

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

EVENING SESSION

Committee of Finance — Consumer Affairs

WELCOME TO GUESTS

MR. A.N. McMILLAN (Kindersley): — Mr. Chairman, by leave of the House I would like to introduce to you and through you to other members of the House, a group of 11 Cubs from the St. Mark's Cub Pack, in Mr. Malone's constituency. Unfortunately, Mr. Malone is out of the city this evening and has asked me to convey his greetings to you on this your visit to the Legislature. These 11 Cubs are accompanied by Mr. and Mrs. Wake and Mr. Mader.

I will be meeting with you a little later on behalf of Mr. Malone, in the cafeteria for drinks and any questions that you might have as a result of your visit here. I hope you enjoy your stay in this Legislature and I look forward to seeing you a little later.

HON. MEMBERS:— Hear, hear!

STATEMENT

Reduction on E & H Tax

HON. W.E. SMISHEK (Minister of Finance): — Mr. Chairman, I have an urgent important announcement and statement to make on behalf of the government which is of great interest and significance to the people of Saskatchewan and to the members of this Legislature.

Mr. Chairman, I would like to make this statement in this Legislative Chamber, rather than to announce it outside of the Chamber and to the media. I know that the members opposite will be interested and perhaps we could agree that a spokesman (perhaps each of the party leaders) may want to comment after I get finished.

Mr. Chairman, I wonder if I may proceed?

Agreed.

MR. SMISHEK: — Mr. Chairman, the Minister of Finance, government of Canada, has just risen in the House of Commons to deliver his Budget Address.

I wish to inform this Assembly that Mr. Chretien is announcing an important federal-provincial measure of great interest to the people of Saskatchewan.

One month ago I presented Saskatchewan's Budget to this Assembly. It was a Budget designed to protect people from the rising cost of living and create jobs in the province. We reduced personal income taxes and Saskatchewan people will pay \$52 million less in the current year. We reduced the corporate tax on small business by \$3 million. We presented a job creation strategy to create 5,800 permanent and seasonal jobs. We introduced stage 1 of revenue-sharing which will provide about \$20 million of new funds for municipal governments to hold down local mill rates. We increased the

property improvement grant by \$4.5 million. We reduced automobile premiums by an average of 5 per cent and we announced our intention to hold down utility prices. The total benefit to Saskatchewan residents for our cost of living package amounts to \$82 million this year, providing more than \$85 in additional purchasing power for every man, woman and child in Saskatchewan.

MR. CHAIRMAN: — Order. Your point of order?

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Chairman, the Legislature has given the Minister of Finance approval to speak on a new matter contained in the federal budget but surely to heavens we don't have to listen to a supposed resume of NDP achievements in Saskatchewan.

MR. CHAIRMAN: — Order. I can just draw to all members' attention I guess, that they try to confine their remarks as close as they can, to the statement at hand.

MR. SMISHEK: — Mr. Chairman, I regret that the hon. member interrupts me. I think we agreed to have this statement and perhaps the parties opposite will acquiesce . . .

Mr. Chairman, to increase employment, the capital expenditure of the government and Crown corporations this year will be expanded by \$140 million to \$838 million this year. Tonight, Mr. Chairman, I am pleased to announce that there is yet more.

Mr. Chairman, effective at midnight tonight, the provincial sales tax will be reduced from 5 per cent to 3 per cent.

Mr. Chairman, we are committed to maintain this reduction for the equivalent of nine months. The two-point reduction is firm to September 30. Before October 1, we will announce the level and duration of the reduction beyond that date after considering the economic circumstances at that time.

Mr. Chairman, this cut in our Education and Health tax will not apply to alcoholic beverages nor will there be any effect on the tobacco tax.

Mr. Chairman, the federal government has offered to pay two-thirds of the cost of this temporary reduction in the provinces of Saskatchewan, Manitoba, British Columbia, Ontario and Quebec. With respect to the four Atlantic provinces, the federal government has offered to pay the full cost of a three point reduction for six months. Alberta will not be included in this arrangement because it levies no sales tax. Mr. Speaker, we brought down our Budget early. It was applauded by people throughout Saskatchewan and indeed, across Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — We knew it was the kind of a budget that Saskatchewan needed and many believe it was the kind of a budget that all governments in Canada should have presented.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Unfortunately, other governments have not responded as we had hoped. Some other provinces have chosen, shall I say, a more conservative approach. Mr. Chairman, the federal government has the ultimate responsibility for the health of

the Canadian economy. We are pleased that they have followed our lead in cutting taxes to put the economy back on the road to recovery.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — In total, Mr. Chairman, this temporary measure, with reduced taxes by over \$1,147,000,000 across Canada. For Saskatchewan, this tax cut will put an additional \$54,000,000 into the hands of Saskatchewan taxpayers.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — The provincial share of the cost of this tax cut will amount of \$18 million. Mr. Chairman, when added to the \$82 million benefits already announced in the provincial Budget, the total provincial cost of living package will now amount to over \$100 million in 1978-79.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Mr. Chairman, I want to say that our preference would have been for the permanent federal income tax reduction for low and middle income Canadians. That would have put cash into the hands of those who need it most and surely would have stimulated consumer spending on an on-going basis. Nevertheless, looking at the fixture from a federal perspective, it was the federal government's judgment that a temporary retail sales tax cut is what our economy needs. Saskatchewan will co-operate in this national effort. I regret that the federal offer to participate in this tax cut came so late. From the standpoint of budget planning it would have been much better to have known the federal government's intentions well in advance so that we could have introduced this additional tax cut in our Budget on March 7. Mr. Chairman, certainly the Finance Ministers' meeting in January or the First Ministers' meeting in February would have provided an ideal form for the federal government to present such a tax proposal to the province. But this did not take place.

Because we took action early to stimulate our provincial economy, we are now at a certain disadvantage, Mr. Chairman, in planning to finance this additional tax cut. Nevertheless, Mr. Chairman, in the interest of Canada's economy and in the interest of national unity, we feel it is essential to participate. The direct additional cost to Saskatchewan is \$18 million. Mr. Chairman, it is my hope that our planned deficit of \$44 million will increase by something less than that amount. We expect that the measure will, by stimulating economic activity, generate some revenue gains. Boosting retail sales should increase personal and corporate income tax revenue. And if the national economy responds, we should get higher receipts from federal equalization payments and the established program financing scheme.

Mr. Chairman, I would like to say a few words about the mechanism proposed by the federal government for reimbursing the province for part of their lost sales tax revenue. The method proposed by the federal government is indeed complex. The federal reimbursement will not come as an expenditure from the federal treasury as in the case of other. Why such an odd arrangement? I can only assume, Mr. Chairman, that the federal government is ashamed to post this sum as a legitimate government expenditure. Therefore, they want to camouflage the transfer to the provinces. Now, Mr. Chairman, like Liberals and Conservatives opposite, they view a dollar spent by the public sector as somehow inferior to a dollar spent by the private sector and they see no difference between expenditures aimed at reducing taxes and creating jobs and other

kinds of expenditures. Mr. Chairman, as our Budget attests, this government does not believe in such fairy tales. We say that money spent to reduce taxes to help people cope with the rising cost of living is money well spent. We say that money spent on public capital projects to create jobs and assets for the future is money well spent. We say the public sector has an important role to play in creating useful and productive jobs. We are proud to present such expenditures to be voted by in this House. I would urge the federal government to adopt this similar attitude. Mr. Chairman, I will close by saying that this government welcomes the opportunity to provide additional tax relief to the people of this province. I think it is important for all Canadians to take note that the two levels of government in Canada have acted together to implement this very significant tax reduction. Mr. Chairman, the Ottawa Liberal government cannot take credit for this at all, try as they may. Equal credit must be given to the provinces especially, Mr. Chairman, those provinces that are not going to be fully reimbursed. Mr. Chairman, it is my hope that this step will help to do two things: (1) restore the confidence in the Canadian economy, that is so badly lacking and put Canada's economy back on the track towards full employment and (2) reduce prices on all consumer goods subject to the sales tax or the Education and Health Tax in Saskatchewan and thus reduce the consumer price index and the cost of living.

Mr. Chairman, I give notice that I shall on Wednesday next move first reading of a bill respecting The Temporary Provincial Education and Health Tax Rate Reduction and Federal Reimbursement Act, 1978.

SOME HON. MEMBERS: — Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Chairman, that was really a delightful experience, a delightful experience to see the Minister of Finance get up, completely embarrassed, to announce a tax cut on behalf of the citizens of Saskatchewan for fear that he might be giving some federal election material to the Liberal Party of Canada rather than be worried about the concerns of the tax reduction to the citizens of Saskatchewan.

First of all, Mr. Chairman, I want to congratulate the Minister of Finance for co-operating with the federal government. Mr. Chairman, the remarks of the minister showed what might be described as 'the reluctant bride being led to the altar'. Here he was, about to accept this tax cut with all the going things that he says it's going to do and then he attacked the federal government because he was so afraid that perhaps the citizens of Canada might feel that this was a good political move at this strategic time. Now, first of all, Mr. Chairman, I would like to make another recommendation to the Minister of Finance. Seeing that now we have reduced this from 5 per cent to 3 per cent, then why doesn't the Minister of Finance take the initiative for all of Canada and wipe out the 5 per cent sales tax in Canada or in the province of Saskatchewan and show a real tax cut entirely and then see what kind of an incentive it would do for the people of Saskatchewan, Mr. Chairman?

Now, Mr. Chairman, I want to talk for a moment if I might, about the possible impact of this news on Canadians. All of us know that there is a Budget being introduced in Ottawa this evening right at this very moment. Its specific role is to attack two or three problems. Number one is to try and provide stimulation to a sagging Canadian economy and certainly this appears to be one measure that will stimulate the Canadian economy in this way. First of all, it is going to provide incentive to consumers to spend and, Mr. Speaker, when consumers spend and increase retail sales in Canada it does two things. It increases first of all, personal income and it also increases corporation

taxes. Therefore, it will do two things. It should make up a considerable amount of the revenue of \$18 million that perhaps the province of Saskatchewan may be contributing. At the same time, it may provide some real profit for the investment of the private sector which all of us so vitally need in order to attack the second problem.

The second problem in Canada today is 1 million unemployed. Every ounce and every speck of energy of all governments right across this nation must zero in on this particular problem, certainly by providing this as only one major — and I would suggest to the minister that when he goes out that he will hear other measures in tonight's Budget that may do well to stimulate employment and to stimulate, of course, the private sector, in order once again to stabilize the Canadian economy and provide jobs for Canadians.

