

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**March 26, 1979**

The Assembly met at 2 p.m.

On the Orders of the Day

**WELCOME TO STUDENTS**

**MR. W.E. SMISHEK (Regina North East):** — Mr. Speaker, I would like to introduce to you and to the members of the legislature a group of 30 Grade 8 students from the Dr. Hanna School which is located in Regina North East. They are accompanied here by their teacher, Mr. Fred Short.

On behalf of all members of the legislature, I extend to all of the students a warm welcome to the legislature. It is my hope to be able to meet with them shortly after 2:30. Perhaps the students may have some questions of me. I do hope that their experience this afternoon will be of benefit to them, particularly in their social studies.

On behalf of all members of the legislature, I extend to them a warm welcome.

**HON. MEMBERS:** — Hear, hear!

**MR. W.J.G. ALLEN (Regina Rosemont):** — Mr. Speaker, I too, have a group of students that I would like to introduce to the legislature this afternoon. They are 45 in number from Wascana School in the Rosemont constituency. They are accompanied today by Mr. Kuyat and Mr. Barlow and they are seated in the Speaker's gallery.

I might point out to the members of the House that Wascana School is on the border between Regina Rosemont constituency and Regina Elphinstone constituency, and many of the students here today live in Premier Blakeney's riding. He asked me to extend to you his regrets that he is not able to meet with you today as he is at a Premier's conference. The western premiers are meeting in British Columbia today, so he is unable to be with you.

I am sure all members join with me in welcoming the students to the legislature, and hoping that their stay here is both interesting and informative.

**HON. MEMBERS:** — Hear, hear!

**INTRODUCTION OF GUESTS**

**MR. R.L. COLLVER (Leader of the Opposition):** — Mr. Speaker, it is a great pleasure for me to introduce two Members of Parliament who are visiting in Regina and Saskatchewan today. First of all, the Hon. Alvin Hamilton, a member of the Privy Council and the Member of Parliament for Moose Mountain, and Mr. Doug Neil, Member of Parliament for Moose Jaw.

It might interest you to know that today is the anniversary, Mr. Speaker, of the 39th year in parliament for Mr. John Diefenbaker. I'm sure all members of this Assembly want to extend our best wishes to Mr. Diefenbaker and to hope that he spends another 39 years in the Commons in Ottawa.

**HON. MEMBERS:** — Hear, hear!

## QUESTIONS

### Resource Industry Ownership

**MR. R.L. COLLVER (Leader of the Opposition):** — Mr. Speaker, I would direct my question to the Provincial Secretary (Mr. Cowley). During a speech, I gather, the minister gave in Moose Jaw, it is reported that he said, and I quote:

The most serious problem with the resource industry is that it is foreign owned, and it is his experience at the provincial level that Crown corporations are the best way to change that and regulate the industry generally.

Did the minister, in fact, make that statement and if so, is he expressing the views of the Government of Saskatchewan?

**HON. E.L. COWLEY (Provincial Secretary):** — Mr. Speaker, I don't recall exactly the comments I made but I believe they were along the lines that I felt Crown corporations were one way of overcoming the problem we have in the resource sectors of the domination of foreign ownership.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — That statement, I think, I can assure the Leader of the Opposition reflects, in part at least, the policies of this government.

**MR. COLLVER:** — Let me direct a supplementary question to the minister, Mr. Speaker. I gather then, that he also stated that he and his government were entirely in favour of Petro-Can the Crown corporation created for the oil industry at the Canadian level?

**MR. COWLEY:** — Well, Mr. Speaker, I don't mind commenting on that. I think this government certainly is in favour of the concept of a federal Crown corporation being involved in the energy field. I don't think this government or myself, for that matter, are perfectly happy with all of the things that Petro-Can is doing. Indeed I think our concerns are more with many of the things they are not doing which they should be doing.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — I did say, however, Mr. Speaker, that I was very unhappy with the stand taken by the Conservative Party of Canada in opposition to Petro-Can. I also indicated that I was unhappy with the present leadership in Ottawa with Prime Minister Trudeau whom I said, I believe the words were, deserves less to be re-elected than any other Prime Minister in Canada. I said it was unfortunate for our country that the Leader of the Opposition deserves less than any Leader of the Opposition in the past to be elected as Prime Minister and that offers . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SPEAKER:** — Order, order.

**MR. COLLVER:** — Final supplementary, Mr. Speaker. I gather that the member was attempting to answer my question . . . (inaudible interjection) . . . Well, I'm glad that he was reflecting. Mr. Speaker, I'm glad that the member was reflecting the views of all of the members opposite and of the Government of Saskatchewan in those statements and in the statements that he was going to support Mr. Trudeau rather than Mr. Clark . . .

**MR. COWLEY:** — I didn't say that!

**MR. COLLVER:** — Well, that's what is reported. Mr. Speaker, my supplementary is quite simply this: If the NDP Government of Saskatchewan supports Petro-Can, if it support a further incursion into the oil industry in Canada, if it believes as the minister has today stated that Crown corporations . . .

**MR. SPEAKER:** — Order, order. I'll take a new question.

**MR. COLLVER:** — New question, then, Mr. Speaker. Are you recognizing me, Mr. Speaker?

My question quite simply is this: How does the Government of Saskatchewan reconcile its view that the province should control the resources of our province and control our oil resources with the view that Petro-Can, a Canadian corporation, in the words of the minister himself, who can control and regulate the industry . . .

**AN HON. MEMBER:** — What's your question?

**MR. COLLVER:** — My question, Mr. Speaker, has been stated. How can the government reconcile between control of resources by the province and an ever-expanded, ever-increasing role for Petro-Can in the oil sector of our economy?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — Well, Mr. Speaker, in response first of all to one of the member's comments, I did not say I preferred Mr. Trudeau to Mr. Clark. I would prefer not to have to make that choice. Secondly, Mr. Speaker, I think one can reconcile the control by the Government of Saskatchewan of its resources with a federal Crown corporation a heck of a lot easier than it can reconcile the control of our resources 90 per cent or 100 per cent in the hands of foreign owned companies.

**SOME HON. MEMBERS:** — Hear, hear!

### **EMO Prepared for Flooding**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the minister in charge of the environment. On today's news release by the Department of the Environment it warns residents of the river basins to prepare for flooding. I can assure the minister that the Souris Valley is going to flood this year. Can the minister tell this House if the EMO is prepared with sandbags, pumps and other emergency equipment?

**HON. G.R. BOWERMAN (Minister of the Environment):** — Well, Mr. Speaker, I can't answer for the Emergency Measures Organization (EMO). It's not part of the responsibility of the Department of the Environment. The department, as the member has properly stated, has issued a warning and issued a matter of concern for those people living in the drainage basins — the Souris Valley being one of them. With

respect to the activities of the EMO, it's a question which should be referred to the Minister of Municipal Affairs (Mr. MacMurchy).

**MR. LARTER:** — Supplementary, Mr. Speaker. Can the minister tell the House if Boundary Dam and the Poplar River Dam at Coronach have both been lowered to the possible safe point of level?

**MR. BOWERMAN:** — No, I couldn't give the member an accurate answer today, Mr. Speaker, as to the level of water in those two dams but I can indicate (as the member knows) that both dams have been active in releasing some water, in order that they may allow for the catch up rather than the flash flooding that would take place otherwise.

**MR. LARTER:** — Final supplementary, Mr. Speaker. Is your department either through the hydrology branch or strictly as PR (Public Relations), keeping all of the people of these flood prone areas warned daily, or even hourly at this time?

**MR. BOWERMAN:** — No. We haven't begun to do so. There is no flooding taking place and certainly will not take place until at least there is some warmer weather in the province. The extent of the flooding will not be determined until at least the snows begin to quit falling and one is able to measure the extent of the flood damage or the potential flood damage. All we have done is issue a general statement of concern for people living in the flood prone areas to be alerted that there is sufficient snowfall to create a flooding situation if the weather is favorable to that kind of a condition.

### **Action Against Farmers Draining Own Property**

**MR. G. MUIRHEAD (Arm River):** — Mr. Speaker, a question to the Minister of the Environment (Mr. Bowerman). Is it the Department of the Environment's policy to take action against farmers who wish to conduct drainage on their own property?

**MR. BOWERMAN:** — Well, no. The Department of the Environment has really no interest in an individual draining water from one pothole to another on his own property. The concern is when he drains that water onto somebody else's property. Then it comes a matter for civil action. No one is permitted to construct drainage ditches that permit flooding or drainage onto another person's property.

**MR. MUIRHEAD:** — Supplementary, Mr. Speaker. I'll put it this way. Has the Department of the Environment ever taken any action against farmers to restrict them from draining water on their own farmlands, for example, on their own land from one slough to another? Also, is it a requirement that a farmer obtain a permit or approval from the Department of the Environment to drain water to a natural waterway, such as a coulee? In other words, can he restore a natural waterway which existed prior to the dirty thirties when these so-called runways filled full of sand? This is what I'm saying, Mr. Minister. There have been complaints from people on where you draw the line on what's a natural runway and what is not.

**MR. BOWERMAN:** — Well, Mr. Speaker, I wouldn't be able to give a satisfactory answer to the member simply because I would have to know the specific situation. There's no way an interpretation of a drainage basin or a drainage area or an area which may at some period in history been a minimal water course — no way of identifying that without some engineering being done on that specific project. There are provisions in the Department of Agriculture and with the knowledge and assistance of the Department of the Environment where drainage districts are established, where

conservation and development areas are set up, and where there is assistance given by the way of grants to those drainage areas and drainage districts to undertake certain drainage. But my comment to the specific question of whether or not a farmer can drain on his own area is that there is no objection raised to that. I'm not aware of any time that the Department of the Environment would have taken action against an individual farmer concerning drainage on his own place. I'm not aware of any action that has been taken by the Department of the Environment where water has been drained onto property of another individual or individuals. That is a matter of civic action which can be taken by the offended persons themselves. I'm not sure that I can give you any more detailed answer as to the identification of water courses or streams or whatever have you.

**MR. MUIRHEAD:** — A further supplementary, Mr. Speaker. It is my understanding that since 1971 this same question has been asked. I should like to ask this question of the minister. When, Mr. Minister, is your department going to enlighten this Assembly on the long-term water drainage study that has been under way since approximately 1971?

**MR. BOWERMAN:** — Mr. Speaker, I am not aware of any study that has been under way since 1971 having to do with water drainage. There are water drainage studies going on. I have had the preliminary report. The final report was to be tabled either at the end of this month or early in the month of April, at which time the government will be giving consideration as to whether it should adopt, or otherwise, the recommendations of that committee. May I suggest to the hon. member, as he well knows, there is no simple answer to water drainage problems in this province. What we will attempt to do is put into play a situation where municipalities, drainage areas, drainage districts, C and D (Conservation and Development) groups and all people interested in a particular drainage area who might have some contribution they want to make, have something to say about it.

