on the 30th of this month, was to this effect. I would ask the Members not to be tabling documents in the Question Period. The Question Period is supposed to be devoted to questions and not to the tabling of documents. This is read from the statement I made when the Member was doing that the other day. I didn't say that the Member couldn't table documents, but I say it is an abuse of the intent of the Question Period to table during the Question Period. Any further Points of Order?

COMMITTEE OF THE WHOLE on BILL No. 59 — An Act respecting Business Corporations

SECTION 1

HON. E. COWLEY:(Provincial Secretary): — On a Point of Order. It doesn't matter to me, I've got lots of time to get this through, but there are a great many little things written in the margins, whatever they are called, marginal notes, and I wonder if by leave of the Opposition if we could do away with reading all of the marginal notes. Does

that require a motion?

Agreed.

Section 1 agreed.

Section 2 as amended agreed.

SECTION 3

MR. E. F. A. MERCHANT:(Regina Wascana): — Mr. Chairman, just in response to the Hon. Members screaming 'agreed' on each occasion as though they have hoisted some massive coup on the Opposition by hurrying the Bill through, let me say that my colleague, Mr. Cameron, and I have discussed the Bill. The legislation, as some Members may not know, is almost word for word a steal from the federal legislation. We were entertained, if not depressed, when the study was brought in last year and the names of the people, all of whom I happen to know and like, were listed as having done this massive study, to find that in essence what the massive study had been was to take the national legislation and cross off Governor-General-in-Council wherever it appeared and write in Lieutenant-Governor-in-Council and that tended to appear about every third page.

I say that, Mr. Chairman, because frankly neither myself or my colleague, Mr. Cameron, had any comments except for the very cursory need to make at any time about this Bill. What it will do is bring our legislation into accord with the national legislation, every province is doing the same thing in moving in that direction. The result will be that lawyers will be able to deal across the country, know the business law that they face, the corporation tax that they face in general terms in any particular province. That's a good move and so that I don't have to listen to the Member for Saskatoon Centre (Mr. Mostoway) scream 'agreed', as though he has just pulled the coup of the century after every section. I think it will take a long time to go through the Bill, but as far as the Liberal Party is concerned we approve of the change and we believe that the Government is moving in the right direction passing this legislation.

MR. COWLEY: — I think the Member for Wascana will know that the Chairman is in some difficulty when he calls a clause and no one says 'agreed'. Certainly the Members on this side of the House are prepared to sit if the Member for Wascana wants to call all the 'agreeds', we certainly will let him do that. If he wants to get the credit for the 305 agreeds, plus the 11 amendments, which is 316 agreeds, we only have 314 to go and we will bow to the Member for Wascana and we will save our voices as some of us are a little hoarse from a lot of work.

I may say that the committee did go through the Bill, obviously there are not a great many changes. Certainly the federal Government took some five years to draft this legislation. It is very good legislation. I am told that in the Province of Manitoba they had a commission of 15 lawyers who examined the legislation before they introduced it. They had a commission in New Brunswick, other provinces are going this way. There are some minor changes in the legislation from the federal Bill, some changes which were necessitated by the peculiarities of

Saskatchewan's former corporate law. I thank the Hon. Member for his comments. We tried to involve as many people as possible from the legal profession in particular, in bringing this legislation forward so that it would be non-controversial because I think this type of legislation basically should be this way.

MR. CHAIRMAN: — My own comments as Chairman, I think for the protection of the House and for the protection of all Members is that we cannot accept the Bill in its entirety. We must deal with it, I think, section by section. We have some amendments which I believe have to be put in to be in order. We could do it page by page if you want to do it that way, but we can do it section by section.

Agreed.

Section 3 as amended agreed.

Sections 4 and 5 agreed.

Section 6 as amended agreed.

Sections 7 to 20 agreed.

Section 21 as amended agreed.

Sections 22 to 24 agreed.

Section 25 as amended agreed.

Section 26 agreed.

Section 27 as amended agreed.

Sections 28 to 35 agreed.

Section 36 as amended agreed.

Section 37 as amended agreed.

Sections 38 to 43 agreed.

Sections 44 to 77 agreed to.

SECTION 78

MR. MALONE: — Just slow it down for a minute, Mr. Chairman.

Trustee under an indenture, they refer to conflict of interest I wonder if the Minister could tell me what this Section contemplates and why it is necessary?

MR. COWLEY: — I am advised that in this particular case, and I believe we are in Clause 78, where we have the conflict of interest. It says:

..no person shall be appointed as a trustee if there is a material conflict of interest between his role as a trustee and his role in any other capacity.