The second problem that is of real concern to Canadians is, of course, the problem of inflation. I think there was a good degree of wisdom shown by the Minister of Finance in selecting the sales tax across Canada as an effort to stimulate the economy and have the minimal impact upon inflation because of the fact that sales tax is related to all people and particularly low income people as well as those on a higher level of income because they are forced to pay the sales tax for everything they buy. So I hope that this will have a minimal impact upon inflation.

Once again, I want to say very briefly I congratulate the Minister of Finance, the reluctant bride led to the altar of federal Liberal prosperity in the years ahead. I congratulate him for co-operating with the federal government at this time. I am sure that the citizens of Saskatchewan and the citizens of Canada will appreciate it. There is only one thing that I found that he lacked in his address and that was to congratulate the Minister of Finance in Ottawa.

MR. LANE (Qu'Ap): — Mr. Minister, I think there will be literally hundreds of thousands of Canadians asking today why was this not done months ago. I think if we recall . . .

AN HON. MEMBER: — Particularly in Newfoundland.

MR. LANE (Qu'Ap): — I'll mention something about the gasoline tax, Mr. Premier, you may want to stay around and listen to it. We urged, last October, a mini-budget by the present federal Minister of Finance which was supposed to stimulate the economy, which was supposed to be the be-all and end-all and solve our present economic crisis. These were the statements last October, and I am sure all members opposite are familiar with the great promise of that budget. Now we find out that the prognostications of the Minister of Finance in Ottawa were wrong, that in fact he had made a serious error in judgment last October, that his budgetary predictions were not accurate, and so today we see a temporary sales tax reduction for Canadians. First of all I know that the vast majority of people, and I know the Minister of Finance opposite will see the difficulty that the party to my right has, in having some credibility in trying to convince the people of Canada that this will have any long term effect. Obviously, the government opposite and the Federal Government should make a clear commitment to the people of Canada that this sales tax reduction will be a permanent tax reduction. To say, in these times, that it is temporary is a ludicrous position. The fact is, what is coming about in Saskatchewan and in Canada is, we are now seeing the obvious confusion of the economic policies of the government opposite and the Government of Canada. We are now, just like the average homeowner, into a monthly budget from governments. Every month, something new has to be done or something has to be changed, because the previous positions proved to be wrong, or unworkable, or insufficient. That is not good enough. The fact is, this is an opportunity for the

government opposite and the government of Canada to say that we are going to have to stimulate consumer spending, to attempt to reduce the great unemployment numbers that we have, and then tax cuts should be permanent and there should be a firm commitment from the governments of both levels to make it a permanent tax cut.

The cost to the province obviously is minimal, relatively minimal, \$18 million I believe the figure is (I stand to be corrected). (Inaudible interjection) . . . \$54 million in the province of Saskatchewan, of which \$18 million is contributed by the province of Saskatchewan. I would urge the member to my right not to have much faith because, having been part of that party, I think we all know how far the Liberal promises go, and how substantive they really are. I am sure the public of Saskatchewan will be taking a pretty serious look at the position of the Federal government.

We find it again, and I am going to repeat it because it is the first time I think in Canada's history, where the obvious confusion of governments across this country; one day we have a budget which, according to the Minister of Finance, was the greatest budget this province has ever seen. Now, a month later, he has to change it because it wasn't adequate — and that is really what he is saying. We have the Federal government, every six months, saying, 'Oh, that didn't work so we will have to try something else'. The confusion and the inability of government to make some firm, long term commitments is becoming more obvious everyday.

Mr. Chairman, Mr. Minister, we had another area where we believe the government opposite could have shown some leadership and that is a substantive reduction in the gasoline tax in the province of Saskatchewan. The 20 cents differential between Saskatchewan and Alberta is causing severe hardship to service station owners and will cause severe hardship to the tourist industry and may in fact, Mr. Chairman, discourage tourism in the province of Saskatchewan. So we believe, Mr. Speaker, that it falls short for two reasons, it should be permanent and secondly, the gasoline tax should have been reduced as well and we were expecting that from the Minister of Finance. We are glad that there was some reduction. The people of Saskatchewan, of course, and I think the people of Canada wanted a statement that these would be permanent tax cuts, not temporary tax cuts.

CONSUMER AFFAIRS — VOTE 4

ITEM 1 continued.

MISS L.B. CLIFFORD (Wilkie): — I have a couple of questions not on the same area as we were pursuing before 5 o'clock but I notice that we have an increase of three in your staff and I would like to know what the primary reasons were for this. I notice that your complaints have increased since last year and is this the reason and where will they be working?

HON. E.C. WHELAN (Minister of Consumer Affairs): — Mr. Chairman, this is a very routine sort of thing. The Department of Consumer Affairs did not have - the minister before was under the Co-op vote, this is the minister's staff that has been added to Consumer Affairs. Are you asking on subvote 1?

MISS CLIFFORD: — Yes. I noticed as well looking at the annual report that one of the highest problem areas is in Motor Vehicles and Accessories. Could you tell me what steps have been taken, if any, to inform the manufacturers about these problems and are they mainly on-shore cars or off-shore cars that you are receiving most of the

complaints about?

MR. WHELAN: — In answer to the hon. member, I am told that the large number on automobile problems are in Canadian made vehicles because there is a preponderance of Canadian made vehicles. So we have a larger number of problems in that area and you have probably seen and you probably know the campaign regarding warranties and the booklets that are available to the public and the advertising that has been undertaken to advise them of what procedure they should follow. We also think that in the day to day contact that our people have with the automotive industry and repairs and original manufacturing and so forth, that this is part of the picture. You are quite right and that is what the annual report says. It does indicate that we have far more requests for assistance from consumers in this area than in any other. In the introduction of The Warranties Act we had a number of meetings with the automobile manufacturers, both Canadian and foreign manufacturers. We are constantly holding meetings; we have another meeting slated shortly with the manufacturers of automobile equipment. It is an area that gets complete attention from our staff. We feel that there is an improvement in the attitude of the manufacturer and we hope that there will be a dropoff in this area.

MISS CLIFFORD: — You indicated that you have met with them previously. When was the last meeting? You didn't indicate how many months ago, and are you referring these back to the manufacturer so that they can recall cars with problems? Are you doing this regularly?

MR. WHELAN: — In answer to the hon. member, the last meeting we had with the automobile manufacturers was probably a couple of months ago. We have a meeting slated in the next week or week and a half, I can't remember the exact date; we have a meeting slated very soon. We don't have very many complaints regarding recalls. The recalls are — notification comes from the manufacturer and that is not one of the areas where we experience a great deal of difficulty. We do talk to the repair people, we talk to the manufacturers, we talk to the dealers and we are in constant touch with them. As a matter of fact, we get a fairly good response from them when the consumer launches a justifiable complaint with us.

MISS CLIFFORD: — A couple of other questions in a different area and I don't know where to put them in the other section as I will class them under item 1. I notice that a number of consumer problems that have been written to papers, for instance, during the Christmas season especially, were concerning the mail order departments. I should name a couple of them but I won't use the company, and they were having problems getting their goods although they had sent their money. Now first of all, I would like to know what controls you have on out-of-province mail order companies and what you have been doing to try to alleviate any problem there has been?

MR. WHELAN: — In answer to the hon. member's question, my people tell me that there is a constant effort on our behalf to warn them of the procedure regarding mail order, the techniques that they should use and the problems that they should watch for. As far as out-of-province mail order people, it is difficult for us to control it from Saskatchewan but we work with two groups. We work with the Department of Consumer Affairs, the provincial department in other provinces. As a matter of fact, we maintain a close liaison with the provincial departments and in addition, we work

closely with the federal Department of Consumer Affairs when there is a problem of this sort.

We are well aware of it and it seems to crop up more often when there is a delay in providing the item that has been ordered or the item that has been ordered is an inferior product when it arrives. We feel — and we do this over and over again — in material that is published by the department and in letter, we warn people against the pitfalls in ordering from a mail order operation outside of the province.

MISS CLIFFORD: — I was wondering if the department would consider, in particular around the Christmas season, you say that you have material that one could have through your department I presume, upon request, I haven't seen any advertising done in this area, but particularly during the Christmas holiday season, if you could make an educational information ad, perhaps you are good at doing a number of ads but this is indeed an area that it is needed to warn consumers of the possible danger and previous problems they had in receiving goods such as they did last year.

MR. WHELAN:— My deputy has turned up a news release we made, Mr. Chairman, just at the Christmas season when it began last year and I think your suggestion is a good one. Perhaps newspaper advertising at that particular moment might be timely and might be worthwhile and it's something that we will consider. There is always a need for advertising and a need for material of this kind. The difficulty is deciding what area to concentrate on, where you should spend your advertising but I think it is a good question. We do put out a monthly bulletin and we could include this sort of information in the bulletin at that particular time of the year.

MR. R. KATZMAN (Rosthern): — Changing the topic just a little bit; on the lottery end of things is there any discussion with your department or is there a date when we will have instant winners in the lottery? The method that is being used in some areas is that when you buy your ticket you know if you are a winner right now. The numbers are indicated.

MR. WHELAN: — Mr. Chairman, I assume the member is talking about Western Express and that type of thing. That doesn't come under our jurisdiction at all. It comes under Culture and Youth. That's a special program under Culture and Youth.

MR. KATZMAN:— I realize they sell the ticket and everything but there is a thing called instant lottery winner. You buy your ticket and when you open it up, you know whether you are a winner and whatever the prize is. I would assume it may have to be approved or licensed by you people if it's being run in this province.

MR. WHELAN: — I am told by my officials that if it's an instant prize and a product sort of lottery, it doesn't come within our jurisdiction. If it's associated with a product and if it's an instant prize, it wouldn't come under our jurisdiction. It's quite all right if it's promoting a product.

MR. KATZMAN: — I'll try and explain it one more time. The way I understand it, it works as Western Express and so forth. But instead of waiting two weeks to find out if you are a winner, when you get your ticket you immediately can check a list of numbers and you know if you are a winner or not. It has come about in some areas of the world.

MR. WHELAN: — We know of no precedent in Canada for that sort of thing. My officials tell me that that is in some other countries of the world but there is nothing like it in Canada.