### **Workers Laid off at Intercontinental Packers**

**MR. R. PICKERING (Bengough-Milestone):** — Mr. Speaker, I would like to direct a question to the Minister of Industry and Commerce. Is the minister aware that there have been 42 workers laid off at the Intercontinental plant in Regina in the past two weeks?

**MR. N. VICKAR (Minister of Industry and Commerce):** — Mr. Speaker, yes, I am aware that there were 23 people laid off at Intercontinental Packers. This happens to be a recurrence every year or every other year at this time when the industry finds itself in a bit of a slump. It is nothing unusual to lay off these people at Intercontinental Packers because the same thing is applying at Canada Packers and Swift Canadian. Hopefully the situation is only a temporary one and these people will be back at work within two or three weeks.

**MR. PICKERING:** — Supplementary, Mr. Speaker. The minister mentioned a specific slump. Could you tell the Assembly exactly what this slump is?

**MR. VICKAR:** — Well, Mr. Speaker, I don't have any specific information but the information I am getting is that the high price of beef has caused some slump in the retail market and, therefore, the reduction in the production end of it.

### **Reservations in Parks**

**MR. J. GARNER (Wilkie):** — Mr. Speaker, a question to the Minister of Tourism and Renewable Resources (Mr. Matsalla) but since he isn't here I would ask the acting Premier to answer this please. On March 16, 1979 the minister issued a news release:

Beginning March 15 expectant holidayers can start placing reservations for accommodation at the four provincial parks for rental accommodation.

My question is, will the minister please tell this Assembly if this is government policy to let the people know reservations have already been accepted? Who is going to answer it? Mr. Speaker, can I have my question answered, please?

### **Purchase of Hopper Cars by Canadian Wheat Board**

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, it seems rather deplorable we can't get any answers out of this government. Nevertheless, I'll try to get an answer out of the government. I will direct my question to the Minister of Agriculture (Mr. Kaeding), and this will be for the third time that we have attempted to get an answer from the minister so that he might state his government's position, or at least his department's position regarding the purchasing of hopper cars by the Canadian Wheat Board.

Mr. Minister, I had referred you to a news release by the minister in charge of transportation, the member for Last Mountain-Touchwood, where initially in November of 1978, he stated that he was opposed, disappointed the Canadian Wheat Board was purchasing hopper cars. Then, Mr. Speaker, and Mr. Minister, he later changed his position and he said, well, he sees some merit in it.

Now, Mr. Speaker, and Mr. Minister, very simply what we are asking you, again, for the third time today is what is your position as Minister of Agriculture regarding the purchasing of hopper cars by the Canadian Wheat Board?

**HON. E.E. KAEDING (Minister of Agriculture):** — Mr. Speaker, I am happy to answer that question. The minister in charge of transportation was expressing concern, as we all did, over the fact that the Canadian Wheat Board was forced into a position where they had to make some purchases of hopper cars. All of us would have preferred to have the federal government take its responsibility in providing transportation for the grains industry. However, that was not to be, as you found out. We find, in many cases, that we are not able to persuade the federal government to do what we think is right. In view of that, I think, both the minister in charge of transportation and myself have indicated on a number of occasions that, while we would have preferred the other route, in view of the fact that farmers need to move their grain (if they have grain piling up on their farms), the wheat board took the only action which was open to it and that was to try to provide their own cars. We support that action.

**MR. R. ANDREW (Kindersley):** — A supplementary to that question to the Minister of Agriculture. Can the Minister of Agriculture advise this House precisely what is the difference between the Canadian Wheat Board expending a lot of the farmers' money on the purchase of hopper cars? Is that really not the same thing as modifying the Crow's Nest freight rate through the back door?

**MR. KAEDING:** — Mr. Speaker, I think one can recognize it is a contribution to the railway system and thereby it is a mechanism whereby the railway companies are getting an additional revenue because they don't have to put those cars into place. That

is the unhappy part of the whole situation: that the federal government is allowing this to happen. We, of course, can protest all we like, but at this point in time we don't run the federal government and, unfortunately, we can't force them. We can't force them to take the action which we think they should take.

### **Federal Employment and Immigration Commission**

**MR. G. McLEOD (Meadow Lake):** — Mr. Speaker, a question to the Minister of Northern Saskatchewan (Mr. Byers).

Mr. Minister, has your department entered into any agreement with the federal employment and immigration commission, or with any company, which ensures the job information and job listings for northern Saskatchewan will be available exclusively to the employment and immigration office in La Ronge?

**HON. N.E. BYERS (Minister of Northern Saskatchewan):** — Mr. Speaker, I don't know whether it has gone to the point of a formal agreement being concluded. There have been numerous discussions between federal and provincial people in the course of the last two to three months aimed at improving the methods for employing northerners in the numerous job opportunities that are now available in northern Saskatchewan, and I want to assure the hon. member for Meadow Lake (Mr. McLeod) that the federal and provincial people have been working very closely together to ensure that the proper mechanisms are established to employ as many northerners as possible.

**MR. McLEOD:** — Final supplementary question. I'm sure the minister is aware that many people, northerners — and for this purpose, we'll call it northerners within the northern administration district — don't have very ready access to La Ronge and do have access to other centres. I think of Meadow Lake in that sense. Will the minister assure this Assembly and the people of northern Saskatchewan, on both sides of that jack pine curtain that you've got there, that information regarding job listings and job opportunities in northern Saskatchewan will also be made available in centres other than La Ronge?

**MR. BYERS:** — Mr. Speaker, the purpose of the federal people meeting with the provincial people, with respect to the employment of northerners, is to (1) develop the mechanisms to recruit northern people for northern positions, and (2) to identify the training programs that will be required to equip the northern people to take employment in many of the opportunities that are available there. The purpose of the meetings and the discussions is to develop the mechanisms to ensure that the list of jobs and opportunities is available. There are a good many now, and our record in providing those opportunities is a very, very excellent record.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BYERS:** — There are all kinds of opportunities up there now. There are all kinds of projects under way where the percentage of northerners employed is up in the 75 per cent to 80 per cent range. I'll sure give them to the hon. member.

**MR. SPEAKER:** — Order, order!

### **Mandatory Safety Vehicle Inspections**

**MR. D.M. HAM (Swift Current):** — I'd like to direct a question to the Minister in charge of

SGIO (Saskatchewan Government Insurance Office) (Mr. Whelan). Is it true, Mr. Minister, that within the next several months, your government intends to initiate a mandatory system of safety vehicle inspections?

**HON. E.C. WHELAN (Minister of Consumer Affairs):** — Mr. Speaker, I indicated clearly the last time the question was asked that the matter was under careful consideration. We will be making an announcement in due course.

**MR. HAM:** — Supplementary question, Mr. Speaker. Is it not true, Mr. Minister, there's a serious split in the cabinet decision on mandatory vehicle inspections?

**MR. WHELAN:** — I just want to advise the hon. member that there's no contest for leadership on our side of the House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. HAM:** — Mr. Speaker, with the replacement talent over there, I can understand that.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. HAM:** — Mr. Speaker, final supplementary. Would the minister now commit to a specific time we can expect safety inspections?

**MR. WHELAN:** — I just want to advise the hon. member that we don't have a leadership problem. We won the last election, didn't you know that?

As I said, it's under careful consideration and we'll make an announcement in due time.

### **Average Public Service Salary in Saskatchewan**

**MR. P. ROUSSEAU (Regina South):** — Mr. Speaker, a question to the Minister of Finance (Mr. Smishek). Getting back again, to my question relating to the public service salaries to try and get an understanding so that you can understand my question and you get the answer so that I can understand your answer. Would it not be fair to say, Mr. Minister, that to arrive at the average public service salary in Saskatchewan, you would add up the total of the permanent position salaries indicated in your estimates and divide that number of 10,633 as indicated in your budget that is the number of public servants in this province? Would that not be the way to arrive at the average?

**HON. W.E. SMISHEK (Minister of Finance):** — Mr. Speaker, the problem that there is is that in case of certain subvotes as I've already indicated to the hon. member, as an example, in case of health, I refer him to page 52, there are 163 positions listed under Saskatchewan Medical Care Insurance Commission for Administration. The vote is \$4 million. Those are not all salaries. Now, unless the member had the breakdown, it is not available in that subvote. Similarly in the case of the Administration under Hospital Services Plan — 150 positions — the subvote is just about \$3 million. That's not all salary. There are other expenses. So unless that breakdown was given, the answer is no, you can not arrive at a salary taking those subvotes because there are other items in these kinds of subvotes.

**MR. ROUSSEAU:** — Can you provide the figure out of those subvotes to arrive at the



figure, because if you're saying that the \$4 million, for example, on subvote 42 is not all salaries, but other expenses as well, could you provide this Assembly with the salaries out of those subvotes that do not show only salaries.

**MR. SMISHEK:** — Mr. Speaker, when the Department of Health and other departments appear in Committee of Finance the hon. members will be free to ask those questions and get the information of what portion is salary and what portion are other expenses. That's the general rule. Certainly this is not the place to be answering these kinds of questions during the question period.

**MR. ROUSSEAU:** — Mr. Speaker, just one more question. I don't know, maybe this isn't the . . .

**MR. SPEAKER:** — Order.

## MINISTERIAL STATEMENTS

### Peace Treaty Between Egypt and Israel

**HON. W.E. SMISHEK (Minister of Finance):** — Mr. Speaker, I rise to acknowledge an event of historic importance that has taken place today in Washington, D.C. I refer of course to the signing of the treaty of peace between Egypt and Israel. I believe that all members of this legislature, indeed all the people of our province, would wish to associate themselves with this momentous occasion. We are all familiar with the troubled history of the Middle East and the animosity that has characterized the relations between Israel and the Arab neighbors. We have all followed with great sadness and concern the periodic eruptions of war, of border skirmishes, of attack and counter attack, of raid and retaliation. The suffering of the people who live in that troubled area concerns us all.

We sincerely hope that the signing of the peace treaty today will mark the end of those decades of disruption and the beginning of a new period of peace. As politicians we can understand, perhaps better than most, how difficult these negotiations have been. The issues are complex, their respective positions firmly entrenched, public passions highly aroused. That the talks were successful in the end is a tribute, Mr. Speaker, to the great skill and courage of the negotiators. To Prime Minister Begin, to President Sadat and to President Carter, we extend our congratulations and our gratitude.

We must not fail to acknowledge too, the role of Canada's Armed Forces who have served with such distinction in the Middle East. They have done their part to contribute to the conditions which have made possible this first step towards peace. The treaty signed today, is, of course, just the beginning. Many difficult issues remain to be resolved, most importantly, the future of the Palestinian people. But a beginning has been made, a very important beginning.