It seems to me that there may be some legal confusion that I don't understand, but it seems to me that it is rather a self-evident statement, that if one is appointing someone as a trustee, one wants an independent person to be that trustee because he is acting in a position of trust and he shouldn't be in a position where he has some personal material gain or some other conflict which would inhibit his acting as an impartial trustee. I think, again, my personal experience as a business trustee is rather limited as I am sure the Member for Lakeview is aware. It seems to me that the clause stands on its own. But there is a particular problem here where the Member can think of someone, a trustee who might have a conflict of interest, that he should be appointed anyway. I would certainly be willing to consider that kind of an example and perhaps an amendment is necessary.

MR. MALONE: — Well, if it is really so self-evident it seems the Minister took some time to come up with the answer to the question.

Let me put this question to you, Mr. Minister. What happens if a trustee is appointed and later on it turns out that he does have a conflict of interest, or the company has a conflict of interest in acting as trustee. Does that wipe out the entire trusteeship and you start over again. The wording is very vague, it says: — "The court may make an order of such terms as it thinks fit." That leaves it pretty wide open for the court to make a meaningful type of order if such a situation should arise.

MR. COWLEY: — I think it would be very difficult to contemplate in legislation all of the possible conflicts that might arise. They could, I suppose, range from conflicts which were of little or no importance, but nevertheless a minor conflict to a significant conflict which could have serious implications with the trust. I am advised that it would be virtually impossible to contemplate these different possible conflicts and what should be done in each case and that the advice of the draftsman is, that it is deemed best to leave those to the court, in their wisdom, to examine the seriousness of the conflict, whether it was intentional or not and the impact of the conflict upon the trust to allow the courts then to make the appropriate order. That is the best answer that I can give the Member.

MR. MALONE: — I don't want to belabor the point. I think it is an appropriate section, but it does open up some difficulties when it says, you can't have a trustee who has a conflict of interest. The trustee must be a trust company. Many trust companies have various offices, various interests that is conceivable that the trust company could own shares in the company that they are the trustee of, which would bring about a conflict of interest.

If you read subsection (4) it merely states that the trustee can be replaced, but it doesn't go further than that to say what happens to the trust at the time, up to the time the trustee is replaced. Does it make it void; does it make all

the actions of the trustee being subject to attack? Perhaps there are other sections in the Act that deal with it, but it was in reading this one section that it certainly doesn't go far enough to define what happens if the trustee is replaced and what happens to the trust that he administered up to the time that he is replaced.

MR. COWLEY: — I think that subsection (3) answers in part the Member's question. I am informed that this particular clause is in The Canada Corporations Act, I think that is the proper title for it, and they haven't experienced any difficulty. Neither has Manitoba with this particular clause as far as I am aware. To be more specific would, in the view of the officials, cause more difficulties than to be general.

Section 78 agreed to.

Sections 79 to 88 agreed to.

SECTION 89

MR. MALONE: — Section 89 and the sections following it under receivers and receiver-managers, Mr. Minister, does this particular section of the Act apply to receivers and receiver-managers appointed by SEDCO?

MR. COWLEY: — Yes, it would I am informed by the legal advisors here because it refers to an instrument and SEDCO uses debentures.

MR. MALONE: — One other question on this particular section.

Is this Act retroactive? That is, will it cover receiver-managers who have now been appointed by SEDCO to administer some of the companies that SEDCO loaned money to and which have gone into bankruptcy? And if it is not retroactive will it cover those companies upon it coming into force?

MR. COWLEY: — I am informed that there are similar sections in the existing Company Act, which the receivers appointed by SEDCO follow now, but not as extensive as this. When this Act comes into force it will supersede the existing Act and they will then operate under this Act.

MR. CAMERON: — Mr. Chairman, that raises an area that I was going to ask you some questions about. It is more applicable, I guess, when we come to Section 96, but we are dealing with the area broadly.

Under the present Companies Act, when in the case of SEDCO you appoint a receiver or receiver-manager, he is required to file with the Provincial Secretary every six months the statement of the affairs of the company that he is acting as receiver-manager. I don't see, under this Act, a similar

provision. I see that he must prepare, under Section 96, accounts on a six-month basis, but I don't see a requirement for filing those accounts so that the public can have a look at them with the Provincial Secretary.

Section 96 (f) is the requirement for preparing at least once every six months a statement of accounts. I don't see any section which would require a filing of those which the current Companies Act requires.