MR. KATZMAN: — The second part of my question is, will you have jurisdiction over this particular concept if they try to bring it into Saskatchewan?

MR. WHELAN: — My officials say yes.

MR. KATZMAN: — With that in mind then, this is what bothers me about the instant win ticket. What has happened in other countries is that a gentleman has gone down with his pay cheque and just kept buying and buying and buying until there is no money left and it's causing social welfare cases in a lot of families. I am very concerned about the instant win concept for that reason. Do you people have any hesitations or know of any problems also?

MR. WHELAN: — We don't know the details of how these things operate. They haven't been here but if they do come, we assume that they would be under our jurisdiction. We will take a pretty good look at them you can be sure.

MR. KATZMAN: — That would be my expressed concern that when you get to them, you have a very careful look at this problem that has developed in other areas of the country.

The second question that I have, the race track betting paramutuals in the province of Saskatchewan is handled, I understand, by a combination of federal people and there are some provincial agricultural people involved; are your people involved at all in that area?

MR. WHELAN: — No we aren't.

MR. KATZMAN: — If the legalization of off-track betting comes in Saskatchewan, will that come under your area?

MR. WHELAN: — In all probability, Mr. Chairman. To answer the hon. member's question, it will come under the Attorney General, if it comes to Saskatchewan.

MR. KATZMAN: — Why would you say the Attorney General and not yourself?

MR. WHELAN: — I'm told that it comes under a section of the Criminal Code where it makes reference to this type of gambling. It has never been under our jurisdiction in eight of the provinces, it has been under the jurisdiction of the Attorneys General in other provinces; that is why I am making the assumption. It could be the other way, but . .

MR. KATZMAN: — Let us take the Gopher Derby that they have every year in, (I forget which area of the province it is in near Kindersley, I believe). They have a Gopher Derby, which is races and there is betting on it. Is that covered by any legislation in the province?

MR. WHELAN: — Mr. Chairman, I am told that this type of thing could come under our jurisdiction, if you did not use skill in selecting the winner — because the Criminal Code of Canada forbids that kind of gambling of the type of thing you are describing the Gopher Derby you are describing, the sort of thing you have in Eston.

MR. KATZMAN: — The second concern I would get to is the concept of, I think it is called Texas betting. I am not sure what the proper title for it is, where somebody stands up at a

local race track and says 'I give ten to one odds' or another member says from the other side, 'I give two to one odds'. It is used in provinces to get around the legalized betting at bush track racing. It is covered under Texas law (that is the only place I know). Would your people cover it? Or who covers that type of gambling?

MR. WHELAN: — Mr. Chairman, I understand that this comes under the Criminal Code and is forbidden in Canada.

MR. KATZMAN: — Let us go to the lotteries or the casinos run by the Kinsmen Clubs and these types of organizations. They run a sort of special Casino night type of thing. Now that we are backing up in legislation, these are going to be allowed again. Am I correct?

MR. WHELAN: — That is a good question, because that is something that has come up in the past while. Casino can be operated if it is operated in conjunction with a bazaar, but you cannot use cards — they are forbidden — this is what the Criminal Code of Canada says.

MR. KATZMAN: — You can't use cards — playing cards you are referring to? Does that mean you can use wheels and these things?

MR. WHELAN: — Right. You are obviously experienced in this whole business and I am not. But they tell me what you are saying is right.

MR. KATZMAN: — Well, does that mean Seven, and Under Seven and Over, dice roll, and all those games will be legal — except for 21?

MR. WHELAN: — I am told that wheels of fortune and games of skill and mixed chances and skill — if they are in conjunction with a bazaar, these are permissible, under the legal code. Dice and cards are not — absolutely forbidden under the Criminal Code.

MR. KATZMAN: — Basically, bazaars and charities in most cases, that concept is with it. Is that correct?

MR. WHELAN: — Yes, that is for the general benefit of the community. Yes.

MR. KATZMAN: — On the local recreation board running a raffle and so forth, will the town council now be able to approve them as they used to? Is that the concept we are going back to?

MR. WHELAN: — Well, as I said earlier, the big problem was that no one was approving them. Prior to April 1977, there were only 25 town councils or municipalities or RMs in the whole province out of 800 and some, who were issuing any permits. If the raffle is operated as a charitable undertaking by a non-profit organization a service club for instance, and it is for education general, religious education, poverty, or the general benefit of the community it is then a charitable effort and it is permissible. I think that charitable organizations operate without a profit. That means that what they make goes to the community and we have never turned down a request for this kind of a permit. We look upon it as under the charitable heading of the general benefit of the community.

MR. KATZMAN: — Under the regulations that were in force for a while now, they had reports to fill out and send back in. Seeing that now you've cancelled that whole idea, what do we do with people that have numbers and have reports to send back? Do they just forget about them or must they continue with the process?

MR. WHELAN: — Mr. Chairman, in answer to the hon. member, even before January it was necessary that they report. The regulations that date back to 1970, February, had that requirement and it is still contained in the regulations. It was in the regulations that we brought in on January 1 as well. As far as the forms go, we are going to accept the forms that were sent in, but as soon as we can we will be reverting back to the old ones. So they can send them in.

MR. KATZMAN: — Just one last question. Would it be your department, or could you consider writing the 800 some towns or cities involved and suggesting to them that it is their duty or you would recommend that they have the authority, to approve certain types and could they assist their communities by letting them know rather than having people confused?

MR. WHELAN: — I think these are good questions because it gives me a chance to tell the House what we have been doing. From January 1 until we made the change we were in touch with almost every issuer in the province and we talked to them, communicated with them, and again we have written them toward the end of March telling them what procedure to follow and advising them as to what sort of reports they should make. And this letter went out just about the time that I made the announcement so it would catch them starting April 1.

MR. KATZMAN: — Could you also do the courtesy of now giving every member of this House a copy of the new system, the way it works, so when people contact us we can explain it?

MR. WHELAN: — We could be able to give you those regulations and the instructions that went to the issuers. We will get them for you because the regulations are quite lengthy and quite involved. Frankly, I'd like every member of the House to have a darn good look at them because they really restrict us in what we are trying to do if we are going to amend the Criminal Code. It would be good to have the support of the whole House. I think we would be glad to give them to you.

MISS CLIFFORD: — Mr. Minister, of all the 4,246 complaints that you received from consumers, were they all, I'm sure they were all investigated, but was there a final decision reached on behalf of the consumer or the manufacturer in all cases? And if not, what percentage would it be?

MR. WHELAN: — Mr. Chairman, I would like to ask the hon. member a question. Are you talking about inquiries or complaints?

MISS CLIFFORD: — Complaints.

MR. WHELAN: — Complaints. I am told that about three out of four, the batting average about three out of four are solved to the satisfaction of the consumer who lodged the complaint.

MISS CLIFFORD: — So are you saying that the decisions have gone in favor of the consumer or they were just satisfied? And if it means that they are just satisfied with your answer, could you tell me what percentage has been ruled in favor of the consumer?

MR. WHELAN: — Mr. Chairman, I think it is difficult to say who won, whether it was the

consumer or the manufacturer. Sometimes these complaints, I am told, are resolved when the consumer is satisfied they got a proper product. It is a case of negotiating and give and take. What I am told is that three out of four are resolved to the satisfaction of the consumers. Sometimes the consumer thought he was entitled to something but when the explanation is made he then understands what his rights are. It is a case of making a disposition of the complaint in a manner that clearly satisfies the consumer, although he doesn't always get what he set out to accomplish. They don't always accomplish what they thought they were entitled to. Oftentimes, when their rights are explained and the product is explained and the manner in which it is handled is explained and the warranty or whatever is explained to them, they then understand that they got satisfaction. It is not always a case of giving the consumer everything that he wants but three out of four of these are negotiated satisfactorily. This is what they tell me.

I can give you the breakdown in rough figures; 75 per cent of them are resolved, 10 per cent are unresolved.

MISS CLIFFORD: — Why?

MR. WHELAN: — Because there was no way we could get either one of them to agree to what we thought was a satisfactory settlement. Ten per cent were unjustified. In other words, 10 per cent of them were unjustified. They were complaining about something that wasn't justified at all. Five per cent of them were referred to another agency, perhaps even the federal Department of Consumer and Corporate Affairs.

MR. KATZMAN: — Last year in this particular vote the member for Wilkie (Miss Clifford) asked quite a few questions about surveys regarding food and consumer packages and so forth. Did you continue on that line this year or not?

MR. WHELAN: — We had a report, Mr. Chairman, on the food survey last year. Just to bring the members of the House up-to-date, we looked at the report when it came to us and we felt that the value of it, as an expenditure, was not justified in the results that we got. We spent a lot of time considering it, we went over the report in great detail, we had a number of discussions and finally decided that it wasn't worth the expenditure.

MR. KATZMAN: — I think that was the feeling of the House, if I remember correctly, last year your stating that the money spent wasn't worth it. What is the major function of your department other than consumer warranty and that type of legislation and the licensing for bingos and so forth, the licensing aspect? What type of other major program do you handle? I am not referring to complaints or any of that area, I am referring to areas like education, other than consumer education, running clinics or something. Is there any other special area?

MR. WHELAN: — We do a great deal of work talking to groups, community colleges; we have an information centre, we examine the proposed federal and provincial legislation, we have been looking at trade practices legislation. We were talking about that last year and we are still spending quite a bit of time on it. Our people are discussing trade practices legislation and different kinds of legislation that are in effect in the other provinces to compare notes and to compare the legislation to find out about their experiences. We have a consumer information centre and we have a great deal of information on product testing and that sort of thing.

MR. KATZMAN: — That was the word I was looking for, the product testing. For example,

we all know that SPC is going to be giving \$1,000, interest-free, for certain terms for insulation, if the bill is passed. The concern now is, does your department have the information available for the different types and recommendations to people between vapour barrier versus non-barriers versus moisture versus alkali and all the different things that you may run into. Who is giving out that literature to assist in that program?

MR. WHELAN: — The question that the hon. member asks involves three departments. We have been examining the materials that are going to be used but we've turned that over to, well, at least when the bill passes it will be under the jurisdiction, the type of material that's going to be used, will be under the jurisdiction of the Saskatchewan Power Corporation. The inspection to see that it's carried out properly comes under the jurisdiction of the Saskatchewan Housing Corporation and we, as a department, will license the contractors and the individuals who are installing the insulation. They will be licensed by our department.