In conclusion, Mr. Speaker, I wish again to extend my congratulations to Prime Minister Begin, President Sadat, and President Carter and to offer my very best wishes to those who will bear responsibility for building upon this foundation, to secure a comprehensive Middle East peace. I do so, I'm sure on behalf of all the people of Saskatchewan.

**HON. MEMBERS:** — Hear, hear!

**MR. R.L. COLLVER (Leader of the Opposition):** — I move we make it unanimous.

**HON. MEMBERS:** — Hear, hear!

## **SECOND READINGS**

**HON. E. COWLEY (Provincial Secretary)** moved second reading of Bill No. 12 — **An Act to amend The Trust and Loan Companies Licensing Act.**

He said: Mr. Speaker, the purpose of this bill is to clarify the definition of loan company. The present definition gave rise in some cases to interpretation problems. A definition that is not clear presents unnecessary problems to both administrators of the legislation and the business community. These problems are often time consuming and expensive. Members will note that the definition contains no substantive change but is broken down into subclauses and sub-subclauses for purposes of clarity. Although the amendment may appear to be minimal, it is important to the extent that it eliminates unnecessary correspondence, discussion and even litigation as well as, of course, the costs involved in actions of this nature.

Mr. Speaker, I move second reading of this bill.

**MR. BIRKBECK (Moosomin):** — Mr. Speaker, there are a few comments that I want to make on that bill. I apologize to the House that I, at this point, have not had sufficient time to look into the bill. I have a number of bills that are accumulating that I have to research and do studies on. Therefore, Mr. Speaker, I would ask the Assembly if they would allow me to adjourn debate on this. I have been doing some homework.

Debate adjourned.

**MR. COWLEY** moved second reading of Bill No. 13 — **An Act to amend The Business Corporations Act.**

He said: Mr. Speaker, The Business Corporations Act was passed by the legislature in May of 1977. It came into force by proclamation on October 1 of that year. It may benefit new members of the legislature if I mention a new business corporations act was the first major revision of corporate law in Saskatchewan since 1929. The purpose of the new act was to assist small businesses in particular, in the use of the corporate structure, if the owner of a small business was using or wanted to use this vehicle as a method by which to conduct his business.

The act was designed to streamline procedures to provide more protection for the minority shareholders and to dispense with meaningless formalities. The act was providing a good sound and workable law under which corporations whether small or large might conduct business and for this reason has been well received and recognized as good corporation law.

Since the new act came into force there has been an increase of over 25 per cent in the number of new incorporations; 2,438 in 1977 and 3,097 in 1978. Because of extensive changes in the new act, provision was made whereby existing companies did not automatically come under the new act but had to apply within three years time, that is, before October 1, 1980, to be continued under the act. To date some 7,700 companies or about one-half of the total have been continued under the new act. It may be of interest to know that at present there are over 24,000 corporations on the register

of corporations. This figure includes both Saskatchewan corporations and corporations from other jurisdictions registered to do business in Saskatchewan. Three jurisdictions, the federal government, Manitoba and Saskatchewan now have a uniform corporation law. Several other provinces are reviewing their statutes and may soon join the three uniform jurisdictions. Interest in uniformity of corporate law has developed more rapidly in recent years and is sought after because of the benefits it offers to businessmen, lawyers and others involved in the corporate field. To retain uniformity and to keep abreast with the needs of the market place, it is essential to amend our laws as required. It is with this purpose in mind that this bill is being presented.

The federal and Manitoba acts have recently been amended. The amendments contained in this bill are for the most part the same and to that extent are uniform provisions. As stated, the new act was a major revision and hence made sweeping substantive changes to corporation law, particularly in providing a more equitable balance in the competing interests of management, shareholders and creditors.

Inevitably, however, time and experience with the statute has brought to light a number of drafting anomalies, some logical inconsistencies and a few substantive problems. Given the sweeping change as mentioned, it is not surprising that a few problems have arisen since this form of legislation first came into force at the federal level on December 15, 1975.

One substantive change is contained in section 48 of the bill. This section provides for the making of a fundamental change by way of an arrangement. Experience has demonstrated that complicated situations arise where no one or more fundamental changes set out in the act can be revoked to resolve all problems in a practical manner. The arrangement provision is designed to give management and majority shareholders greater flexibility to manage a corporation's internal affairs and at the same time adequately protect the interests of minority shareholders. To some extent the provision re-introduces a provision which was in the old act but thought to be unnecessary in the new act because of the fundamental change provisions. However, this assumption has proven to be wrong. It is not expected the provision will be utilized in any great extent but it is one that should be available in the event that the need arises.

The other amendments to the act are technical changes to render the act more efficient and are the result of the experience of the three uniform jurisdictions, representatives of which met in Winnipeg last June.

I repeat therefore, that the purpose of the bill is to keep the new law up-to-date and also to retain uniformity for the benefit of those who are involved in corporation law.

Mr. Speaker, this was a bill that was to keep the new law up-to-date and also to retain uniformity for the benefit of those who were involved in corporation law. Mr. Speaker, I move second reading of Bill No. 13.

**MR. R. ANDREW (Kindersley):** — Mr. Speaker, just a short comment on The Business Corporations Act. Of course this act came in the last year or two and it was a very substantial change to the total corporate tax or corporate law structure in the province of Saskatchewan. Many people have made comment, and clearly it's not been myself, that to a certain degree, the way the program was brought in, it tended to be a make-work program for the legal profession. I suppose a lot of legal people appreciated that. Where in other provinces very often it was introduced in another way in which the cost

wasn't quite so much. The Business Corporations Act, of course, is very involved and it has taken even till now for a lot of the people in the legal profession to really try to get a handle on that total act. We on our side are waiting for further representations from people in the legal profession with regard to the approaches taken as it is a very complex act, and for that reason I would ask leave to adjourn debate.

Debate adjourned.

**HON. E. COWLEY (Provincial Secretary)** moved second reading of Bill No. 33 — **An Act to amend The Trust Companies Act.**

He said: Mr. Speaker, the need for this bill arises because of The Business Corporations Act which was passed in 1977 and which enables a trust company to be incorporated under that act. In addition, that act applies to existing trust companies by requiring them to be continued thereunder. Before the new Business Corporations Act was passed trust companies could incorporate only by special act of the legislature. This requirement tended to discourage these financial institutions from incorporating in Saskatchewan. It seemed simpler for a trust company to incorporate elsewhere.

A company incorporated under The Business Corporations Act has the capacity of a natural person. For this reason it's necessary to place some restriction on the businesses that a trust company may carry on or on the powers it may exercise. This is important because a trust company receives deposits and other money from the public much as a bank or credit union. The bill before you states clearly which sections of The Trust Companies Act shall apply to trust companies incorporated or continued under The Business Corporations Act. These sections pertain particularly to the trustee, investment, and deposit or borrowing powers of the trust company. Other sections of The Trust Companies Act are not applicable because they duplicate or conflict with provision in The Business Corporations Act. Mr. Speaker, I move second reading of An Act to amend The Trust Companies Act, Bill No. 33.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, Mr. Minister, I had strong concerns about this very controversial piece of legislation until the flowery eloquence of the minister convinced me to change my mind, and we will not be opposing this particular piece of legislation.

Motion agreed to and bill read a second time.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 38 — **An Act to amend The Prescription Drugs Act.**

He said: Mr. Speaker, there are three amendments that are included in this bill which I want to outline to the House. I also would like to say a very few brief words on the prescription drug plan, because I think it has been of some significant benefit to Saskatchewan people.

Mr. Speaker, our Saskatchewan Prescription Drug Plan has been, I believe, one of the successful programs that this government introduced as a result of our New Deal for People program, in 1971. In introducing the plan, we are doing more than just fulfilling an election commitment. We are responding to the legitimate needs and expectations of our Saskatchewan people.

Well before the implementation of the Saskatchewan Prescription Drug Plan, the Hall

royal commission on health services had made a national plea for a prescription drug program. There is national program today, Mr. Speaker, but there is now, a comprehensive program in our province, and we are proud of it.

We may not have a \$4 billion heritage fund like Alberta or the wealth of Ontario, but we do have programs like our drug plan which adhere to our firm belief that good health is a right and not a privilege, and that individuals should not be denied access to health care because of financial costs. A 1966 study by the Department of Health, under the former government and the Saskatchewan Pharmaceutical Association, in the Weyburn area showed that 2 per cent of the families in the area bore almost 20 per cent of all drug expenditures, and 10 per cent bore one-half of all the drug expenditures.

Prices for the same drug differed between communities, and even differed between outlets of the same chain stores, on some occasions. The elderly and the chronically ill were particularly hard hit with drug costs. Mr. Speaker, this government was committed to substantially reduce the prescription drug costs to our people, and we have done just that with our program.

Our plan is designed, as outlined in this legislation, so that it co-operates with the retail pharmacists in Saskatchewan, and together, provides the tools by which drug costs for the consumers have been reduced very significantly. In saying that, Mr. Speaker, I have to express some concern about some of the things that are happening across Canada with respect to such things as drug costs and others. For example, there was a recent announcement that came out of Manitoba which indicated that the future of community health clinics in Manitoba and of the prescription drug assistance program were being thrown into doubt, because of certain statements that were being made there. It quotes in the Leader Post editorial of March 19, 1979 that Conservative MLAs have gone on record as being opposed (and I say Manitoba Conservative MLAs), as being opposed on philosophical grounds to integral aspects of both the community clinic approach to health care and to a universally available pharmacare program. Mr. Speaker, I raise that only as one example of a concern which I share with, I think, a great number of other people across Canada, that there appears to be a very basic attack on universal health programs, in not only prescription drug fields, but in other areas across this country by some circles and unfortunately it appears from what is happening in the province of Manitoba, by an elected government in one province, as we see there at the present time.

We have had a debate in this House on the budget at which time the health critic on the opposite side of the House and I had a few comments on the prescription drug plan and he indicated the Conservative Party would implement the Manitoba plan and I tried to outline why I thought it was not as good a plan as ours and I think the fact that the \$50 fee that Manitoba residents have to pay, which was recently increased to \$75 from \$50, is a good indication why our plan is much superior to theirs.