MR. COWLEY: — I want to advise the Member that I think the case as he puts it is correct, but under the existing Corporations Act every six months the receiver files a statement with the registrar. Under this Act he will be required to prepare at least every six months after his appointment a statement of his administration. And that statement and the accounts of his administration shall be available during usual business hours for inspection by the directors of the corporation obviously at all times. So that there is a change, however, I am informed that this is consistent with the Canada Corporations Act and also that the duties of the receiver are more specifically laid out in this Act than they were in the old Act. Consequently, that is the reason advanced to me for the change in the way in which the receiver files.

MR. CAMERON: — I guess what I ought to do properly is wait until we get to Section 96 and I will raise some additional questions with you when we come to that particular section.

Section 89 agreed.

Sections 90 — 93 agreed.

Section 94 as amended agreed to.

Section 95 agreed.

SECTION 96

MR. CAMERON: — Let me raise with you perhaps more specifically my concern here. We are here dealing with a bankruptcy that occurs, a company that goes belly-up. There are one of two ways that that company goes into receivership. Either in the courts, under the bankruptcy provisions of the Act, in which event there is a full right for creditors and others interested in the company to have all of the information made available to them. One may merely go down to the Court House and take a look at the records and see what the position of the company is. Indeed, there are examinations under oath, as you know, all of which is available for people to see. The second way that a receiver-manager can be appointed is under The Companies Act, and this is what we are here dealing with.

My point is, in cases of bankruptcy there ought to be at all times full disclosure to people who are interested in that bankruptcy, creditors, secured creditors, non-secured creditors

and others, because they are in a pretty vulnerable position at that stage. Now there ought to be disclosure to the full extent when a receiver-manager is appointed under The Companies Act in the same way that there is full disclosure when a receiver-manager is appointed under the provisions of The Bankruptcy Act. I am fearful that under The Companies Act, we have not given the public and others interested in the bankruptcy the same access to information as what we do under the terms of the provisions of The Bankruptcy Act.

Under Section 96 (f) the receiver-manager is to prepare accounts on a six-months basis. As you indicated those may be available to the directors of the company, but how does the individual, the person who has had a dealing with the bankrupt company, the persons to whom the bankrupt company owes money and so on, able to get hold of the information that he needs to secure his position. Perhaps in terms of efficiency of time, can I give to you an amendment which I propose to put to you and ask you to accept. You can perhaps consider my amendment while you are considering the question you are now considering. I was going to propose that we amend subsection (f) of Section 96 as follows. That section currently reads:

Prepare at least once every six-month period after the date of his appointment, financial statements of his administration as far as practicable in the form required by Section 149.

I would move that we add the words "and to file the same in the, office of the Registrar, who shall make such information available to the public." I would move that we make that amendment, seconded by Mr. Malone.

MR. COWLEY: — Mr. Chairman, my officials advise me that they would like to take a look at that and they would also like to check it out in some more detail. I am not just prepared on the advice I am getting to say, yes or no, at this point in time. I wonder if we could stand Section 96, with the amendment standing as well, and come back to it at a later time, perhaps not today, but at a later date, if that is okay with the Member.

I move we stand Section 96 and the amendment.

Section 96 and amendment — stand.

Sections 97 — 108 agreed.

Section 109 as amended agreed.

Sections 110 — 124 agreed.

SECTION 125

MR. CAMERON: — I should like to make a comment here, Mr. Chairman. I can see the reason for the amendment because the original section wasn't very satisfactory. We are dealing with transactions by insiders taking advantage of confidential information

they may have to profit and then others who didn't have the information taking action against the insider. The original section provided that such action by some other interested person had to be taken within two years. We are now saying that he has to take his action within two years of discovery. The original section wasn't very satisfactory, nor is the amendment, although I don't know quite what one can do about it. The unsatisfactory end of it is this; suppose eight or nine or ten years drift by between the occurrence of the event and the discovery of the event, you then may have an action which takes place twelve years after the event. And to try and reconstruct from the defendant's point of view, facts that occurred 12 years earlier puts an enormous burden on him. You see the problem, I think.

I have given it some thought. I don't know how one can really rectify the problem. Clearly the original section was not satisfactory for the reason that, if you didn't discover the wrongdoing in the two-year period, you were precluded from taking an action if you may have discovered it the third year. Currently, as it stands you may discover it 20 years later and start an action against the defendant who must go back 20 years earlier and try and reconstruct the event and get witnesses point of view.

I wonder if we couldn't as well stand this one and have you direct your attention to that to see what we could do in that respect as well.