MR. KATZMAN: — That was my understanding, that your department was doing that. The question is this, as you know due to the energy crisis, there are all kinds of groups now, you see trucks running around, (warm air this) . . . all kinds of insulation firms developing and there's quite a bit of literature and some of the literature coming out in the last while has been anti the benefits of insulation. There has been some United States literature that has come out stating that what you put into it, the cost for insulating and the cost don't justify the saving of energy heat. In this country, I can't see it and my concern is that this type of information should have information to back up your arguments. And the second point, that people that get into the business are bonded and guaranteed and there are no problems that somebody is going to; that they're going to see a whole bunch of holes in their wall and say, yeah, we blew stuff in there and all of a sudden next winter they see frost on their walls and they have no comeback, there was no insulation put in, or of poor quality. The product was put in which was not what they were told they were getting.

MR. WHELAN: — Of course, Mr. Chairman, this is something that worries us as well. My deputy is on the board of Saskatchewan Power Corporation and she tells me that they will be examining the materials and the methods and the techniques for insulation very carefully. In addition, the Saskatchewan Housing Corporation will be insisting on a certain standard when they inspect the job. We will try to make every effort to license people and I know that this is one more licence but on the other hand we think it's absolutely essential that we have responsible people doing it and that we have some control over them in order to guarantee that the job is done properly and that people who put their money into insulation get the proper benefit.

MR. KATZMAN: — Well, here's my problem. I believe it was '76 in the fall that we passed a bill in this House requiring licensing of investigators, private security guards and so forth. That provision of the bill is still not in force yet today, where they must be bonded and licensed and so forth. Now the reason I bring that up when I talk about your bill now, how long until all your people that are involved, after the bill is passed will be made sure that they are licensed and bonded and so forth. My concern is that it may be delayed for some reason as the Attorney General's bill on security guards has never been totally taken out.

MR. WHELAN: — That's a question that probably should be directed to the minister that's handling it. Our interpretation as the licensing agency is that as soon as the bill is proclaimed the licensing and whole procedure will take effect, there's going to be no hesitation. There's nothing in any of the material or any of the discussion that we've

had that there will be any delay. We think it will get on the road as fast as we can get it on the road.

MR. KATZMAN: — What you're doing is giving me your assurance that once Royal Assent has come it will immediately go into action, there won't be any delays for unknown reasons. You've come past that. Now you do require bonding and so forth, I believe from what I've read of the bill?

MR. WHELAN: — That's correct.

MR. KATZMAN: — Would you like to indicate the value of the bond?

MR. WHELAN: — There are two groups. There's the restricted group who work as a group and are limited to five insulations. They could do you and your neighbors, for instance. You get licence and you're not a contractor but the licence says that you have to do this and this and this and you can do up to five insulations. Then there is the other contractor who works under this program who will have to have a bond and the way the act reads, the bond, the amount, is at the discretion of the registrar but if I was going to take a guess at the amount I would say \$5,000.

MR. CHAIRMAN: — Order! I might just mention to the hon. member that if he wants to pursue anything further under licensing and investigations and so forth we have an item 2 that we would be dealing with that one specifically. I know that we can deal in generality under item 1 but I would like to draw to his attention that we will be working on that one on item 2.

MR. KATZMAN:— I'll just finish my line of questioning then I think I'm pretty well done, Mr. Chairman. A correction here, if I do my neighbors as you said five or less, that's what you call a general handyman I assume is what you're suggesting or is it somebody that's not doing it for profit.

MR. WHELAN: — It's just a restricted licence to allow this sort of thing, you know, so that they can qualify for the arrangement that's made by the Saskatchewan Power Corporation but it's restricted and there is a limit to the number that they can do. It would be five per year. We think it's a good idea. We think that there are groups of people who would do, say four or five people would get together and they would, as a group, do each home that belonged to the four or five in the group. It's something that would cut the cost and they would be working for themselves, they would be subject to an inspection. That's what we call a restricted licence.

MR. KATZMAN: — In other words you are calling it on the co-op basis. Neighbors sharing, that type of thing. Not of somebody making a business of it, that's my only concern.

MR. WHELAN: — I am told it's not necessary that it be a group; it could be someone and four neighbors too, you know. It's not really tied down to a specific organization as a co-op but it does give people an opportunity to work out by trading labor, providing the standard will pass the Saskatchewan Housing Corporation's test and providing that they can get a licence from us.

Item 1 agreed.

ITEM 2

MISS CLIFFORD: — Of the permanent positions, 28 that you have listed there, how many of those are people that do investigating of complaints?

MR. WHELAN: — The total number is 15.

MISS CLIFFORD: — Could you give me a range of salary that they have in those departments, maybe you have three different types but I would like their salary ranges?

MR. WHELAN: — Here are the figures that you've asked for. The Consumer Affairs Investigator 1 starts at \$1,071 and by automatic increments goes to \$1,317. Consumer Affairs Investigator 2 starts at \$1,263 and the eventual salary is \$1,563. Consumer Affairs Investigator 3 begins at \$1,372 and the final salary is \$1,695.

MISS CLIFFORD: — I was wondering if you could table those for me and as well tell me what are the positions that the other 13 have, how is that break down? There are 13 left I think in your department.

MR. WHELAN: — We would be glad to table that information for you and I will get the details of the rest of the people of the department, their jobs and their salary ratings and so forth.

MISS CLIFFORD: — Could you as well tell me what their job descriptions would be for each one of those levels? I am particularly concerned with investigation departments, so what would the job descriptions be for the people who would be doing the investigating? You could also send those to me after.

MR. WHELAN: — We would be glad to table that information. It is detailed and lengthy and it has been changed from time to time. We will give you the most up-to-date description.

Item 2 agreed.

ITEM 3

MR. KATZMAN: — The increase in the one staff and the increase under permanent positions — is there a lowering of salary in the area or I think the average wage drops in that one?

MR. WHELAN: — One of the people that we had, Mr. Chairman, on temporary staff was transferred to permanent staff without any change in salary. There was an information officer who was in the department at a certain salary and that range for the information officer was re-classified from a three to a two so there was a reduction in salary.

MR. KATZMAN: — Would that be reflected in the other expenses then and the other personal services would reflect that change? That's the reason for the lowering of those figures?

MR. WHELAN: — The answer is yes. That's right.

MISS CLIFFORD: — I would like to commend the department on the amount of information and educational material that you have made available to the schools and

other interested parties, but I notice that there is a decrease in some of the other expenses in this item under Planning and Policy. Besides the salaries there is also a decrease and I'm wondering, rather than trying to focus on more material that can be provided and more programs that can be used in schools for students and other things like that, are you now not focusing on increased awareness in education? This is I think, a valid area for you to start to get into but to me it looks like you are taking away that momentum.

MR. WHELAN: — Your observation I think, about the material and the work that this department is trying to do is accurate and I think Loretta Eberts should take a bow. We get a good many complimentary remarks from consumers when people from the department go into schools.

The main reduction in this expenditure is a result of the work for advertising warranties — the money for that has been spent. It was in the budget last year and it is not in the budget this year. In direct reference to your request or your remark about education — I am told that we have expanded our operations and the material has been increased that is available for work in the schools. We are getting a good response and many requests for that kind of activity and we are trying to meet it.

Item 3 agreed.

ITEM 4

MR. KATZMAN: — Have there been re-classifications or what is the reason that the increase is what it is in this item under permanent positions?

MR. WHELAN: — Yes, there was a re-classification of a research officer from a one to a two, plus increments and that is the explanation for the figure that is there.

MR. KATZMAN: — In the Planning and Policy Branch — would you like to give me a brief explanation of most of their services?

MR. WHELAN: — There is a great deal of activity in this department. Looking at federal legislation — the credit legislation that is being proposed, the borrowers and depositors, The Cost of Credit Disclosure Act, the borrowers, and the depositors' legislation which is currently being proposed by the House of Commons, the Competition Bill, the Ottawa Food Strategy proposals — you probably recall that during December, there was a meeting in Winnipeg and, again, a meeting in February and the ministers had this item under discussion when they met the first week in March.

We respond to requests for information from the public, do the research for it and in addition, we are often asked for information by other departments in government and we provide that when it is requested.

MR. KATZMAN: — Are you suggesting that this is mostly for the government's own information that this department works?

MR. WHELAN: — I'll give you some samples just as an indication of the sort of work that this department is doing. It is not very big; it only has four people as total staff; one of those is a secretary and the other three are staff people.

They do a constant exchange of research information and they do this on a monthly

basis with all of the consumer departments across Canada as well as the federal department. We have spent quite a bit of time on researching product testing. We have been contemplating how we should undertake product testing and in what way it should be undertaken, what the costs are and those sorts of things. This is a relatively new project and we have been examining what product testing is being undertaken in the private sector. We did a lot of work on The Consumer Product Warranties Act, in the advertising, in the discussions with those that we met when the act was being introduced and we think the research work that was done was most helpful and very valuable to us.

For instance one of the things that we have been investigating is the nature of the Quebec 2 per cent tax on electronics advertising, instituted to counteract the negative effects of advertising in that particular province. We have been looking at the legislation; we have been looking at the federal decision that came down from the Supreme Court in this area.

This branch prepares support material when the deputy goes to a conference on the use of credit cards. We are involved in many joint deputy ministers' committees across the country and the back-up material for information that we are to provide at these conferences is done by this department.

I think that the work that was done on the food survey, the analysis of the food survey was undertaken by this department. We have done a number of investigations regarding specific price changes, the cost of meat to the consumer in two different Canadian cities for instance. We fulfil requests from the public of a statistical nature. When someone in the general public asks us for statistical information, this is the department that prepares that kind of information. This particular division has done quite a bit of work on women and credit in North America. I can give you a number of others but I think that will give you a kind of cross section of the type of work.

They do, I think, a tremendous job with a very limited staff. The material that they turn out for discussion purposes, for information is very valuable and certainly when I go to meet with other provincial Ministers of Consumer Affairs, it is obvious that we have good back-up information at those meetings for a relatively small staff.

MR. KATZMAN: — You made two comments that intrigue me, if you could go a little further on them. Meat to consumers was the first one and the second one, women and credit intrigued me a little bit. Could you go a little further in what research you are doing in these fields? I think the women of this province probably are the biggest spenders because they handle most of our money, except for government and some of them do a better job with it than we do, I think, and I refer to the male population when I say that.