Now the member for Moosomin (Mr. Birkbeck), Mr. Speaker, talks a great deal about efficiency and I just want to indicate to him (for his edification) that the drug plan as outlined and provided by this Saskatchewan Prescription Drug Plan Act is indeed a very efficient program. In 1976, for example, Mr. Speaker, administrative costs of the Saskatchewan Prescription Drug Plan was 44 cents per unit and when you look at the kind of plan they have in Alberta (which they operate through Alberta Blue Cross), that administration cost is not 44 cents per unit, it's 72 cents per unit. When we talk about good management and the record of this government and one of the things which led the people of Saskatchewan to vote overwhelmingly in support of this government, I think that's a pretty fair example.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. TCHORZEWSKI:** — Mr. Speaker, there is an amendment here that deals with the question of over-utilization, or drug abuse, and I think before I outline that I want to point out one thing which is of particular importance; that is prescription volume. There were fears which were expressed when the prescription drug plan was implemented that there would be a great increase in the utilization of drugs. I am pleased to report to you, Mr. Speaker, and this House, that prescription volume has not increased markedly since the drug plan began. The greatest increases have been in drugs used for chronic illnesses, such as arthritis and asthma and high blood pressure, which are the kinds of diseases that older people, in particular, suffer. Over 347,000 families received benefit from the drug plan, Mr. Speaker, in 1977-78, saving an average of \$47 per family. Senior citizens, representing 11 per cent of the Saskatchewan population, received 30 per cent of all prescriptions and saved an average of \$58 each. Eighty-one per cent of eligible senior citizens have received benefits under this program. Let me give you an example, Mr. Speaker, of some savings that have come to people on specific high-cost items. For example, in drugs utilized for the treatment of arthritis, people are saving, in this province, as much as \$250 a year; for high blood pressure, as much as \$200 a year; for asthma, as much as \$300 a year; for Parkinson's disease, as much as \$380 a year. With the Saskatchewan Prescription Drug Plan, the consumer, in most cases, would not be able to afford it because he would be on a fixed income. He would have to be paying today, but he doesn't because of the program that exists in this province.

Mr. Speaker, the drug plan saves an estimated \$4 million annually through product substitution, effective price competition and quantity discounts. Just let me give you an example of the savings on a high-volume product, to give you an indication of how great the saving is. In 1974 before the drug plan was implemented a drug called Diazepam, five milligrams, was being paid for at \$5.96 a unit and because of the efforts made to purchase in bulk and negotiations that take place, that drug is today, in spite of inflation, being purchased at 25 cents a unit. I think that says a great deal for the people who have worked on the drug plan and made it as successful as it is.

Mr. Speaker, if I may turn, more directly, to the specific amendments which I am introducing with this bill, let me just say these words.

At present The Prescription Drugs Act allows the release of information to physicians only with respect to prescriptions they have ordered for an individual and similarly to pharmacists only with respect to prescriptions they have filled for a particular individual. It does not allow the release of information which would tell a physician or a pharmacist what other prescriptions a patient may have obtained from other physicians and other pharmacists.

The proposed amendment will authorize the release of this type of information concerning individual drug utilization to a physician, a pharmacist or a hospital.

This amendment has wide-spread support from the health professions and was, in fact, prompted by a deepening concern on their part about drug abuse.

A common case of drug abuse occurs when an individual receives prescriptions from several different doctors. These people are referred to as drug shoppers and, generally, they are shopping for mood-modifying drugs, something which the member for Indian Head-Wolseley (Mr. Taylor) was referring to a little while ago, such as tranquillizers and sedatives and barbiturates and narcotics. Most of these people are involved in personal over-utilization and they need help. Others, however, obtain these drugs for resale purposes and they need to be stopped.

Under the present act there is no way a physician or a pharmacist can check with the drug plan to determine if a person is, in fact, a drug shopper. The proposed amendment will make that possible. When information is furnished to a physician or a pharmacist they, in turn, will be required to maintain confidentiality with respect to that information in accordance with their codes of professional ethics. Information being sent to a hospital would be received and dealt with by professional persons and they would also be required to maintain confidentiality with respect to that information.

When it has been established that an individual is receiving prescriptions from more than one physician, one possibility is that the patient's primary physician could be notified and asked to counsel the person about his or her drug needs. Mr. Speaker, the problem of drug abuse is one that is growing and has been growing — and I'm sure that every member of this House will share that view — and the misuse of drugs is a matter that our society must not and cannot ignore.

A second amendment will provide authority for the drug plan to make grants to assist outside agencies in providing drug information services to physicians, to pharmacists and other persons. In the past, the department has made such grants to the University of Saskatchewan in support of its Drug Information Services Program, directed at physicians and pharmacists. This assistance has been given under the authority of The Health Services Act. The proposed amendment will authorize the assistance to be provided under The Prescription Drugs Act which is a more appropriate authorization.

The third amendment, Mr. Speaker, is of a similar nature. It will provide authority for the drug plan to purchase advice and expertise from outside the department. Frequently the drug plan's professional committees consider it advisable to obtain outside assistance in determining the effectiveness and the safety of certain drugs. Up to now, this assistance has been obtained under the authority of The Health Services Act. The proposed amendment will simply provide this authority under The Prescription Drug Act which is a more appropriate arrangement. With that explanation, Mr. Speaker, I would like to move second reading of this bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, just a couple of quick comments before we let this bill go to the vote. I say at the outset that in principle we agree with what you're trying to do. It would be a lot easier to agree with it, if you'd eliminate some of the rhetorical left wing garbage from your presentation.

My only concern with the bill is section 32 and my concern is as it may relate to doctor-patient confidentiality and I will be waiting for a legal opinion from (it's hard to find a good lawyer these days and I finally found one) I'm waiting for a legal opinion as it relates to section 32 and doctor-patient confidentiality. In principle we support what you're doing. We may be bringing amendments in at the committee stage.

Motion agreed to and bill read a second time.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 52 — **An Act to establish a Health Research Board.**

He said: Mr. Speaker, it's my pleasure to introduce the Health Research Act and explain its provisions. As you know, the Speech from the Throne and the budget speech highlighted a number of important new innovations that this government is introducing in this session of the legislature and one of the very important ones, in my view, is the establishment of a health research fund and this bill before the House today, being debated in second reading now, is a bill that will establish that fund and the board which will administer it. The bill, Mr. Speaker, will make it possible to provide direct provincial support for health research carried out in Saskatchewan by Saskatchewan researchers and this step has been made necessary by the failure of the federal government, to a large extent, to recognize the value of health research and provide a stable funding climate.

Up until now health researchers in Saskatchewan have relied on the Medical Research Council and the National Health Research and Development Program. The funding provided to these agencies by the Department of National Health and Welfare has, however, not kept pace with inflation. And even the latest announcement that the Medical Research Council budget increases would be tied to the inflation rate and gross national product growth for a five-year period, while welcome, falls short of the need. The formula does not recognize the difference between the cost increases faced by the research sector as opposed to the economy as a whole. The money made available for the next five years will, therefore, purchase less and will in no way make up for the even more serious erosion which took place between 1971 and 1977. During this time the MRC budget increased at the rate of 8 per cent per year while the inflation rate within the research sector was between 15 and 17 per cent per year. Further, Mr. Speaker, at the time the five-year plan for the MRC was announced the budget of the National Health Research and Development Program was cut by \$2 million or 16 per cent. This cut decreased incentives to search for more effective and less costly ways of providing health care at a time when costs were and are a major concern. Researchers in our province of Saskatchewan have been seriously affected by the federal government's uncertain commitment to help research.

Few alternative funding sources are available and it is becoming increasingly difficult to attract the well trained scientist who will carry on and build upon the contributions to the health sciences already made by researchers in this province. If stable funding is not provided our research community will wither. Questions which are important for the health of Saskatchewan residents may not be addressed. Our province which leads the country and world in developing health programs will be less able to respond to the challenges of the future.

Mr. Speaker, these circumstances make it necessary for the province of Saskatchewan to provide funds for health research and the bill which I am now introducing and speaking about will guide our entry into that field.

The Health Research Act has two major provisions. It will set up a board to direct prevention moneys to help research and establish a health research fund to make these moneys available. The board will be separate from government and operate independently. It will have at least five and no more than 12 members who will be appointed by the Lieutenant-Governor in Council. Its membership will include at least



two members of the faculty of the University of Saskatchewan and one member of the faculty of the University of Regina concerned with the health sciences or the healing arts. There will also be one representative of each of the departments of health and continuing education and the universities commission. The remaining places on the board are not predetermined but they will be filled in a way which ensures that researchers, the professions, the voluntary agencies supporting public research and the public are represented. Members will be appointed for a three-year term, renewable once except for the chairman and the representatives of the departments of health and continuing education. These latter members will hold office at the pleasure of the Lieutenant-Governor in Council.

Mr. Speaker, the way in which the board members will be selected is not specified in the bill. The selection process will, however, be managed in a way which involves interested groups. Professional bodies, researchers, voluntary agencies, and others will be invited to contribute names to a preselection panel. From this panel, the Minister of Health will name the members of the board. The Lieutenant-Governor in Council will then appoint a chairman and vice-chairman, probably from the selected board.

The board's most important function, Mr. Speaker, will be to distribute funds in a way which will stimulate research and contribute to the development of a strong research community within this province. It will make awards for the conduct of research projects, the preparation of grant applications to established agencies and the development of research personnel. It will have considerable freedom in determining the researchers and the projects which are to be supported. It will, however, operate with guidelines, Mr. Speaker. For example, all awards will be made on the basis of peer review. Provincial priorities for research will be taken into account when applications are being reviewed. Awards will not be restricted to any one type of research. Applications for fundamental and applied research in the biomedical, clinical, social and management sciences will all be considered. Researchers working in a variety of settings, the universities, community groups, professional organizations, will be equally eligible. Awards will be made in a way which complements, rather than competes with, the programs of established agencies.

Let me turn now, Mr. Speaker, to the specific powers which will be invested in the board. To enable it to achieve its goals, the board may do the following: (1) make payments to educational institutions and courses for the conduct of research, (2) make payments to assist persons in receiving advanced training in research, (3) appoint committees and persons to review grant applications and perform other tasks required to carry out the provisions of this act, (4) receive donations and bequests, (5) appoint an executive secretary and staff to perform clerical, technical and administrative functions, and (6) enter into agreements with government departments or agencies and other bodies for the provision of administrative and financial services.

The bill's second provision, Mr. Speaker, allows for the creation of a Saskatchewan Health Research Fund. This fund will provide the moneys to be allocated by the board to research projects and personnel awards. The fund will be administered by the board and will be established and maintained by a number of ways: (1) appropriations from the legislature; there's an item in the budget providing funds this year, (2) earnings from investments of money in the fund, (3) donations and bequests, (4) other sums received for the purposes of the act. The funding arrangements, Mr. Speaker, have been made flexible to ensure that the amount of money made available for research is tailored both to the need for health research support and the ability of the health research community to absorb it. In addition to providing flexibility, the financing

arrangement makes it possible to provide funding which is stable and continuous. Stable funding is vital if our research community is to grow and contribute to our health and well-being.

One of the major failures of the federal government in the past has been its inability to establish an environment which encouraged building to meet the needs of tomorrow. With no prospect that adequate funds would be available when they finished their formal education, students entering graduate schools were not encouraged to train for careers in research. Established researchers were given no incentive to embark on research programs which require development over a number of years.

Mr. Speaker, the Government of Saskatchewan has recognized the need for continuity and stability and proposes over the next five years to provide \$750,000 each year for health research. This amount will be used in two ways: each year some proportion will be used to build up an investment fund and the remainder plus the interest from investments made in previous years will support the awards program. The health research fund will also be able to solicit and receive moneys from private sources. If the fund is in fact able to attract private research donations and endowments, the additional resources will be an important contribution to Saskatchewan's research efforts.