MR. COWLEY: — I am certainly prepared to stand it if the Member wishes to look at it and come back to it when we come back to Section 96. I am informed that the original section was the section which was in the federal legislation. The Federal Government has now been approached with this particular amendment. The officials from the various provinces and the Federal Government have examined it. The Federal Government and the officials are now recommending the amendment. I agree with the Member, it has problems too, the onus is on different people in each case. On the one hand the clause as it originally was, obviously is of benefit to the wrongdoer or the potential wrong-doer, I suppose. The clause as it is amended gives the advantage to the person who at least feels aggrieved and the disadvantages with the person who may have done nothing wrong but can't reconstruct his case.

I am prepared to stand this clause as well and we will come back to it when we come back to Section 96. I think the general limitations provisions, I am not in my own mind certain how they would apply in this case, although perhaps they wouldn't apply at all, my officials advise me. I am prepared to stand this Mr. Chairman.

Section 125 — stand.

Sections 126 — 162 agreed.

Section 163 as amended agreed.

Sections 164 – 166 agreed.

Section 167 as amended agreed.

Sections 168 — 170 agreed.

Sections 171 — 179 agreed.

Section 180 as amended agreed.

Section 181 as amended agreed.

Section 182 agreed.

Section 183 as amended agreed.

Section 184 as amended agreed.

Sections 185 — 186 agreed.

Section 187 as amended agreed.

Section 188 as amended agreed.

Sections 189 — 194 agreed.

Section 195 as amended agreed.

Sections 196 — 212 agreed.

Section 213 as amended agreed.

Sections 214 — 221 agreed.

SECTION 222

MR. CAMERON: — I want to raise some queries in respect of this in the following sections. I have got some very serious concerns about one or two provisions here. We categorize them as follows. What these and the following sections permit is for the director or the registrar or alternatively sort of an agreed security holder to launch an investigation into the affairs of the people in the company, or of the company. That is fair enough. One has to apply to a court, establish the grounds for the investigation and then the court makes the order including appointing the investigator and the inspector. The difficulty here is that one can do that ex parte, that is to say the director could make an application to the court without notice to the person he wants to investigate. The court in camera, in secret, known to nobody, authorizes the order to investigate and then the investigation is carried out in secret. I don't have any objection to that in itself, because there are many circumstances in which the investigation, the fact of the investigation ought not to be transmitted to the person who is going to be investigated. And secondly, you may want the investigator to move quickly before documents could be hidden and things covered up and so on. So you wouldn't want to give notice to the person in advance of the investigation. There is no trouble with that. Where I

begin to get trouble is that you could have a proceeding here taken at the behest of the director, in camera, in court, an investigation take place in secret, nothing found in the course of the investigation, at least nothing substantial found in the course of the investigation and the person who is being investigated never having been notified that there was an investigation. Even though the investigation may have been undertaken at the behest of some disgruntled person for his own reasons.

I wonder whether we should here provide for a notice in due course to be given to the person or the company who was the subject of a secret investigation, after the investigation is concluded that in fact they were the subject of some sort of inquiry or investigation.

The Minister will remember that the same point essentially arose in respect of the wire tap legislation which we currently use in the province. There was a good deal of concern there that if a person was the subject of a telephone tap, nothing in effect was uncovered or even some sort of embarrassing things uncovered, but nothing illegal, the person had a right to get a notice within 90 days of the conclusion of the telephone tap that he was tapped, could then make an inquiry as to why he was tapped and what information came out of it. If there was an embarrassing kind of information that had nothing to do with the allegation, he then has an opportunity to get it struck out of the records that isn't maintained forever and a day. I think we would do well to take a look at providing here a similar mechanism to give a person or a company who was the subject of a secret inquiry the right to know that they were the subject of that inquiry, the right to look at the information that was turned down. Bear in mind at that stage that there is no charge laid, because if there was a charge, they would have been notified, but to give these people the opportunity to take a look at the kind of information that came forward and if some of it was clearly inaccurate or of an embarrassing personal variety, it could be taken from the file.

MR. COWLEY: — I think I am going to suggest that Section 222 stand. I think the Member raises what at least to me appears to be a good point. I only vaguely recall the discussion on the wire tapping legislation and we don't have with us the appropriate sections. I am informed by the lawyers that 222 would probably be the appropriate place for such an amendment. I should like to look at that and to bring it back. I don't think it impinges upon the subsequent sections. I think we can proceed on. I will stand Section 222, we will take a look at it and be prepared to deal with that question at a later date and make sure that the Hon. Member is here. I think it is a good point the Member raises .

Section 222 — stand.

Sections 223 — 225 agreed.