MR. WHELAN: — Mr. Chairman, both of these research projects are under way. We have not completed the meat survey. It was to find out if meat that was produced in Saskatchewan was made available to the Saskatchewan consumer at a price below or above the same meat when it was put on the market in Toronto, and we haven't completed it. I mention that because it is one of the things that we are working on.

The other area that we have been looking at that you asked a question about is women and credit. There has been a feeling, and I recall sitting on the committee of the credit union at one time, the point being raised that there is a discrimination against women when they sought credit. Much work has been done in this area to correct that kind of a

position. What we have been doing is looking at legislation in other jurisdictions and reviewing complaints that have been launched in this respect. Again, we don't have a conclusive position, we don't have all the information in but we are working on it. We think it is an area that deserves attention because charges have been made down through the years, there has been some evidence although we hope it is disappearing. We haven't come to conclusions and we haven't completed the investigation but it is really to find out if women are discriminated against when they are seeking credit and what steps are taken to guarantee that this would not happen in legislative jurisdictions in the States and in other Canadian jurisdictions.

MR. KATZMAN: — I was hoping when you were mentioning meat and consumers that possibly some of your study might be on the fact that a large percentage of the meat, I believe, sold in the province and not in the big Safeway type stores, the OK type stores, but some of the small stores is not what you would call federally or provincially inspected meat, through the slaughter plant, and it is not normally identified as not inspected meat. There is, I believe what they call the local health officer who does some inspection, but it is not the same inspection. I am wondering if you are doing any work on that kind of matter, consumers and meat?

MR. WHELAN: — I think the point that is raised is one that is part of the study. We sit on a joint committee with the Department of Agriculture that studies the manner in which meat is handled and the precautions that should be taken to guarantee that it is a good food product when it arrives on the table of the consumer. That study hasn't been completed but we are looking at the best methods of handling meat and the costs that are involved all the way down the line. We hope that by working jointly with Agriculture and Health, the committee is agriculture, health and our department, that we will be able to come up with some obvious conclusions that will benefit the consumer.

MR. KATZMAN: — Well, two parts to the comment on the meat; I spent several years making my livelihood many years ago as a cattle buyer. My concern is three-fold, seeing as you are working with the Agriculture and Health departments. First of all, the amount of uninspected meat by federal or provincial standards that is put on the market, and I assume that while you are doing your study that may be something to look towards. The second part of my comment would be; is there any indication on the amount of what is called 'custom-kill meat' that is going for public sale that is not inspected? For example, a little butcher shop in a town may be selling some?

MR. WHELAN: — We can't give you a complete answer at this time but I am told by my officials that one of the things we are looking at is small abattoirs that are not properly inspected. They are giving me a number, it is within the ball park, 50 or more in the province, operations that we are trying to figure out the best way to make sure that they operate in a fashion that will produce pure food that is ideal for human consumption. We haven't worked out the solution.

MR. KATZMAN: — As I said, I have spent some time with this one. I am concerned that — and in my own research, because I have been working on this exact project for almost a year now — I have gone into stores where the meat has been killed and they also own a butcher shop - grocery store type of situation. They are selling it over the counter and there is no sign that says that this is uninspected meat at all, and therefore the consumer doesn't know that. I have some concern that possibly there should be a method of identifying it. If the minister likes, after the House is adjourned for the day, I will give you one location so that you will know what I am talking about.

MR. WHELAN: — We think it is a good idea and we are not . . . sure we would be glad to talk to you about whatever example that you had.

MR. KATZMAN: — Moving to the credit card situation. When do you expect to have your findings done on that one?

MR. WHELAN: — I am told that the proposal is one that is being put forward by the federal government and how fast and how far it proceeds is in their hands. It is not really in ours. But we have a member on the committee and we are keeping in touch with what is being proposed. It is moving at a pretty slow pace right at the moment. It is their proposal and we have been asked to attend meetings. The discussions are at an early stage.

MR. KATZMAN: — On the consumer end of the product. For example, at this present moment, milk is being changed over from quarts and gallons to different sized containers. Is your department putting out literature for distribution in the grocery stores or somewhere so that the public can readily understand the percentage differences, therefore, they can figure out their cost per unit?

MR. WHELAN: — There is a co-ordinating department, Mr. Chairman, that handles the material and is responsible for the co-ordination and it is in Revenue, Supply and Services. We have, in our education department, supplies of the material if anyone asks for it. They are responsible for informing the public. They are part of Revenue, Supply and Services. That is where the central committee is.

MR. KATZMAN: — One of the reasons I ask I have been doing some playing around on the weekend and I discovered that a large container of salad dressing, for example, when you buy it in certain sizes will cost you so much per ounce and when you buy it in a smaller size it costs you so much per ounce. I am wondering if you people are telling people to check on, for an example, the one I was working on was \$1.35 versus \$.80. So it is quite a saving if you can use the larger sizes.

MR. WHELAN: — We have that kind of converter that shows you what you are getting for your money. We have them in the resource centre, if you would like to have them.

MR. KATZMAN: — How much, when you say you have it available, how much promotion are you doing for the consumer public saying your best buy is to, you know, sort of teaching people to be shoppers? That is an education process, I realize, and I think it is important.

MR. WHELAN: — My people tell me, Mr. Chairman, that we do a great deal of this when we are talking to schools, when we are talking to community colleges, when we are talking to consumer groups. This is one of the things that we concentrate on. I think it is a good project. I know the point you are trying to make and I think it is a good point because people look at the package, and the package fools them. They just do not know what they are getting unless they have something that makes a comparison so they know exactly what they are buying price wise. And we do concentrate on it when we talk consumer education to all these different groups. It is something that we think is really valuable.

MR. KATZMAN: — Changing the subject here, you said you did some work on credit reporting, some research on it. Do you find that now that we have a new act, I think it

came about six years ago, where you are allowed to go to a credit card company or a collection agency or people that get information and say, could you tell me what is on my file. And they will tell you something. And you say that is not true. Are you getting many reports and complaints on this and are you involved in correcting this situation?

MR. WHELAN: — I believe the legislation the hon. member is describing, Mr. Chairman, the legislation was passed by this government in 1972. When I was describing some of the programs what I meant to outline was that there's federal legislation or federal initiatives on the Cost of Credit Disclosure Act and we're trying to figure out what the competition, the new competition legislation, what impact it would have on a Cost of Credit Disclosure Act. This was the specific research that I was describing. We are not doing specific research on the act that we have at the present time. Do you have some suggestions? Are you asking us to make some investigations or do some research on the present act? Is that what you're asking us?

MR. KATZMAN: — Well, I've discovered since being an MLA that quite often I've gone to bat for people on credit problems and the public isn't totally aware and I don't know why. And you also have a pretty good hassle with some of the credit companies. Some of them are excellent to deal with. Some of them are very tough to deal with, when you suggest to them that somebody would like to see their file and they give you all kinds of static and delaying tactics. Have you made sure that they realize that people have the right and tell them that they can't keep doing the delaying, the nobody's available to see you today. They play all these little games with you.

MR. WHELAN: — There is a brochure that our department will provide that describes the consumer's position under this legislation. During the year under review, we had 63 instances where consumer complained to us about what was happening in the credit investigation and we went to them, talked to them, and resolved their problems in 63 cases. So, there are people who are aware of the legislation and the brochure is available to the general public upon request.

MR. KATZMAN: — Is there any particular place, for example, do you readily go to the Royal Bank, Credit Union and so forth and say, here is this information. Would you like to put in, give out stamps to people who could make it available to themselves. Are you constantly doing that?

MR. WHELAN: — Mr. Chairman, our act only applies to the agencies that do credit reporting. It doesn't apply to the sort of situation that you're describing.

MR. KATZMAN: — My concern was the distributing of the material so people would know that it's available, a little more handy to them besides the schools.

MR. WHELAN: — I'm told that there are many financial institutions, credit unions for example that handle this brochure .. have it on hand if anyone wants to ask a question or runs into this kind of a problem. You just hand them the Department of Consumer Affairs brochure.

MR. KATZMAN: — Mr. Chairman, basically my questioning is done on this item. I'd like to thank the minister and his help, his back-up staff for being so co-operative in assisting. Hopefully, the one argument that we got into earlier on the dairy producers, there'll be good news for all of us very shortly and the milk will be flowing properly again. Thank you for your assistance.

MR. WHELAN: — We don't object to the questions. We think it's a good opportunity to talk about the department and tell about the services that are available. We appreciate the questions.

MR. J. WIEBE: — Mr. Chairman, just very, very briefly .. I don't think this should take long at all. In order to expedite things, I intend to move a motion but I'll keep my remarks on the motion very, very brief. There's been a lot of concern in the past expressed by the producers of meat products especially beef and consumers of those meat products in terms of grade, in terms of the type of animal they are purchasing. Now what I'm talking about is the unhappiness that many producers feel when they get a smaller price for a female animal as compared to a male animal, steer as compared to heifer. When that particular product is sold over the counter there is no distinction whatsoever in the price. The consumer must pay exactly the same price. They have no way of knowing whether that particular roast beef, or that particular T-bone steak came from a heifer or whether it came from a steer animal. So in light of that, Mr. Chairman, I would like to move:

that this committee urge the Department of Consumer Affairs to adopt a policy that will require meat packagers to indicate on the meat product (1) the place of production, (2) the gender of animal (3) the date of kill and (4) the grade of meat.

I so move, seconded by Linda Clifford, member for Wilkie.

MR. WHELAN: — Actually, my department people tell me that labelling and packaging in this area and the way you describe the resolution, comes under federal jurisdiction but we will make representations; we will make your point to them, so if you want to pass it or not does not matter particularly.

MR. J. WIEBE (Morse): — Mr. Chairman, in debating that particular motion, I realize that a lot of this comes under federal jurisdiction but somehow I think that the views of Saskatchewan producers, and indirectly, the view of Saskatchewan consumers should be made to Ottawa and to the powers that be. I think if not only producers but the Department of Consumer Affairs, this Assembly and this government direct that concern to Ottawa, maybe we might have more success in the future in obtaining this kind of packaging and this kind of labelling.

MR. CHAIRMAN: — Is it the wish for the member to move the motion?

MR. WIEBE: — We can amend that particular resolution that this Assembly urge the government of Canada to adopt that packaging if they wish. I would not like to see us pass over this subject without passing some kind of a concrete motion in that regard.

MR. WHELAN: — If you change it to make a reference to the federal people, we will agree to that.