I hope that the public and particularly those who do not currently contribute to the voluntary agencies will see that independently controlled fund as a cause worthy of support.

An adoption of these strategies which I have outlined, Mr. Speaker, ensure that a predictable basic supply of funds will be made available each year. They also ensure that there will be growth in the total annual value of awards as interest from the investment fund becomes available and they ensure that at the end of the five-year period the fund will contain a sizeable sum which can be used to continue the program indefinitely.

Finally, Mr. Speaker, it should be clear that the creation of the Saskatchewan Health Research Board implies no criticism of organizations like the Heart Foundation, the Cancer Society and other volunteer agencies. They play a very vital part in the support of health research and their role will be complemented by the body to be created under this act. The board will not fund research which falls within the terms of reference of the voluntary agencies, except by mutual consent. It will develop close ties with the agencies and will be able to enter into co-operative arrangements with them.

Mr. Speaker, I am confident that The Health Research Act will establish a firm basis for the development of a productive health research community in our province. I, therefore, take great pleasure in moving second reading of this bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, a couple of brief comments. Of course, we are very, very pleased that the government has seen fit to set up a health research board. The two major provisions, as stated by yourself, in this act are, one, to set up the board which you claim will be separate and independent from the government. As I read the act that's not quite the way it will be. They are in fact appointed by the Lieutenant-Governor in Council. There are six designated, so to speak, or at least five out of the six minimum, are designated. The powers of the board

are typical of every board set up by this government and, of course, we will be making some protest as it relates to them when we get to committee stage. As it relates to the funding of the health research program, I'm just overwhelmed by your generosity. Seven hundred and fifty thousand dollars a year for five years adds up to about \$3.7 million or a little more than 10 per cent of the annual grant to the Health Research Foundation in Alberta, to say nothing of their \$300 million start-up grant in Alberta. I have some concerns as it relates to duplication in research between the provinces. I've stated this before. I think there should be some consultation between you and your counterparts in other provinces to see that there is some dovetailing of the research. . . . (inaudible interjection) . . . I certainly have. I think probably we all know the reason that the fund is only \$750,000, which is peanuts, quite frankly. That is that our heritage fund has, in fact, something less than \$500,000 in it and we just don't have the bucks to provide for this fund in the way that Alberta has. I want some time to review the remarks of the minister and I, therefore, beg leave to adjourn debate.

Debate adjourned.

**HON. E.L. TCHORZEWSKI (Minister of Health)** moved second reading of Bill No. 59 — **An Act to amend The Mental Health Act.**

He said: Mr. Speaker, I want to make a few comments on the amendments of The Mental Health Act. Several important amendments are being proposed to The Mental Health Act in which the members of this House, I'm sure, will have some interest. These amendments will make the act, first of all, more responsive to the changing conditions under which psychiatric care is being provided in Saskatchewan.

Over the last 25 years, Mr. Speaker, Saskatchewan health programs have attempted to create or to adopt new concepts in mental health care and include these in the Saskatchewan mental health programs at an early date. In the early 1960s, our approach to psychiatric care underwent a very dramatic change in emphasis. We began to look beyond the hospital walls and into the community. Prior to that time, the majority of treatment programs for mental illness were institutionally based. In 1963, we began to experiment with providing alternatives to hospital care. This marked the beginning of intensive programs for the chronically ill and more importantly the transfer of treatment programs from the hospital to the community. In the seven years from 1963 to 1970, the number of patients in Saskatchewan Hospital, Weyburn, dropped from 1,492 to 390. The hospital closed entirely in 1971 and the new psychiatric centre which has approximately 63 beds has opened. In Saskatchewan Hospital, North Battleford, in the same period the patient population decreased from 1,619 to 541. By December 31, 1978, this figure had decreased yet further to 277 in-patients. Although these figures have become very familiar to me, and others, Mr. Speaker, I never cease to be both amazed and impressed by the radical change which they represent in our approach to mental illness. The move to community based programs has certainly been beneficial to patients, primarily because treatment is now available with minimal disruption to the individual's normal living activities.

Mr. Speaker, I would like to explain the problems which prompted the proposed amendments and what the proposed amendments will do.

The first amendment concerns the present act's authority to levy charges against the estate of a deceased patient in respect of services he or she received in an institution (the latter being defined as a mental hospital or a school for the mentally retarded). These charges, however, do not apply to that part of the estate passing to the members

of the deceased's immediate family who reside in Saskatchewan, or to any other persons dependent on the estate of the deceased. Our amendment will alter this provision so that such charges will apply only to services provided in this regard prior to May of 1979. This amendment has the full support of civil rights groups and more specifically of Mental Health Saskatchewan. The argument forwarded by that association and with which we concur, is that this legislation was discriminatory against the mentally ill and the mentally retarded who required long-term care.

This particular provision has also become discriminatory in another sense. Let me explain. There is now only one psychiatric institution in the province which comes under this provision and that is Saskatchewan Hospital, North Battleford. All other in-patient psychiatric facilities are now classified as psychiatric centres or psychiatric wards and are not considered to be institutions as defined in The Mental Health Act. This distinction will be further accentuated within the next two or three years because a 32-bed psychiatric ward will be opened in the North Battleford Union Hospital.

Under the present act the estates of the patients on the psychiatric ward of the North Battleford Union Hospital would not be subject to charges, whereas patients in Saskatchewan Hospital, North Battleford would be. Clearly this would constitute discriminatory and unfair treatment. The proposed amendment will eliminate that potential discrimination.

I firmly believe that this amendment is a progressive step which will be welcomed by the Saskatchewan public, as well as those involved in providing psychiatric care in this province.

The second amendment is more of a housekeeping nature. In the past it has happened that individuals who are normally Saskatchewan residents have been admitted against their will into a psychiatric facility in another province. Occasionally these people are returned to Saskatchewan for examination and possible involuntary admission in a Saskatchewan facility. The present act does not provide the authority for these transfers.

I think it might be useful, Mr. Speaker, to use an example to better illustrate this point. Let us say that a Saskatchewan resident has been examined in an Ontario psychiatric facility and has been committed involuntarily on the basis of that examination. The individual and his family prefer that he be transferred to a Saskatchewan psychiatric facility. The question is: does the Saskatchewan facility have the authority to have the person taken into custody, transported to the facility and examined? Under strict interpretation of the present law that person's involuntary confinement ends as soon as he leaves Ontario. The proposed amendment will provide the authority to have such persons taken into custody, transported and examined. It has been prompted, partly, because of the federal government's new regional psychiatric centre in Saskatoon. The centre will serve people in the four western provinces and it is expected that the number of interprovincial transfers will increase as the result of its existence.

A third amendment concerns the issue of a certificate of incompetence for patients who are being treated in an out-patient basis. As the act now reads, Saskatchewan medical officers in charge of out-patient facilities such as mental health clinics do not have the authority to have a person examined to determine whether the individual is competent to manage his or her estate. Such an examination must be arranged through the medical officer in charge of an in-patient facility. Thus, the latter is hesitant

to order such an examination because he or she, frequently, has had no direct contact with the patient.

The current legislation reflects on our past approach to the treatment of mental illness when treatment was almost completely institutionally based. The trend now is towards community based programs and this particular amendment recognizes this shift. It will authorize medical officers in charge of out-patient facilities to have a person examined by a physician to determine whether the individual is competent to manage his or her estate.

This amendment does not alter the situation from the patient's point of view, because the current legislation does provide for the examination of all patients upon the order of medical officer in charge of an in-patient facility.

The amendment will, however, make it possible for medical officers in charge of out-patient facilities to order examinations for persons who are their responsibility and concern.

Finally, we are proposing an amendment which will provide for the establishment of a review panel for individuals who are treated on an out-patient basis. Review panels are the vehicles by which patients may protest the issue of a certificate of incompetence. Under the present law review panels are available to occupants of in-patient facilities. This amendment will simply extend the review panel process to include out-patients who have been examined in respect of whom a certificate of incompetence has been issued.

Mr. Speaker, with those words of explanation I move second reading of this bill.

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, I would just like to say that our critic for the health department unfortunately was called out to an important meeting and, therefore, on his behalf I would like to beg leave to adjourn debate.

Debate adjourned.

**HON. H.H. ROLFES (Minister of Social Services)** moved second reading of Bill No. 44 — **An Act to amend The Housing and Special-care Homes Act.**

He said: Mr. Speaker, I am pleased to speak on a bill to amend The Housing and Special-care Homes Act, because I think it's a further indication that this government wishes to decentralize wherever possible and to give more authority to people at the local level to make decisions regarding services that may be provided to them. The amendment that is to be made to The Housing and Special-care Homes Act is simply enabling legislation to permit the Department of Social Services to establish a board of governors for hospital or special care homes. Presently the department does not have this legislative authority. This amendment is based on sections 83(a) to (d) of The Public Health Act. The amendment provides for:

1. The establishment of a Board of Governors appointed by the Lieutenant-Governor in council of not less than six members.
2. The amendment provides for continuity of board membership by establishing a cyclical appointment of members and the usual conditions of membership related

thereto.

3. The amendment provides for authority for the board to acquire or dispose of land for the purposes of a hospital or special care home subject to the Lieutenant-Governor in council approval.
4. The amendment will provide for the authority for the board to autonomously manage, control and direct the operation of the hospital or special care home on a non-profit basis, in accordance with the housing and special care homes regulations and the SHSP (Saskatchewan Hospital Services Plan) regulations.
5. The amendment will allow the board to submit to the Minister of Social Services an annual report and financial statement of its activities for the preceding fiscal year.

One of the aims of the present government, as I indicated before, was to decentralize provincial government functions under local management. We believe it to be in the public interest to relinquish government control in favor of providing more administrative independence and greater involvement at the local community level. The Department of Health has already moved in this direction with the transfer of the Palliser Hospital, the Souris Valley Extendicare Hospital, and Parkland Hospital to regional boards. The resultant effect has proved to be advantageous for all concerned. It is my belief that a similar result can be anticipated here. For some time the government has been considering the desirability of transferring the managing, operating, and controlling of the Battlefords Regional Care Centre to a regional board. This amendment will enable Saskatchewan Social Services to transfer Battlefords Regional Care Centre from a government operated facility to a regional board. Further, should a decision be taken in future to transfer other departmental operated facilities to a regional board, the requisite legislation would be in place.

Some of the benefits of transferring to a regional board, Mr. Speaker, are: Operation of Battleford Regional Care Centre by a regional board will recognize officially that the home's primary responsibility is to serve the North Battleford area and not the entire province. Secondly, it will provide for local community input into the decision making, policy development, and determination of the program priorities for the facility. And lastly, Mr. Speaker, it will provide for greater local involvement and control. The government is only recommending this action after a great deal of thought. Throughout the discussions protection of accumulated employees' rights and benefits has been considered to be of paramount importance.