SECTION 226

MR. CAMERON: — Mr. Chairman, Section 226

raises a very serious fundamental question. Section 226 really comes about in this way. If a complaint has been made against some company or directors of the company, and an investigation is authorized by the court, and an inspector or investigator appointed, the investigator has among other powers the right to summon by way of subpoena, a person to testify under oath, in connection with his inquiry. Section 226 gives the director or the investigator the power to force the person being investigated to testify under oath before the inspector. As Members will appreciate, this particular section is entirely contrary to the standard of justice that we have had throughout all these years, in connection with investigations of a criminal variety. No one is compelled under the common law to testify under oath in respect of the matter that he is being investigated about. No one is required under the law as it now exists when the RCM Police is doing an investigation of a potential criminal offence to give the RCM Police any information. It is a long-standing protection of people's civil rights. This section would be a very radical departure from that general principle of the law in empowering the investigator to require the person being investigated to come before him and make a statement under oath. True enough, it exempts the statement from being used against that person in any subsequent proceedings. That is fortunately one protection. May I say generally, that I know that governments, people in governments, when it comes to matters of investigation like to have these kinds of powers. It is very useful from their point of view, very convenient for them but weighed against that are the genuine civil rights of the person who is the subject of the inquiry and the law has always recognized throughout the centuries that when you weigh the two the convenience of the investigator and the civil rights of the person being investigated, we have always come down on the side of the protection of the civil rights of the individual.

I know that there are similar sections in The Income Tax Act and one or two other acts which have in effect been a departure from that same common law principle to which I referred and I am not even sure in those circumstances that it's justified. My inclination is that under these circumstances and, it is under this Act, that such a power is not justified. It is clearly a very large intrusion on the civil rights of individuals who have been recognized throughout the law for a very, very long period of time. I don't think that we should be giving these kinds of powers to an investigator unless there is exceptionally good reason to do so and I am not sure that good reason here exacts.

I should like to ask the Minister to take this Section 226 back, re-examine it and see whether, in the interest of protecting the civil rights of people, that we shouldn't strike out this particular section.

MR. COWLEY: — Mr. Chairman, I am certainly prepared to take another look at this, but I think this clause is in the other Acts I have reviewed, just in a cursory way, some of the comments made in Committee in the House of Commons and I believe in the Senate, I don't recall this having been a major item of debate, but I would also like to check what was said there, what their arguments

were and to run it through once again with my officials. So I am prepared to stand it, Mr. Chairman.

Section 226 — stand.

Sections 227 — 231 agreed.

Section 232 as amended agreed.

Sections 233 — 257 agreed.

Section 258 as amended agreed.

Sections 259 — 266 agreed.

Section 267 as amended agreed.

Sections 268 — 289 agreed.

SECTION 290

MR. CAMERON: — Mr. Chairman, I just want to make a few brief comments here with respect to Section 290. In doing so I ascribe fault to absolutely nobody. But as the Minister will know, the Companies Act, as it has existed hitherto, has required a whole series of returns to be filed by companies and an annual return disclosing among other things who the directors are, the share-holders, information about share transactions during the years; information about loans outstanding, mortgages in the names of the companies and so on. And then a whole additional series of requirements to file information from time to time in the company's office about changes in shareholding and so on. Over the course of a long number of years there has been a fairly sloppy adherence by people to those requirements under The Companies Act and as I say I ascribe fault absolutely to nobody in this respect, but I think people have generally got into the habit of being very, very sloppy about filing the returns that they are required to do.

The result of it is that those people who take the provisions of the Act about disclosure seriously and by responsibility are at a bit of a disadvantage compared to those who don't. Often one will go to search out company records for a whole variety of legitimate reasons and find, indeed, that the returns have not been filed or else returns had been filed with only incomplete disclosure when there ought to be complete disclosure.

As I say, I think that everyone over the long course of time has got into that habit and it may have arisen out of a sort of unwillingness on behalf of people in the government to be very strenuous in connection with the adherence to the rules and not wanting to, sort of, prosecute for relatively minor breaches.

The comment that I make in conclusion is that I hope that with the new start that this Act represents in company law, that we take a new and a little more critical attitude about enforcing the provisions so that all companies, not only those who feel a sense of responsibility, but all companies will have to comply

with the Act, file all the information and all the returns that are required and in respect of those delinquent people who don't, that we take some genuine action against them.

MR. COWLEY: — I am informed by my advisors that one of the problems he believes is that some of the information that we have requested up-to-date is, I suppose, viewed by those people filing them is not particularly relevant and that the form and the matter of some of the requirements that we have had in the past needs to be reviewed. He anticipates having some new requirements in place with this Act which he thinks will help to encourage people to file their returns. I think I agree and we will take to heart the Member's recommendations that we enforce them a little more. I think it is interesting to note and I am certainly not recommending that we follow this policy, but within the Province of Ontario, they have now done away with virtually all of the requirements to file information.