MR. WIEBE: — Mr. Chairman, I would then move, seconded by Miss Clifford (Wilkie):

This committee urge the federal Department of Consumer Affairs to adopt a policy that will require meat packages to indicate on the meat product: (1) place of production, (2) gender of animal, (3) date of kill, (4) grade of the meat.

MR. CHAIRMAN: — I assume that the member has withdrawn the original motion and submitted this motion. Take the question as read? Debate?

MR. A.N. McMILLAN (Kindersley): — I would only like to add a few remarks, Mr. Chairman, one of them being that there is a request there for a point of production. I hope that would be a conclusive enough manner in which to identify whether the beef sold is produced on the North-American Continent or whether or not it was produced in Australia or New Zealand. While the consumer, in many instances I am sure, does not realize there may be a difference in quality, it certainly has been a sore spot with Canadian producers that much of the beef that is sold in Canada is labelled as Canadian beef, when it is in fact a mixture of Canadian and Australian beef. I think that all beef producers in Canada take great pride in the quality of their product and don't like to think that some of the inferior beef quality products that do come in off-shore are sold with at least the intention left with the public that those products are of Canadian origin. That's one point.

The second point, of course, is that obviously there will be some discrepancy in price between the sale and production of steers and heifers because the finish rate on steers and heifers is different. Recovery rate on a steer will run as high (in any one steer) as 55 per cent and the recovery rate on a heifer will run in the neighborhood of 45 per cent to 50 per cent, as a rule. So, as a rule, there may be a 10 per cent difference in the amount of that animal you can put on the shelf as a finished meat cut product. In many instances, the price differential is 20 per cent and 25 per cent when the price goes on the shelf from what is paid the producers. There is some intention here to try and hope that meat packers and packagers and retailers will, somehow, be held a little more responsible for the sale of that product in Canada than they have been in the past, and that people, in fact, will not pay the 20 per cent more for a cut of meat off the heifer than they would for a similar cut off the steer. We hope that, if these measures are adopted at the federal level, they will go some ways towards making it a little more meaningful return to Canadian cattle producers, and hopefully giving the Canadian public a little better product at a little better price.

SOME HON. MEMBERS: — Hear, hear!

MR. KATZMAN: — I'd like to, if I may, ask two questions of the mover of this motion. When you say date, are you referring to the packaging of it or the killing of it?

MR. WIEBE: — Mr. Chairman, if I may be allowed to answer the member's question. It will be the date that the animal was killed which would apply in this particular case, which I think is understandable.

Motion agreed to.

MR. R.A. LARTER (Estevan): — Mr. Chairman, I would like to ask the minister, are there certain states in the United States that have consumer protection where if you go into a restaurant and they advertise western beef and if you prove that it's not western beef, it's Australian beef, they seem to be doing a lot of suing. Is there anything in our consumer protection that's equal to this in Canada or Saskatchewan?

MR. WHELAN: — My officials tell me in answer to your question that this kind of advertising is under the federal legislation. If we had a Trade Practices Act as they have in Ontario and British Columbia, we think we could do something about in Saskatchewan, but we don't have that kind of legislation here. The actual advertising

comes under the federal Combines Investigation Act.

MR. LARTER: — Just one more question, Mr. Chairman. I meant to ask the minister, it should have been asked back under Licencing and Investigation and I missed part of it and now under Planning and Policy though, under the Warranties and Consumer Products Bill that was passed last year, are these two people back in, the two extra people, are they there to administer this Act?

MR. WHELAN: — In answer to the question, one is working specifically on warranties and the other one is to assist in the heavy load of licensing and investigating. Those are the two people. One is warranties and the other is licensing and investigating. They are the only two additions.

MR. LARTER: — Mr. Minister, do you find that this act has stirred up much agitation, are there many people using this act? Do you have a record of the number of complaints last year under this act?

MR. WHELAN: — There have been according to our records 67 complaints and it only applies to the legislation after it was proclaimed in November, so there are 67 complaints in this area since that time. But I think mainly, the reason for the attention and the reason for the acceptance by the public is the intensive work that was done by our department in meeting Chambers of Commerce, consumer groups, the advertising, the booklets there is a booklet for the consumer and a booklet for the retailer and wholesaler and I think the work that was done in that area, all the information and the program was excellent and we haven't had the problem that was anticipated and yet we think the public now knows what their rights are under the Warranties Act.

MR. LARTER: — Mr. Chairman, do you find that your complaints are up over last year? Can you tell before the act was introduced, are there more complaints now than there was before?

MR. WHELAN: — I'm told that the complaint area before the legislation and after the legislation is about the same. But the requests for information are away up. We get a large number of requests for the booklet or the pamphlet and so forth. Yes, the inquiries for information under the warranty thing is quite high as a result of the advertising, just asking for information.

MR. LARTER: — Mr. Minister, I would like to ask you if you monitor goods that have been taken off the market because they are afraid they won't be able to meet the standards and has this changed the pattern of goods that are being introduced, cheap items on the market that people are afraid to warrant.

MR. WHELAN: — We have no evidence of that. We have spent a lot of time meeting people who are concerned and talking to them and explaining the legislation. As a matter of fact earlier before you came into the House I outlined to someone that we were meeting a group of automotive people in the next week or so and we've done this continuously, steadily. It's a part of the program and we think it works well.

MR. LARTER: — Just one last question. These people that you are meeting with still fear that this Consumer Warranty Act is I think going to end up costing a lot of people more money than if the act wasn't in place. If the person is dealing with a reliable firm and with reliable products I wonder if this isn't the person you are going to hurt if you are

going to cause agitation to this person as well.

MR. KATZMAN: — Well, the Attorney General is in a hurry. Let's get at his estimates. Don't just sit there and keep yelling. Let's go. The minister made one comment earlier about product testing. Have you been involved with the massive Christmas toys and so forth testing or just passing on the results of other tests?

MR. WHELAN: — The only product testing of toys that we know of is done by the council, the toy manufacturer's council and we make the information available that they provide to anyone who wants it. That's the only way that we are involved in toy testing.

MR. KATZMAN: — Could you make available to the House that list and make sure the Attorney General has it, so he has something to keep himself busy? He'll know what toys are safe to play with.

Item 4 agreed.

Consumer Affairs, Vote 4 agreed.

The Committee reported progress.

SECOND READINGS

HON. MR. A.E. BLAKENEY (Premier) moved second reading of Bill No. 30 — **An Act to amend The Legislative Assembly Act.**

He said: Mr. Speaker, on February 5, 1976 the Lieutenant-Governor in Council issued an Order No. 17776 authorizing us, the Executive Council, to appoint a committee to review the services facilities of perquisites and allowances and salaries of the members of the Legislative Assembly, the Speaker of the House, the Deputy Speaker, the Leader of the Opposition and the leader of the third party. Members will recall the agreement that we proceed on this basis. This committee was in due course appointed and comprised of a chairman, Mr. Justice E.M. Hughes and other members Judge Raynell Andreychuk and Mr. Charles S. Mitchell. Under the chairmanship of Judge Hughes the committee was directed to devise methods of adjusting allowances and salaries and to submit recommendations to the Cabinet.

The committee recommended the need for expansion and increases in the role of remuneration of members of the Legislative Assembly for a number of reasons. It perceived an increase in the MLA's workload, a trend towards membership as a full time vocation, constituency work as a year round undertaking, it conceived that members averaged two monthly visits to Regina on constituency business, that some MLAs were supplementing present remunerations with personal funds, that remuneration to Cabinet Ministers, MLAs, the Opposition Leader and the third party leader would be third lowest in Canada and that remunerations to the Premier was the lowest. The committee submitted its first interim report on August 14, 1976 and its second interim report on August 18, 1976 and you will recall that we have acted on a number of those. We considered the bulk of the recommendations of the first report in the 1976 amendments to The Legislative Assembly Act. The present bill, Bill 30, represents the government's further action to ask this Assembly to follow through on the remaining recommendations of the first report and the further recommendations outlined in the second report, sections 4.5 and 6 of the bill do not strictly refer to matters considered

by the committee. I will touch on those in a moment.

Section 2 of the bill attempts to allow rural members the convenience of individual telephones to permit privacy when talking with their constituents. The Hughes Committee considered this recommendation but did not feel that the demand from the members was sufficient to warrant an amendment. Since the committee did not have an opportunity to consult the members in detail and since a number of our rural members particularly, have raised this matter with us, the government felt that the amendment was still left to be considered and we decided to put it before this Assembly.

The government feels that there is a need to provide individual telephone service to rural members with no construction costs accruing to them. The amendment provides that a member cannot be disqualified as a member of the Legislative Assembly for accepting reimbursement from Sask Tel for the construction of the individual telephone line or for accepting the construction of said service at no charge. This will permit Sask Tel to initiate a program to provide private line service to a member's constituency residence at no cost to the member for such construction.

May I say that the government does not have a strong view on this as a government but we feel that it is a reasonable thing for us as a Legislature, to provide to rural members.

Section 3 is a direct implementation of a recommendation of the first report of the Hughes Committee. The committee recommended that the Speaker of the House receive a \$35 allowance for each day he attends to his duties of his office — between sessions, more than 15 kilometres from his home. I think we have translated miles into kilometres but in all other respects it is a straight implementation of the Hughes Committee report. Whether or not the \$35 figure is the right figure we can perhaps consider in committee. It is the one recommended by Judge Hughes, Judge Andreychuk and Mr. Mitchell.

Sections 4 and 5 are not dealt with by the committee. They represent a clarification of the payment of allowances and grants to the Leader of the Opposition and the leader of the third party and to the Premier in the event of a change of government. There is a curious anomaly in the statute as it now stands. The statute now provides, curiously enough, that the Leader of the Opposition shall be paid as Leader of the Opposition up until polling day, and thereafter, if there is a change of government the person who then becomes Leader of the Opposition shall be paid in that office. It however, in The Executive Council Act, provides that the person shall be paid as Premier while he occupies that office. You see a little anomaly there because . . .

MR. McMILLAN: — . . . your demise?

MR. BLAKENEY: — Well, not particularly. If I were preparing for my demise I would leave it quite as it is. In 1971 when there was a change of government, the act, because of this anomaly, provided that the Leader of the Opposition, soon to become Premier, stopped getting paid on polling day and didn't start getting paid as Premier until he was sworn in seven or eight days later, whereas the person who had been Premier was paid as Premier during this period and also as Leader of the Opposition during this period. This was a matter which was adjusted by agreement. I don't know what was the degree of legality, by paying the then Leader of the Opposition that salary until he was sworn in as Premier and the Premier until he ceased being Premier, which is the sensible arrangement and which is being enacted here in this legislation. This is correcting a mere anomaly in the current legislation.