Mr. Speaker, with those few words of explanation, it gives me a great deal of pleasure to move second reading to a bill to amend The Housing and Special-Care Homes Act.

**MR. J.G. LANE (Qu'Appelle):** — Just a couple of comments, Mr. Speaker, before I beg leave to adjourn debate. The minister made a comment that these amendments were done after a great deal of thought. I congratulate him for the breakthrough in his department for coming in with new legislation after a great deal of thought, remembering the past record of the particular department which introduced such things as the Family Income Plan, and what not, without any great deal of thought. Hopefully that augers well for the future of that particular department.

I would hope, Mr. Speaker, that the Minister of Health was listening to this particular speech of the Minister of Social Services, when he talked about the establishment of the regional council, how that was going to improve local input, particularly in the North Battleford situation, and how that was advantageous and a desirable goal. I ask

the Minister of Health to recall when he did away with the regional hospital councils — he points, he very quickly sloughs the responsibility for that one off his shoulders and I congratulate him on the wisdom of his move. But I think it's . . . (inaudible interjection) . . . well, now the hon. member says, Mr. Speaker, that it saved about \$400,000, and now we see the Minister of Social Services getting up and embarking on the same program that caused the former Minister of Health to do away with it. I think it just indicates the highly contradictory policy of the government opposite. It will decide on regional and public participation whenever it decides that it can get some political benefit, and for no other reason whatsoever, Mr. Speaker, our critic will have more to say, and I beg leave to adjourn debate.

Debate adjourned.

**HON. H.H. ROLFES (Minister of Social Services)** moved second reading of Bill No. 57 — **An Act to amend The Saskatchewan Assistance Act.**

He said: Mr. Speaker, in speaking to Bill No. 57, an Act to amend The Saskatchewan Assistance Act, just a few words of explanation. Mr. Speaker, you may recall that I, earlier, introduced amendments to the appeal provisions of The Department of Social Services Act. At that time I indicated that I would be bringing forward amendments to The Saskatchewan Assistance Act, so as to achieve consistency between, and to complement the two acts and the appeal provisions contained therein.

Today I am pleased to introduce an act to amend The Saskatchewan Assistance Act, section 5(2) and section 17.

Under the existing legislation, the Provincial Appeal Board is referred to as a welfare board constituted by The Department of Welfare Act. As you are aware, Mr. Speaker, The Department of Social Services Act was proclaimed in 1972 to replace The Department of Welfare Act, and since that time the Provincial Welfare Board has been referred to as the Social Services Appeal Board.

The effect of the changes will be to give this board the same identification as that in the act. As was the case with the amendments to The Department of Social Services Act, these amendments will confer a two-level appeal system in relation to decisions made with respect to eligibility for benefit under the provisions of The Saskatchewan Assistance Act and regulations. In other words any client or senior department employee will have the right to appeal the decisions of local appeal committees to a provincial social services appeal board if they are dissatisfied with the decision taken at the local level. The decision of the provincial appeal board is final unless contrary to law.

I wish to emphasize that these amendments are essentially technical in nature and ensure a continuity of terminology and procedure between this act and The Department of Social Services Act. The changes are quite consistent with the long-standing practices of the department and the original intent of the legislation.

Finally, Mr. Speaker, I am happy to report that the appeal mechanism described under The Saskatchewan Assistance Act was referred to as one of the best in Canada during a discussion with a member of the Law Reform Commission of Canada during a recent welfare workshop in Ottawa.

Mr. Speaker, it gives me a great deal of pleasure to move second reading of this bill.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, Mr. Minister, I note the one provision to bring the change of the name from that of welfare to the Social Assistance Review Board, I gather is technical. As the minister well knows I have some reservations about the change of the name of the department. I think the fact that the name 'welfare' has a certain connotation which I know the minister wants to do away with, I think it has some advantages in the field of dealing with abuses. I think it also makes it clear to a great number of people who fight and attempt most strongly to oppose being on welfare or react more strongly and don't wish to get on the welfare rolls; so that the name welfare and the name welfare department I think has some benefits. I know that philosophically we are at opposite ends of the spectrum from the minister opposite and the government opposite. I call for a re-institution of the name 'Department of Welfare'; I think it has some advantages and I think that the connotation of welfare has some advantages particularly in a society like Saskatchewan where we should have fewer welfare recipients, given the state of the economy and the basically agricultural nature of the province.

I think, Mr. Speaker, the comments made by the minister that we have one of the best, of course, doesn't really hold true. I don't think the fact that 40,000 people today, I believe or 41,000 (I'm just not sure of the exact figure) based on the latest quarterly report, doesn't indicate a good welfare system to anybody. I think the fact that the most significant number of people on welfare in Saskatchewan are employable younger persons, also, doesn't mean we have one of the best welfare systems in Canada. If that is the case, then I think we are all in trouble over our welfare system in Canada because that is not what the system was designed to do.

Mr. Minister, I would hope in Committee of the Whole that you will have the data for the opposition as to the number of appeals, who commenced the appeals, whether they were in fact, the recipient or the department and bring those most recent numbers for Committee of the Whole and supply us with the information at that time.

Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

**HON. H.H. ROLFES (Minister of Social Services)** moved second reading of Bill No. 58 — **An Act to amend The Department of Social Services Act.**

He said: Mr. Speaker, just again a few explanatory remarks on An Act to amend The Department of Social Services Act. In a sense, it is complimentary legislation to that which I just introduced but this one also has one or two other amendments.

There are, Mr. Speaker, basically two amendments to this act. The first deals with grants and the second, with appeals. Section 8 of the department act will be amended to increase the amount of grants the Minister of Social services may make without cabinet approval from \$5,000 to \$10,000. Mr. Speaker, I think as people know, there are many grants made by the Department of Social Services and the amount of grants that we are able to make without an order in council is very limited and certainly, the top level has not been raised for many years. This amendment, Mr. Speaker, will assist and facilitate the issue of many small grants and relieve cabinet from the task of processing numerous orders in council. Grants made under this section are largely for community services and the employment support program. However, this section will also be used for grants under the Home Care Program.



The second amendment to the act has to do with the appeal provisions that are available to the clientele of the department. I should perhaps, point out at this time, that the amendments which I will be introducing, or have just introduced to The Saskatchewan Assistance Act also deal with the appeal provisions. My purpose in bringing forward these changes, therefore, is to ensure consistency between two complementary pieces of legislation.

The Department of Social Services Act, as you are aware, is the act that governs the operation of the Department. Section 10 of this act serves as the authority for establishment of appeal mechanisms for all departmental acts including The Saskatchewan Assistance Act. The amendment to Section 10 strengthens and clarifies the appeal mechanism. It does so by confirming provision for a two-level system of appeal comprised of local appeal committees and provincial appeal boards. With this amendment, the minister may, subject to the approval of the Lieutenant-Governor in Council, establish provincial appeal boards which will hear appeals from decisions of local appeal committees. Any person aggrieved by a decision of a local appeal committee, including a director or representative of the department, may appeal to a provincial appeal board.

Mr. Speaker, I feel these changes are consistent with the original intent of the act and should serve to ensure that the rights of Saskatchewan citizens will be safeguarded and indeed be enhanced. With those few explanatory words, Mr. Speaker, it gives me a great deal of pleasure to move second reading of this bill.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, I, for one, have serious reservations about granting the Department of Social Services the power to increase its grant policy by 50 per cent . . . 100 per cent, I'm sorry, from \$5,000 to \$10,000, without cabinet approval. I don't have the confidence that the minister has in the operation of his department . . . (inaudible interjection) . . . That's correct, I never did. As a matter of fact, the track record of the Department of Social Services may possibly be the worst when it comes to financial management. We can start from — well documented by the provincial auditor — matters of the family income plan, without any audit procedures even being established when the plan was set up. It cost how many hundreds of thousands of dollars in taxpayers' money? I can recall the best plan he says, as the money went down the drain. I think that indicates as well the attitude of the minister opposite. You know, we can have a welfare system and we can have an assistance plan with sound financial management as well. They're not mutually exclusive as the minister opposite seems to think . . . (inaudible interjection) . . . No, he's talking community grants. The fact is, as I have indicated when I prefaced my remarks, Mr. Speaker, I don't have the confidence in the financial management of that particular department. I have serious reservations about giving that same department a 100 per cent increase in its ability to give out grants for community purposes, or any other purpose, quite frankly.

**MR. ROLFES:** — You're criticizing the poor people!

**MR. LANE:** — Oh, he says, criticizing the poor people. I'm not the one who did away with SCAPO (Saskatchewan Council of Anti-Poverty Organization), Mr. Speaker, just because someone happens to be a defeated PC candidate. I think it's quite strange that the same minister says the PCs are the ones against the poor people when he has done away with SCAPO. Again, Mr. Speaker, it's the Conservative's opinion and position that a department of welfare and sound financial administration are not mutually exclusive as the government opposite seems to think. Mr. Speaker, we will have more to say on

this particular matter, and beg leave to adjourn debate.

Debate adjourned.

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services)** moved second reading of Bill No. 41 — **An Act to amend The Superannuation (Supplementary Provisions) Act.**

He said: Mr. Speaker, I wish to make a few remarks with respect to this particular bill before I move second reading on it.

The Superannuation (Supplementary Provisions) Act is applicable to a series of acts related to pension funds. It includes The Public Service Superannuation Act, The Saskatchewan Power Corporation Superannuation Act, The Sask Telecommunications Power Act, The Workers Compensation Superannuation Act, and The Liquor Board Superannuation Act. So when we bring amendments to this particular bill, these amendments are applicable to those five particular acts.

One of the changes we require in this particular act at this time is an amendment to permit us to take the deduction from disability income being paid to a person who is on disability income, and identify that as if it were salary. At the current time, we can only make deductions for superannuation on the basis of a salary. May I give an example to illustrate this. Perhaps we have a person on a \$1,000 a month income who is disabled. Our disability income plan which we are setting up in conjunction with the new Public Employees Superannuation Plan would provide a payment to that person of 70 per cent or 75 per cent of their monthly wage. We would continue to take a pension deduction from that income and match it from the government, so that eventually that person, although they're on disability, would eventually go on a pension allowance when they qualify. Therefore, to make it permissible to deduct that pension contribution monthly from the disability income, as we do now from salary, it is required that we have an amendment to the act.

The second amendment deals with the application of the highest salaries in five consecutive years. We wish to change that because it's not necessarily true that the five highest years of earnings may be on a consecutive basis and this would permit selection of the five years in which the employee had the highest income. This relates, of course, to the alternate system based on a formula type plan.