I think in my view it would be wrong for us to go in that direction. On the other hand, I think we are cognizant of the fact that we need to simplify and update the requirements of what needs to be filed and certainly we will attempt, as the Member suggests, to have a more complete adherence to the requirements in the future.

Section 290 agreed.

Sections 291 — 302 agreed.

SECTION 303

MR. CAMERON: — I was going to ask you just one simple question. If a name is found to be objectionable by the registrar and he in his discretion rules it out, the name can't be used, is there some provision there for an appeal such as there is under The Business Names Act?

MR. COWLEY: — I am informed there is, but we are trying to find the specific section.

Mr. Chairman, it is not in the present Corporations Act but it is in The Names Act which we were dealing with the other day. We can't find where the appeal is. I suggest that we stand 303 and come back to it. If we can't find it we will either have an explanation or something to put in there and we can discuss it at that time.

MR. CAMERON: — I think the point is clear that there is a conflict between those provisions in this Act and the provisions in The Names and Business Acts, which we ought to resolve.

As a registrar I know there are very frequently disputes about names between parties.

Section 303 — stand.

Section 304 agreed.

Section 305 — stand.

MR. COWLEY: — Mr. Chairman, I wish to thank in particular the Member for Regina South (Mr. Cameron) for his comments. I know from experience this Bill takes some time to go through and I have this suspicion that one year from now there will likely be one or two clauses which someone will find either conflict with one or another or present some problems. We attempted, in the department, to get as many opinions as possible from people, particularly in the legal profession, but also involved in other ways with the administration of this particular Act. I think it is basically a good Act. Obviously there are three or four areas which we are going to take a look at and come back to them.

Progress on Bill No. 59 reported.

Bill No. 34 — An Act to amend The Urban Municipal Elections Act (1968)

Sections 1, 2, 3 agreed to.

SECTION 4

MR. J. G. LANE:(Qu'Appelle): — Just one question, Mr. Minister. Provisions on the resort village, were they requested by resort villages?

HON. G. MacMURCHY:(Minister of Municipal Affairs): — Yes.

MR. LANE:: — Which villages requested the amendment?

MR. MacMURCHY: — I am told that the request came from the resort villages through SUMA.

Section 4 agreed to.

Section 5: — section 8 as amended agreed to.

Section 6: — section 18 as amended agreed to.

Section 7: — section 20 as amended agreed to.

Section 8: — section 21 as amended agreed to.

Section 9: — section 28 as amended agreed to.

Section 10: — section 43 as amended agreed to.

Section 11: — section 48 as amended agreed to.

Section 12: — New Section 57A agreed.

Section 30: — section 80 as amended agreed to.

SECTION 14: — **Schedule amended**

MR. LANE: — Just one minor question, Mr. Minister. Why, when you set the definite provisions under the amendment to Section 18 in Clause 6, there was not a special form devised for the resort villages establishing the date of the nomination meeting being a fixed day?

MR. MacMURCHY: — I am going to have to ask the Hon. Member to repeat his question, we didn't quite catch it.

MR. LANE: — The forms that you established in the schedule, leaves blank the days and dates of the nomination meetings, but you require fixed days under sub clause 6, the amendment to Section 18 for resort villages. Why was not a specific form devised for the resort villages with a set time?

MR. MacMURCHY: — I'm told that the forms are really sample forms and then they can be adjusted to fit the specific cases.

Section 14: — Form (1) and Form (2) agreed.

Motion agreed to and Bill read a third time.

COMMITTEE OF THE WHOLE ON BILL No. 33 — An Act to amend The Snowmobile Act, 1973 (No. 2)

MR. CHAIRMAN: — I believe that we had passed the first three sections and we were standing on Section 4.

SECTION 4

MR. MacMURCHY: — The amendment was the result of a question raised by the Hon. Member for Regina South (Mr. Cameron) the last day we dealt with this legislation. I am informed that this brings this section into line with the Act itself and also with The Game Act.

MR. CHAIRMAN: — I can't just recollect whether I had proposed this when we adjourned the other day or not, but I would like to read it now. It is a memorandum by the Hon. Mr. MacMurchy, Section 4 of the printed Bill, to amend subsection 6 of section 25 of the Act as being enacted by subsection 3 of section 4 of the printed Bill by striking out 'occupier' in the first line and substituting 'an owner or occupant.' That was the amendment. Is the amendment agreed?