Section 6 was also not dealt with by the committee but the government felt that the equal distribution of the allowance to opposition whips should be provided for in the act in the event of a tie in the opposition.

The matter of a tie in the opposition was dealt with in so far as the Leader of the Opposition's salary was concerned, and the leader of the third party's salary, and was dealt with respect to the grants for their offices but through some oversight, the matter of the whips was not dealt with. In order that the two salaries for whips might be pooled and divided, this section provides that that be done.

Section 7 provides for a two-cent per voter increase in members' communication allowance in order to cover the recent two-cent increase in postal rates. Establishment of the communication allowance in the place of the postage allowance was recommended by the Hughes Committee and was adopted in 1976. The committee did not recommend this specific increase which we are now suggesting since that increase had not come about when the Hughes Committee sat but the logic, I think, is consistent with their committee and it seems to me reasonable that now that postage rates have gone up, we increase the communication allowance by that amount so that the same number of communications approximately, can be set out by any hon. member.

Section 8 implements two recommendations of the Hughes Committee. Section 8(a) provides for an increase in the per diem allowance for members serving on committees between sessions from \$35 to \$60. This was recommended in the second interim report of the committee.

Section 8(b) allows for a constant rate per mile for travel between a member's constituency and Regina. This deals with an ambiguity where interpretation of the present act is concerned. The present act provides that members shall be paid a mileage allowance similar to that provided in the regulations under The Public Service Act. The regulations under The Public Service Act provide a mileage allowance for the first number of miles and a declining rate as the number of miles increases. Since the declining rate would affect a relatively small number of members and since it will lead to unnecessary complications, considering the amounts involved, the act suggests that we use the initial block rate in The Public Service Act regulations to remunerate members. It may indicate a very, very modest increase to members who are driving long distances, but it will save them keeping track of whether or not they are going from one block to another.

This was recommended in the first report as a means of eliminating discrimination against members who live a considerable distance from Regina and as a means of eliminating a measure of red tape which is not justified by the savings which would be involved.

Section 9 determines when the various provisions of the act will come into force. The act comes into force on the day of assent with the section dealing with whip's allowances being retroactive to November 15, 1977, in order to apply to the 1977-78 session, and I believe that is in order. We will need to check the records to see what was done with respect to the session last fall. The proposal was prepared before we terminated last fall's session and there may be a necessity of checking that very small point. The section dealing with communications expense is retroactive to April 1, 1978, a few days ago, since that simplifies the calculation to make it effective for the fiscal year. In other respects the matters would come into effect on the day of assent.

As it will be clear from this explanation, Mr. Speaker, the changes are of a housekeeping nature. They seek to enact provisions recommended to us by the Hughes Committee, except where I have indicated. They are things which the government believes are desirable. If honorable members feel that there is reason for varying any particular provisions, we are more than willing to consider proposals which honorable members might put forward. Very clearly, this is not something which the government takes a firm position on. It is something which all honorable members will wish to consider since it deals with our own remuneration, always a difficult area for us in this Legislature. We welcome any contributions or suggestions that honorable members may wish to make in committee. With that explanation, Mr. Speaker, I move second reading of Bill No. 30, An Act to amend The Legislative Assembly Act.

MR. KATZMAN: — Before the Premier takes his chair, will he answer two questions for me? The first question is, is there consideration of a formula rather than 2 cents each time the — was that considered on the mailing?

MR. BLAKENEY: — We didn't consider that. If we could come up with a formula, obviously it would be better than amending it each time since postal rate increases seem to be with us and we could perhaps look at that.

MR. KATZMAN: — The second question is on the telephone, the date effective, I assume, is the date the bill is passed? Are you not going back to your original suggestion that Mr. Speaker sent letters to all the MLAs about originally?

MR. BLAKENEY: — Yes; the act doesn't fully cover the policy. The policy will be that Sask Tel, if we agree, that Sask Tel will install these phones, and where somebody has already installed the phone, will be reimbursed. While the reimbursement cannot take place until the act is passed, the act contemplates both providing telephones in the future and reimbursing members for past telephones.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I would like to make a few comments on behalf of the Liberal Opposition. First of all, I have certainly no area of disagreement with Bill 30. In fact I have found that in most cases when legislation is introduced in this Assembly which affects individual members all governments of all political stripes are normally overly-cautious and in most cases are never out of line of what is really the public interest or for the good of the members of the Assembly. I would think that these particular amendments, even though most of them are housekeeping in nature, some have a bit of a variance, are certainly of that nature and I am sure that all members will endorse them and I think the general public of Saskatchewan will also endorse them.

However, I do have one feeling that is contained in the general attitude of the Assembly in Saskatchewan in relation to changes affecting individual members and I honestly believe that it is time that this Assembly matured to the degree that it has matured in Ottawa. Things that affect individual members of the Assembly, irrespective of political party or government or opposition, that there should be a degree of consultation or a mechanism whereby all parties would have an opportunity to discuss and have an input into these changes. In saying that I refer to election expenses, I refer to boundary changes, I refer to any financial matters affecting individual members and, of course, I think that the theory in Ottawa and the theory in most Houses is that this is not a government matter, that this is an Assembly matter and basically there is a fundamental distinction between what is contained and the responsibilities of the Assembly as

regard to the responsibility of government.

I would like to see (and as I said - honestly) that I think the Premier and the government would be very, very wise in developing an all-party device of input and consultation in regard to all matters that affect us as individual members of the Assembly and of course affect the work that we do and method and manner by which we get elected and how we get paid, what are our pensions. Of course we attempt to do that in some ways by the appointment of independent committees such as the Hughes Committee where we all get inputs. This is not intended as a criticism of the present government because I think you could go back to our government and all governments, and I think we have had a progression of a little more maturity in the handling of these kinds of problems as the years progress.

I tell some people that when I first became involved in Liberal politics that they wouldn't even let the opposition to the government in the Legislative Assembly Building. I don't know how many of these members would believe that, but the Liberal office was down in the McCallum Hill Building and the Leader of the Opposition couldn't even have an office in this building. That's how the growth and the progression to maturity come about. I suppose it was Tommy Douglas who first made the initial change that permitted the Opposition to become a fundamental part of government in Saskatchewan and at least let us have an office. But I only use that as an illustration of the fact that we have progressed and matured in wisdom in relation to dealing with ourselves and I would like to urge the Premier and the government that when changes of this kind come up that are going to receive general acceptance, that all parties should have an opportunity to make an input and I broaden it out beyond salaries and allowances and so forth to include anything that involves us as members of the Assembly rather than members of the government.

I do urge that consideration upon the Premier. I am sure that it would pay off in rich dividends to him and to all members of the Assembly, not only at the present time but in the years to come.

MR. R. KATZMAN (Rosthern): — Mr. Speaker, all I was going to ask and make one statement . . . as I said to the Premier earlier, would he accept a formula and in Committee of the Whole I would like to bring a formula so . . . I have been here three years and we have changed this three times - the mail allowance, so that we can make it easier.

MR. J. WIEBE (Morse): — Mr. Speaker, just a few brief comments in regard to this particular legislation. Let me say at the outset that I, too, join with the Premier and the member for Indian Head-Wolseley in support of this particular bill.

Let me talk briefly in regard to telephones, just to say how imperative it is that rural members serving rural constituencies do have access to a private line. This is something that I think is very imperative. I believe it is important that an MLA treat his constituent's problems in confidence. The majority of the people I know in my particular case, just automatically take for granted that I do have a private line, which I don't, and when the constituent starts to explain his problem to me I explain to him at that point in time that I do have a rural line, at which time arrangements have to be made in which I can go to a private line to phone him back, or in effect drive out to see the individual constituent. I believe it is very imperative that MLAs do have private lines.

Basically the lines are not for their convenience. The lines are for the convenience of the constituents and the members who they represent.

While I am talking about telephones I concur, as well, with the fact that a raise was made in regard to mailing privileges. I would like to suggest some discussion between all members of the House in regard to the allowance for telephone long-distance calls. We could probably discuss it prior to Committee of the Whole with the view of possibly making some amendments at that particular point in time. Our present allowance was increased from \$600 a year to \$800 a year. I know there are probably more members in the Assembly than myself who, a couple of months ago or a month ago, have reached that maximum of \$800. It does not apply, so much, in terms of city members but it certainly does apply in terms of rural members. Telephone rates have gone up slightly so I think that there would be justification there, as well, for probably looking at and raising that a further \$200 to \$1,000 a month.

Another area of concern I would like to throw out to all members to consider is in regard to the expense allowance that is being allowed to committee members, increasing it from \$35 to \$60 a day. I have no hesitation there whatsoever. I think what we should try to do is try to be a bit consistent in this regard. Maybe we should be taking a look at increasing the members' expense allowances for the session. I think, as well, in terms of going through various sections of the act — I see section 23(a) where there has been a slight increase or recognition made of Speaker's expenses when he does come to Regina in terms of government business. This has been left at \$35, while I understand committee members receive \$60. I would suggest that this is something that we should be looking at prior to Committee of the Whole. Maybe if all parties feel the same way that I do possibly recommendations or amendments can be made at that time.

MR. LARTER: — Mr. Chairman, just a couple of words.

We concur with this Bill 30. There is one comment I would like to make. I have been vocal about the members that live quite extra distances compared to myself — 125 miles. These people drive all day and spend a lot more time away from home, really, especially in their off time. I think that there could even be further leeway on these far northern members. I am glad to see that you are leaving the gas mileage the same. I think, that in the future, something in the way of further consideration has to be done here. That may sound funny coming from me but I really believe this has to happen because they do spend a lot of their own time on the road.

Motion agreed to and bill read the second time.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 24 — **An Act to amend The Court of Appeal Act.**

HON. R. ROMANOW (Attorney General): — Mr. Speaker, the amendment to The Court of Appeal Act was required to allow an increase in the number of judges to the Court of Appeal in the province of Saskatchewan. The present court is composed of four judges and the chief justice of the province of Saskatchewan for a total of five. There has been no increase in the number of judges for over 50 years and the present workload demands an increase.