The third provision we wish to make change on is with respect to applying a reduced pension, actuarially reduced pension, to a person who is 55 years of age and has 30 years of service. That can now be done in the act, but if an individual was 51 or 52 years of age and had the 30 years of required service and wished to resign, he could not select a deferred pension. We think it's rational that they be permitted to select a deferred pension because they have put in the sufficient number of years and it too, of course, would be actuarially reduced.

The next amendment deals with widows, and I think members will recall when, a year ago, we removed from The Superannuation (Supplementary Provisions) Act the clause that said that if a widow of a retired employee, on pension, remarried, her pension ceased. We removed that clause and we made applicable from July 1, 1977 the right for widows to apply for reinstitution of that pension if they remarried. The problem is that because some of them had remarried and been away for some time from pension payments, we would not necessarily know their new name and they were difficult to

trace down. In fact, we haven't found six of them to this date. But there were some complaints from widows who say they did not make application as of July 1, 1977; they made application at a later date. The ruling in effect at that time said we would continue to make the payment from the time they reapplied, but because some of these people felt aggrieved and the amount of money is not great, we are reinstating those people back to July 1, 1977. However, as I said before, we are having some difficulty in locating some of these people who have remarried and their name is obviously changed.

The major change in this particular bill is related to a supplementary payment and perhaps I should give members some information on this. We have done this year after year now for many years and the previous government did it as well. We are now voting about \$3.75 million additional payments to people who have suffered from loss of purchasing power because of the inflationary impact on their pensions. However, we have done this on an ad hoc basis. Nobody suggests it is perfect, but it has been of appreciable assistance to a goodly number of people. We have aimed it at the people who need help the most. Therefore, we have done it on a flat-benefit monthly basis rather than on a percentage basis. There are some people who argue that if you are going to give a 7 per cent or 8 per cent increase it should be across the board, but obviously, if you do that, you find yourselves giving much larger payments to offset inflationary trends to those people who happen to have much larger pensions.

I will give an example to illustrate this. The ad hoc addition this year is on the basis of \$14 per month for each year of service. Now let's make certain assumptions. We assume that this person is already retired and he has a pension of \$3,000 per annum, or \$250 per month. He will get an additional payment of \$14 times the 35 years of service he put in, which is \$490 additional per year. That \$490 additional per year based on a \$3,000 current pension means an increase of 16 per cent plus. Obviously, those are the people who need the help. If that individual's income was \$6,000 in terms of pension and he had 35 years service, he would get 14 times the 35 years, or \$490, which would be an 8 per cent plus, roughly the cost of living. If he was a person on a pension of say \$12,000 per year and had the 35 years service, he would get the \$14 per month times the 35, \$490 per annum, which would be a little over 4 per cent plus. Now we do get some complaints from people in that category, but I must point out to the members that there is a very small proportion of the total number of pensioners, some 2,200 of them, in that category. In fact if you will look at the people who went on pension out of these acts last year, and there were 245 of them, only 26 had pensions above \$10,000 a year and only 1 who had a pension above \$20,000 a year — one of the arguments, I think, why we should be looking very closely at the pension set-up because it, frankly, isn't meeting the needs of pensioners that well. But I must stress that this, we think, is much the best approach in terms of helping the people who have the greatest need for protection against the inflationary trend. Now I've covered, Mr. Speaker, as briefly as I can the major points in The Superannuation (Supplementary Provisions) Act, and I'd like at this time to move second reading of Bill No. 41.

**MR. J.G. LANE (Qu'Appelle):** — I'd just like an opportunity, Mr. Speaker, Mr. Minister, to consider the remarks made on a fairly complex matter this afternoon, if we can, and beg leave to adjourn debate.

Debate adjourned.

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services)** moved second reading of Bill No. 42 — **An Act to amend The Public Service Superannuation Act.**

He said: Mr. Speaker, again I think with respect to this particular bill I should make some comments on it. This might be referred to as the old plan, and just to refresh the memories of members I point out that this is an allowance or formula system which was applicable to the public service people in Saskatchewan and to The Public Service Superannuation Act — one of those five acts that I mentioned are covered under The Superannuation (Supplementary Provisions) Act. The amendments in this one are not as far reaching perhaps as in the other one but I might just cover them fairly briefly so that members will have a reasonable grasp of what the intent of these changes are.

The first amendment is a change with respect to leave of absence. In other words, we want to make certain that people who are on leave of absence have the right to get pensions for that period if they've left the employ of the government and gone, for example, to work with CUSO (Canadian University Students Overseas) or some organization overseas through CIDA (Canadian International Development Agency) or something of that nature. I think the deputy minister of highways was away for a year working through CIDA and it's a means of making certain that people who are on that type of leave of absence are, indeed, covered by this particular clause. In addition, we want to make sure that people who are not covered under The Public Service Act, although they are under The Public Service Superannuation Act, will get the right to have coverage on those periods of time as well. I'm speaking here of organizations like the Parkland Hospital, the Palliser Hospital, the Souris-Valley Hospital, where those employees have elected to stay within the confines of The Public Service Superannuation Act but are not covered by The Public Service Act. So contributions for those leaves of absences are a factor with respect to the amendments in this particular bill.

A second one is a minor matter but it creates some real problems for the Public Service Superannuation Board, when they find a person who's been disabled and who does not have 10 years of service. The current rule says that if they don't have 10 years of service they get nothing. On the other hand we changed the rule a year or two ago with respect to a person being able to get into The Public Service Superannuation Act up to age 60. Prior to that people could only get in up to age 55. Then if they were over 55 and came into public employment they had to go under the Employee Savings Plan which was a different set up. Since we raised the level at which people could be covered by this particular act from 55 to 60, it was not possible for people to get 10 years service by the time they had reached age 65 and if they became disabled in that period they were simply cut out of any disability pension whatsoever. So this clause does give the board some discretion in dealing with those borderline disability cases. Obviously they get very small pensions but at least they get some recognition for the fact that they were in the public service.

The next two clauses are very minor ones. They are simply repeating sections of the act, one related to teachers. This was a very complex, inequitable and conflicting type of provision which has since been replaced by a reciprocal agreement between The Public Service Superannuation Act and The Teachers' Pension Act and really has no application at all except that it has been applied in the past to some people currently in the public service and, therefore, the rights of those people will still be protected.

The next section deals with employees of Canada becoming employees of the province of Saskatchewan after, would you believe it, January 1, 1907. That clause is still in our act. Since we have a reciprocal agreement with the federal authority in Canada which has been in existence since 1964 this particular section of the bill has no application

whatsoever and we simply wish to repeal it.

Another section dealt with the fact that an individual who chose to be retired prior to age 65 and there are many of them that do, this person also might have selected to tie his (or her) pension set-up in with the old age security payments. In other words he would be upping his payment from age 61 or 62 if he chose to retire at that time, increasing the payment until he became eligible for old age security and then cutting back by the amount of the old age security payment. That right has always been in the act. However, if a widow was drawing a pension, previously she was cut off if she remarried. Now she is not cut off through remarriage and, therefore, she should have the right as well, if she so chooses, to raise her pension payments on a monthly basis from the time she is retired until she reaches old age security. This is an integration or capability of tying in with The Old Age Security Act.

There is another section that deals with time payments with respect to refunds. This is a very minor portion of the act but we have had great difficulty with it administratively because we cannot make a payment out of that fund unless somebody has applied for a refund. The rule said that they had to make application within a certain time limit but many people didn't and there is nothing you could do about it. Once the limit was exceeded they are still entitled to their money if it was a repayment clause that they wished to enact with respect to the old act and we want to clear that one off.

The next section deals with group insurance and this is similar to the one that I mentioned with respect to disability insurance. All it does is say that if an individual has retired at age 60 or 61, ahead of early retirement, and is in receipt of a pension he will be permitted, if that person so selects, to remain under the group insurance clause. We will be permitted to deduct their monthly group insurance payment off their cheque before it's remitted to them. You can easily see the problems we have if that is not done. We have somebody who may retire and move to Victoria. Then, we'd be sending them a cheque and asking them to remit a cheque back to us of a very small monthly payment with respect to the group insurance coverage which they wish to retain and which they selected to retain until they reach age 65.

The next section is a very minor one also. It simply deals with who shall table the report in the House. I've been tabling the reports (I shouldn't confess this I suppose) illegally because it says the President of the Executive Council shall table the report with respect to the Public Service Superannuation Board. All this particular amendment says is that the minister who is designated the minister in charge shall table that report.

Now, the next section, I should point out to members, is really a much more substantive one. It deals with the Anti-Tuberculosis League pension fund and I want to spend a little bit of time on this just to make sure that members have a reasonable grasp of it. Members are aware that the sanatoriums in the province have been closed down, one in Qu'Appelle and one at Prince Albert and recently, one in Saskatoon with the tuberculosis treatment at the Saskatoon sanatorium now transferred to the regular hospital system. I think, generally, members are aware of that. Therefore, while it's true the league will still carry on work with respect to tuberculosis in the province (and also emphysema, bronchial type diseases, asthma, that sort of thing), the fact of the matter remains that they have a very limited number of employees now. They're down to about 36 employees and most of those employees are actually doing work for the Department of Health. The league itself is funded through the Department of Health almost entirely now. For example, if you went to the sanatorium in Saskatoon, you would find it's a level IV centre and the anti tuberculosis nurses and so on really are working in that

institution and the funding is provided by the Department of Health.

So the league came to us and asked that the Anti-Tuberculosis Superannuation Fund be taken over by the government or transferred to the government. This was discussed with the employees involved and they wish it to be done. Quite frankly, it will improve their pensions because their current pension is a 2 per cent times 10 year's average earnings and the old Public Service Superannuation Fund which they will be transferred into because they're comparable units is 2 per cent times 5 year's average and therefore, there is some improvement. In addition, the total amount of the Anti-Tuberculosis League fund will be transferred to the government and will be kept in a separate fund to make sure that the needs of those employees are met by payments out of that fund. That fund totalled \$3,980,885 at the end of last year.

**MR. LANE:** — What are the liabilities on that fund?

**MR. ROBBINS:** — Liabilities currently are \$14,497 a month being paid to 107 superannuation employees who have an average income of \$135 a month. The pensions are pretty meagre. The employees want this. We've had long consultations with them. The league has been paying 5.5 per cent of the payroll to meet the liability for current and past service and there is an unfunded liability over time. We can't say how much of that liability will have to be met because there are only 36 employees remaining and I think members are familiar with the fact that if an employee leaves and hasn't got total vestment of the employer's side of it, withdraws his equity, the unfunded liability on behalf of that employee disappears. But there is an unfunded liability. The payments that would be made out of the fund, the immediate cost if any, would be very minimal but there is a potential liability of about \$838,000 which may disappear. We don't know. I'm simply saying that based on — and I've given you some statistics here — there are 36 employees left, eight male and 28 female. The monthly salary payroll at the end of December was \$49,673. The monthly employee contributions which they were paying into that fund was \$2,731 matched by an equal amount from the employer, 5.5 per cent of payroll. I think it's fair to say that not only have the employees asked for this for a number of years, but we feel, since the league's work has been tied so very tightly with the Department of Health and the funding as supplied by the government, it was a rational move to take this step. Therefore, that particular section will include the Saskatchewan Anti-Tuberculosis League employees in that new section of the Public Service Superannuation Act.