MR. CAMERON: — Yes, Mr. Chairman, I have had a look at it and I agree with the Minister that it does in fact cure the problem that I had raised about limiting liability in the case of an occupier but not limiting the liability in respect of an owner and clearly the amendment will cure the problem. In passing I thank the Minister for his attention to the Bill.

Section 4: — as amended agreed.

Section 5: — new section 33A agreed.

Section 6: — Section 36 amended agreed.

Section 7: — Section 37 amended agreed.

Section 8: — Section 38 amended agreed.

Section 9: — agreed.

Motion agreed to and Bill read a third time.

COMMITTEE OF THE WHOLE ON BILL No. 41 — An Act to amend The Credit Union Act, 1972.

SECTION 1

MR. W. H. STODALKA:(Maple Creek): — I believe when I was reading the legislation that these proposals were recommended by the credit union people, is this not correct?

HON. E. B. SHILLINGTON:(Minister of Consumer Affairs): — That's correct.

Section 1 agreed.

SECTION 2

MR. J. G. LANE:(Qu'Appelle): — Just before we get into the details would you explain the changes that your department is making on the Credit Union branch and what effect basically the doing away with the Credit Union branch has to do with the amendments and how they are related?

MR. SHILLINGTON: — Mr. Chairman, the two are related, as I pointed out in my second reading speech on this. A proposal has been developed jointly with the Credit Union Central and some of the credit unions whereby the inspection services that have normally been provided by officials of the department will be carried on by auditing firms who are chosen by the members, as should be the case, but from a list prepared by the Credit Union Central so that only competent auditors will be able to perform the service. Those auditors from that list chosen by the members will then perform not only what has been traditionally regarded as the audit but the inspection as well. A report will then go to the Mutual Aid Board and to the department. Now this is where this Act comes in, the Mutual Aid Board will then have the power to deal with credit unions which are not operating properly or which appear to be in some sort of difficulty. That's what this legislation by and large does, it gives the Mutual Aid Board the power to deal with those credit unions. The department will also get a copy of the report and we will, of course, retain the power to do the inspection. Our current thinking is that that will probably take place where there is a violation of the Act.

We will also, and this is unrelated to the Act, but we will also continue to provide a counselling service for all the credit unions. My thinking is, but it hasn't been finalized yet, but I think our field staff should still continue to visit each credit union once a year just to provide the counselling service if not the inspection. That is a short Cook's tour of how the Act relates to the inspection services.

MR. LANE: — Just on the enforcement of the Act and the amendments, were not several members of the Credit Union Branch, or some members given notice of dismissal from the department, and if so how then if the field staff has been dismissed, are they going to do the monitoring you suggest?

MR. SHILLINGTON: — There are 11 field staff of which two have been notified that they are being laid off and of course we are trying to fit them into other governmental departments.

MR. LANE: — I don't know whether the Minister wants to answer, I realize we are getting away from the Bill and into Estimates. As to the seniority of those individuals, I am prepared to leave until that time or get it cleared up now as to the seniority of those individuals. Secondly, I would like to know whether the recent resignation of the Deputy Minister had anything to do with the amendments and the fact that the Credit Union Branch is being done away with?

MR. SHILLINGTON: — The two staff that were laid off were the two junior people, very able and that was one unfortunate part of it but they were the junior people. The resignation of the Deputy Minister had nothing to do with this particular amendment. It had to do with a more general matter. Do you want to pursue his resignation now or in the Estimates but I can tell you that it wasn't specifically related to this.

MR. R. A. LARTER:(Estevan): — Mr. Chairman, I would like to ask the Minister, in setting up this audit system for credit unions, have the chartered accountants of Saskatchewan been approached and are they prepared to do this? Have they been contacted and are they prepared for this extra workload?

MR. SHILLINGTON: — That process is going on. We are going, probably to have an instruction seminar or an instruction weekend with the auditing firms. The process will be that there will be only a short list of firms which can do the audit. Right now the audits are being very poorly done. One of the things I tried to do last summer was to get around to visit the credit unions, the managers and the boards. A standard complaint was that when they got an auditor the first thing they had to do is tell him what to do. The process should work the other way, so that what we are going to do is have a short list of well-trained auditors who will know what they are doing. I don't think that short list is prepared now but it will be before this procedure gets in motion.

MR. LANE: — When you are talking about

the short list of auditors, will it only be chartered accountant firms that will be able to do the auditing?

MR. SHILLINGTON: — That's correct. I should point out the short list will be chosen by the Mutual Aid Board and not by the department, but that's right, it will be just chartered accounting firms.