The same wording, as is used in the amendment, is used in The Queen's Bench Act to allow the Lieutenant-Governor in Council to increase or decrease the number of judges of the court. This will allow the creation of two panels of the court to sit at the same time

when the workload of the court demands it.

Mr. Speaker, I move, second reading of Bill No. 24.

MR. WIEBE: — Mr. Speaker, I realize that there probably won't be too much discussion in second reading on this particular bill. I would like to allow our critic for the Attorney General to make a few comments in this regard and ask for leave to adjourn debate.

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill 25 — **An Act to amend The Queen's Bench Act.**

MR. ROMANOW: — Mr. Speaker, The Queen's Bench Act amendment, by adding paragraph 24 to section 45, will permit a so-called plan holder of a registered home ownership savings plan or a so-called contractor holder of an income averaging annuity contract to designate a beneficiary to receive any payment thereunder in the event of the death of the plan holder or contract holder under such plan or contract.

Presently this cannot be done, notwithstanding the Income Tax Act of Canada, permits the same for the reason that a designated beneficiary who is a third party to such a plan or contract would have in law no enforceable right thereunder without statute law providing for the same.

The proposed amendment will overcome the rule that two parties may not contract for the benefit of a third person in such a way to give to that third party enforceable rights.

By the designation of a beneficiary under a registered home ownership savings plan or income averaging annuity contract, any moneys paid thereunder in the event of the death of the plan holder or contract holder would be paid directly to the designated beneficiary and would not form part of the estate of the deceased. The designation of a beneficiary under a registered home ownership savings plan is limited to designating a spouse only for the reason the Income Tax of Canada Act for income tax purposes recognizes only a payment to a spouse in the event of the plan holder's death as exempt from tax in such case . . . (Whoever wrote this speech deserves a medal.)

Mr. Speaker, finally, in event in general, the effect of this amendment is that for personal estate purposes it will provide greater freedom to persons who have interest in registered home ownership savings plans or income averaging contract. I move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — Mr. Speaker, the Attorney General in moving this particular bill had a difficult time in understanding his own speech. I found it even more so. I am going to really study the comments made in that particular address and beg leave to adjourn debate.

Debate adjourned.

HON. G. MacMURCHY (Minister of Municipal Affairs) moved second reading of Bill No. 26 — **An Act to amend The Research Council Act.**

HON. N. VICKAR (Minister of Industry & Commerce): — Mr. Speaker, I would like to speak for a few moments, this evening, about Bill No. 26, which will amend The Research Council Act.

This government places great importance on the role of research and development to bring about the fullest social and economic benefits of resources that this province possesses. One of the prime vehicles to achieve this has been the Saskatchewan Research Council.

The Saskatchewan Research Council was first established in 1947. The Act was amended in 1954 to establish the Council on a broader financial basis and to enable it to conduct its own research for both public and private sectors.

Today, it is a modern research agency, complete with laboratory and testing facilities. The Council presently employs 120 full time staff and is supported through a grant of \$2,575,350 by this government. Its current research and development program falls into five following broad areas — Chemistry Division, Engineering Division, Geology Division, Industrial Services Division and Physics Division.

In addition to undertaking medium and longer term research projects, each of these divisions plays a consultive and advisory role to private industry and a number of federal and provincial agencies. As well, the Council assist both universities with grants in aid to assist graduate students to prepare for careers in scientific and industrial research and to create interest in the application of science and technology to the development of this province.

MR. SPEAKER: — Order, order! There seems to be some fire in the Chamber somewhere. Oh, I think it is under control.

MR. VICKAR: — Mr. Speaker, I thought for one moment that my speech was so hot that it was burning and I wasn't quite so sure.

The Saskatchewan Research Council is now playing a much greater developmental role than it did in 1954. The amendments proposed in Bill 26 will accommodate the current scope of Council's activities and allow it to meet the new demands for its services from both public and private sectors.

Therefore, Mr. Speaker, I propose an amendment to Bill No. 26.

MR. LARTER: — Mr. Speaker, we have much consulting to do with our research people and I beg leave to adjourn the debate.

Debate adjourned.

HON. W.A. ROBBINS (Minister of Co-operation) moved second reading of Bill No. 31 — **An Act to amend the Superannuation (Supplementary Provisions) Act, 1977.**

He said: Mr. Speaker, this bill, Bill No. 31, deals with providing additional pension funds to those persons already on pension from the public service of Saskatchewan and is similar to previous amendments of bills that we have had over a number of years. If you look back at the statistical record you will find that from July 1, 1965 on, that each year in 1966, 67, 69, 70, 72, 73, 74, 75, 76, 77 and again this year there have been additions to the pensions of those persons already on pension, the theory being of

course that you are offsetting the inflationary trend to some degree and giving some assistance to those people who are suffering loss of purchasing power to the inflationary trend.

There are some 2000 people on pension from the public service of Saskatchewan and if they have been on pension for a long period of time they are obviously subsisting on relatively small pensions. So these adjustment, although they are not large, have been of some assistance to them down through the years.

I would point out to the members of the Assembly that if you look at the subsidies that have been paid to the pensioners over that period of time, they amount to a figure of \$2,824,000. I want to stress that pensions do not create inflation and cannot solve it. In the final analysis the fact of the matter is, if we do have an inflationary rate in the double digit range there is little doubt that it will destroy pensions as we currently know them, if that type of inflation is in effect for a very long time. There is simply no way we can devise a system that people can provide (in terms of the people currently working) sufficient funds to not only provide for their probabilities of pension in the future in relation to inflation and go back and carry the people who are already pensioned, the load would become horrendous. The fact of the matter is that with a falling birth rate and an increasing longevity of life, we currently have about seven workers in the work force for each pensioned person and after we pass the next turn of the century we will be down to roughly three people in the work force for each pensioned person.

This is not a complete answer obviously. It is a means of ameliorating the circumstances in relation to the inflationary trends. We have followed the practice that we have followed for the last four years in voting a sum of money through a bill, which will pay a pensioner a certain sum per month for each year of service. We have avoided going to a percentage increase because obviously if we do that, we are very much increasing the person who happens to be on a relatively good pension. I will give you one or two examples to illustrate that. For example, if the money last year that was utilized, a total of about \$515,000 to assist those people already on pension, had been allocated on the basis of say, 7 per cent to the individuals, the individual at the bottom on a \$3,000 a year pension would have gotten an increase of \$210 per year. The individual at the top who maybe had a pension of \$12,000 a year would have ended up with a pretty substantial increase in the range of \$1,000 a year. So what we have done is, we have used a flat rate related to the actual years of service and this example will illustrate it. If you take the person who had a pension of \$3,000 a year ago, that person received \$12 per month times each years of service. Assuming that person had 35 years of service that person got an increase of \$420 per annum or \$35 a month. That \$420 increase on the \$3,000 pension worked out to a 14 per cent increase that year. By using those tactics we were able to protect at least some reasonable degree against an inflation rate which is running around 9 per cent to the person in that particular category.

If you use the second example, an individual who had a \$6,000 income or pension, and that person had 35 years of service, they also go a \$12 per month per year of service increase or \$420 a year and the \$420 computed on the \$6,000 a year pension provides a 7 per cent increase.

If you go to the person on a \$12,000 a year pension and we do have some of them in that category, then the \$420 increase, again assuming 35 years of service, and again using the \$12 per month per year of services increase worked out to \$420 for that person, an increase of 3.5 per cent. Because the inflation rate was higher this year than

a year ago we made some provision to increase that amount in the amount being added to the pension this year. So if you go back to those three examples, the person who had \$3,000 two years ago and got a \$420 increase last year to \$3,410 will get \$14 per month, per year of service. Fourteen times the 35 years will give you \$490 per annum increase. Add the \$490 to the \$420 and you will have \$3,910 per annum payable to that person, who two years ago was getting a pension of \$3,000.

I don't think that anyone would suggest that that's a complete solution but it obviously assisted that person to an appreciable degree in terms of the inflationary trend.

If you go to the second example — the individual had \$6,000 per year pension two years ago. You add the \$420; you add another \$490 and that person is up to \$6,910. The \$910 increase in the two year period related to the \$6,000, of course, percentage wise is appreciably smaller than the amount for the individual on the \$3,000 base but we think that is logical in terms of meeting the needs of those people.

If you go to the person on the \$12,000 level, who got a \$420 increase one year ago, another \$490 added on now, that person will then be to \$12,910. It is obvious to members of this Assembly, Mr. Speaker, that the increase percentage wise for that person is appreciably below the percentage increase the individual on the \$6,000 pension got and, again, appreciably below the percentage increase that accorded the \$3,000 level.

In our view that makes sense. Now we have had some representations, I must tell the members of the Assembly, from people on the higher pensions claiming that they are losing ground and to some degree that is true. We admit that. We did have a representation, this year, asking us to consider paying the flat rate grant across the board for half of it and using the other half on a percentage basis. We may come to the day when that may have to be done but we think it is still logical and reasonable, on the basis of the needs of the person at the bottom and the obvious impact inflation has on that person, to utilize this approach again this year.

I haven't got the long notes with respect to this bill and there is reason for that — there aren't any. I just went out and checked in the Assembly Office. I was looking and I had 30 and 32 but I didn't have 31.

So I think with that explanation this is basically what the bill does. In addition, you will realize, of course, that widows get half of that allowance because it is based on the 50 per cent that is payable to the individual pensioner. I know there will be some people who will criticize that and say, well for example in The MLA Pension Act, you give 60 per cent to the widows instead of 50 per cent. But there are differences.

People in the public service — if a widow is drawing a pension and she remarries she continues to get her pension. If a widow of an MLA remarries the pension ceases. The assumption is, I guess, that the MLA will earn enough to keep her.

With those few words, Mr. Speaker, covering this particular bill, I want to point out and stress again that it is necessary because of the inflationary trend to do something for these people who are on pension otherwise they are caught with depreciating dollars in terms of purchasing power and on that basis I would like to move second reading of this particular bill.

MR. W.H. STODALKA (Maple Creek): — Mr. Speaker, before I adjourn the debate,

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certainly we have an appreciation for the fact that people on fixed incomes have a difficult time particularly when pensions were fixed a number of years based on salaries that are not comparable to today's level and certainly also for the fact that people at the lower level have a more difficult time when you start percentage increases. Some provisions probably have to be made to take care of that and with that I would like to adjourn debate.

Debate adjourned.

The Assembly adjourned at 9:35 o'clock p.m.