Section 2 agreed.

SECTION 3: **— 120**

MR. LANE:(Qu'Appelle): — Mr. Chairman, the guarantee of liability provisions, can you tell me if there are any guarantees at present and if so the list of the guarantees?

MR. SHILLINGTON: — No, there are none at present because this is new. This is a new section.

MR. LANE: — Why is it necessary? We can end up with a very broad extension of credit unions' ability to loan if there is going to be this type of guarantee behind them.

MR. SHILLINGTON: — It is unlike the Guarantee Board. It is not intended that this will be generally used by the credit unions to extend their loaning capacity. This section is just to deal with credit unions that may be in such financial circumstances that in fact they need guarantees of their liability to continue operations. It is just meant to deal with the exceptional circumstances.

MR. LANE: — You say it's not the intent but it certainly is possible.

MR. SHILLINGTON: — It doesn't define, I suppose with neatness the kind of circumstances under which it might be used but that would be extremely difficult to do. We don't want to tie the hands of the board as to when they use this power by saying you can only use it in dire circumstances or in an emergency or whatever, but that would be the only really logical use of it. You wouldn't guarantee loans to every credit union. The assets of the credit unions are now 1.5 billion and that's bigger than our budget, so we have no intentions of extending their loaning capacity by guaranteeing a loan.

MR. LANE: — It is possible for a small credit union to extend its lending ability much beyond the previous situation by reason of this guarantee. Is that not true?

MR. SHILLINGTON: — I suppose in a highly theoretical sense that's conceivable that the board could extend the loaning capacity of the small credit unions by guaranteeing some of the loans but that is not what the section is there for. The section is there

to deal with the credit unions that are in trouble.

Section 3 agreed.

Section 4 agreed.

Section 5 agreed.

Section 6 agreed.

SECTION 5: — 136 (b)

MR. J. G. LANE:(Qu'Appelle): — Mr. Chairman, if I may, can I revert to new Section 5: — 136 (b) on multinational registration of credit unions? I am wondering if there are any specific credit unions now that wish to register in another country?

MR. SHILLINGTON: — We are getting into the multinational game here. An explanation is in order I think in this section. You will note if you read the section, the section just gives them the power to be registered extra-provincially for the purposes of taking security. The problem is the credit unions that exist along the border. The Hon. Member who sits behind you, the Member for Moosomin (Mr. Birkbeck) will tell you, as I can, because I used to be their solicitor there, they will get farmers coming in from Elkhorn who want to take out a loan and they are customers of the credit union; or farmers from Fleming who have land across the border, they want to take security on that land and now they can't do it because they can't take security out of the province, not registered in Manitoba. This section will give these border credit unions the power to be registered in the adjoining province just for the purpose of taking security. There are, I think a number of them that will apply for this type of right. We don't have any list now of ones that are likely to apply.

Section 5: — 136 (b) agreed.

Motion agreed to and Bill read a third time.

COMMITTEE OF THE WHOLE on BILL No. 57 — An Act to amend The Public Service Act.

Motion agreed to and Bill read a third time.

COMMITTEE OF THE WHOLE on BILL No. 71 — An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants.

Sections 1-24 agreed.

SECTION 25

HON. G. T. SNYDER:(Minister of Labor): — If I might, Mr. Chairman, by way of explanation, this is a House amendment which was prepared as a result of an inquiry that was brought to our attention by the Member for Rosthern (Mr. Katzman) and it provides in general terms for the

provision of an additional certificate, if you like, for those refrigeration plants which have heretofore been operating without a person having the absolute qualifications for the operation of a refrigeration plant in a small curling rink, skating rink or things of that nature where an artificial ice plant is in existence. This provides for an additional certificate which will provide the person with minimum requirements not to repair or overhaul, but to add oil or shut down the refrigeration plant. This has been one of the needs that perhaps hasn't been given enough attention in the past and this House amendment purports to rectify the problem.

MR. R. KATZMAN:(Rosthern): — I should like to thank the Minister for bringing in the amendment and I would like him to make clear that it will be retroactive for the hundreds of people who have taken that lower course in the past.

MR. SNYDER: — It is my understanding that the House amendment is intended to apply retroactively to those who have attended the courses being offered both at Kelsey in Saskatoon and at the place of examination and instruction in Regina.

Section 25 agreed.

Section 26 and 27 agreed.

Section 28 as amended agreed.

Sections 29 to 41 agreed.

Motion agreed to and Bill read a third time.

The Assembly adjourned at 1:00 o'clock p.m.