Mr. Speaker, I take pleasure in moving second reading of this bill.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, would the minister permit a question before he takes his place on that?

**MR. SPEAKER:** — I've told the House before that if a question is going to be asked, it must be asked before I put the question. I put myself in the hands of the House. Are you prepared to allow a question?

**MR. LANE:** — You move too quickly for me. Have SGEA (Saskatchewan Government Employees Association) approved the changes that you have suggested affecting them?

**MR. ROBBINS:** — We provided SGEA with general information with respect to the act coming to the House over a month ago and we've had no response from them. They have had the opportunity to react to them.

**MR. LANE:** — I'd just like to make a comment, Mr. Speaker. We would like to check with them ourselves and see whether they have a reaction. I would like to indicate that with your assurance as to the sanatoria employees supporting the changes, we will be agreeing to the next bill at the bringing forward so that you can expedite that. I beg leave to adjourn debate.

Debate adjourned.

**MR. ROBBINS** moved second reading of Bill No. 43 — **An Act to repeal The Tuberculosis Sanatoria Superannuation Act.**

He said: Mr. Speaker, this bill, of course, is connected particularly with the previous one which I just made my remarks on. I've provided the general information with respect to The Tuberculosis Sanatoria Superannuation Act. Really all we're proposing is to repeal their act and to cover them under The Public Service Superannuation Act and, therefore, I see no reason to repeat the information I gave previously. Therefore, Mr. Speaker, I move second reading of this bill.

Motion agreed to and bill read a second time.

**HON. W.A. ROBBINS (Minister of Revenue)** moved second reading of Bill No. 51 — **An Act to amend The Tobacco Tax Act.**

He said: Mr. Speaker, this particular bill, of course, deals with an increase in the tobacco tax, which I am sure the members opposite heard about with respect to budget day. I would like to make a few remarks concerning it prior to moving second reading.

Actually the act addresses itself to three basic problems. One is to provide increased revenue. We think, quite frankly, that tobacco is a reasonable place to increase taxes. Perhaps not all members on both sides of the House would agree. Some of them might object to that, but the fact of the matter is it seems a rational and reasonable approach. Secondly, some recognition of the changing levels of interest rates in recent years because the old act says that arrears in terms of taxes can only attract a 6 per cent interest rate (and that obviously is very much outdated in today's world) and thirdly, a desire to forestall all increases in illegal smuggling activity. This is a problem not just for Saskatchewan. I want to assure the members of this House this is a real problem right across Canada.

I want to point out the tax changes just to refresh the member's memories slightly with respect to it.

For cigarettes previously taxed at a rate of .96, which worked out to 24 cents on a 25 package of cigarettes, the tax rate is increased to 1.08 cents per cigarette, or 27 cents per package of 25 cigarettes. I would also like to inform the opposition that that's not the highest tax rate in Canada on tobacco. Tory Ontario has a higher tax rate than we have on tobacco. In addition, I must point out Quebec has the same rate as we are currently going to — the 27 cent rate.

The tax on cigars, selling at the retail price of up to 10 cents, has been increased from 3 cents to 4 cents and the tax on a cigar selling at a retail price from 11 cents to 20 cents is raised from 5 cents to 6 cents; the tax on cigar selling at retail price in excess of 20 cents has been increased from 10 cents to 11 cents and the tax on tobacco products

such as fine cut and coarse cut tobaccos has been increased from 9 cents to 11 cents per 25 grams. That would be tied in with the metric set-up and they don't really refer to tobacco in half-ounce or ounce amounts anymore.

The second problem, Mr. Speaker, that Bill 51 relates to is the 6 per cent interest rate I previously mentioned. This is the current charge on arrears of tax owed by a collector who fails to make prompt payments. It obviously is not realistic because a person with a large remittance required in terms of paying tobacco tax could easily retain that money over a period of time, invest it in short term securities and pick up very substantial gains. That is not realistic in terms of today's world. So this amendment permits the rate of interest to be specified in the regulations which then can be adjusted as interest rates change. I think members are aware of the fact that interest rates have altered very drastically and very rapidly in the last two years. It would also permit us to lower the rate with respect to interest charged in line with whatever interest rates are applicable across the country as well as increasing them when that necessity arises.

The third problem addressed in the bill is the stage in our efforts to forestall private smuggling activity. The substantially lower tax rates on tobacco in Alberta have created opportunities for substantial private gains . . . (inaudible interjection) . . . The member for Qu'Appelle (Mr. Lane) talks about Tory Alberta having a low tax, but Tory Ontario has the highest tax in Canada on tobacco products. In addition, Tory Ontario is having just as severe problems as we are with respect to smuggling. The fact of the matter is, tobacco products are smuggled out of Alberta into Ontario quite regularly too, and that is a real problem for the province of Ontario.

The fact of the matter is, Mr. Speaker, the tax difference on a semitrailer truck load of cigarettes is about \$75,000 between Alberta and the province of Ontario. We have evidence of truckers taking trucks from Alberta loaded with tobacco into Ontario and paying for their truck on one trip. I think no one wants that sort of thing to be happening. It's true that the real problem is related to the differential and the consumer taxes that apply and Alberta is in a unique position related to the rest of Canada. British Columbia is having the same difficulty with Alberta as we are, so is Manitoba, so is Ontario and perhaps not so much the Maritimes, that's too far to go. But I simply want to point those things out.

Included in these amendments, therefore, we are requiring individual consumers and retail vendors to report and pay tax on the quantities of tobacco products brought into Saskatchewan. Convictions for failure to report and pay tax can lead to fines of up to \$5,000 for an individual and up to \$10,000 for a retail vendor. Now members may think those are pretty high fines, but the fact remains, as I said before, up to \$75,000 on one truckload can actually occur.

I must point out to members of the House that personal consumption quantities of tobacco similar to those allowed to enter Canada duty-free are exempted from the reporting requirements. In other words, a person going to Alberta can bring back a certain quantity of tobacco for their own personal use in the same way that a person coming into Canada from the United States can bring tobacco for their own personal use.

Mr. Speaker, I move second reading of this bill.

**MR. LANE:** — A couple of comments. The Minister of Revenue (Mr. Robbins) has been attacking the province of Alberta, if I recall, in 1972, because Alberta was cutting taxes,



and they could no longer afford it. I can recall the Minister of Revenue standing up in the Assembly and predicting in 1972 or 1973 that Alberta was going to have a sales tax. They were going to have a sales tax, he promised this Assembly, so they . . . (inaudible interjection) . . . oh sure, they were negotiating, he says, they're going to put one in because Alberta is broke — Alberta didn't have any money. That was the hon. member's knowledge of the financial state of the province of Alberta when we had that prediction. I believe it was 1973. He doesn't deny it — I'm not sure whether it was 1972 or '73.

You will notice, Mr. Speaker, that the hon. minister has indicated the great smuggling problem — the cigarette, tobacco tax smuggling situation that goes on in Canada. He talked about the profits that can be made; that a truck can be paid for on a truck load of cigarettes. But he very pointedly didn't talk about the windfall profits that were made because of the budget leak on the tobacco tax. But the very fact was that major wholesalers and dealers were buying up great quantities of tobacco because they had the 24-hour advance warning of the tobacco tax.

We have raised this in the House, and the Premier has promised us that no one made any money; in fact, the minister knows full well that some people did make some dramatic profits overnight. The Minister of Finance knows that dramatic profits were made overnight because of the budget leak. When he talked about windfall profits it was only from the question of his concern about his revenue because he needs the dollars so much, not about the cost to the taxpayer because of the benefit to certain individuals of the budget leak by the government offices.

I was surprised to hear the minister's comments about interest because we have another piece of legislation (expropriation procedure) which limits the interest payable to 6 per cent by the government. Perhaps his statement of the government's new policy on paying interest or collecting interest owed to the government would be just as appropriate to the situation when the government has to pay interest. And I hope the hon. minister would take that into account and indicate to his Cabinet colleagues his belief that the interest payable under The Expropriation Procedure Act should be raised to 10 per cent, rather than the present statutory limit of 6 per cent.

Just a small comment on the drafting of the bill. You objected to my comments to you that the importation didn't apply to an individual who brought tobacco back. In fact, I think if you will check your drafting under clause 6, you'll see that a retail dealer who imports has to make the report. In fact, I think you should have the phrase in there with respect, Mr. Minister, that every retail dealer who, other than for his own personal use, so that he is not caught under that particular provision.

Mr. Speaker, we are surprised at the failure of the minister to indicate the windfall profits that were made. We note the minister's great concern for the massive smuggling problem that is going on and his concern for it. We will have more to say and I beg leave to adjourn debate.

**MR. SPEAKER:** — I'm sorry. I didn't hear the member's final comment.

**MR. LANE:** — It was a salient one, Mr. Speaker, asking for leave to adjourn debate.

Debate adjourned.

## ADJOURNED DEBATES

## Second Readings

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins (Minister of Revenue) that Bill No. 6 — **An Act to amend The Co-operative Production Associations Act** be now read a second time.

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, I would like to make a few comments regarding this amendment. Essentially it has about three changes. The first is with respect to fidelity bond requirement under section 35. Second, there's a change being asked for with respect to audits, the requirement of audits under section 48. Thirdly, we have amendments 54 and 56, waiving the six month period of disbursement of surplus funds within either a farm or a machine co-operative.

Now, with respect to the first and the third, I can't say that I have any great concern. If it's the wish of the local co-operative association board to waive that requirement with respect to fidelity bonds being that they are a close knit organization, I certainly have no objection to that. With respect to the third aspect and change in this bill, by way of this amendment, that the six month period be waived and that the board members shall decide, Mr. Speaker, when surplus funds should be disbursed so that it would be in the best interest of the co-op or farm machinery association, again I certainly wouldn't argue with the local co-operative boards in that respect.

Now, my objections are going to lie entirely with section 48 and I don't say they're that strong of an objection. Possibly in closing debate on this amendment, the minister might make adequate explanation at that time. If not then I would likely proceed by way of an amendment at Committee of the Whole. But let me point out that the change required very simply states — and if I may refer to the explanatory note — the accounting profession is most reluctant to provide the standard external auditor's certificate. Well, first of all, Mr. Speaker, I'm not too concerned about what the accounting profession likes or dislikes in regard to accounting being requested from it. Surely, that's their business and that's how they make their livelihood. If I go to an auditor and want him to do an audit and I'm prepared to pay him, I am sure that he is going to be more than happy to do my auditing. I am rather reluctant to accept the suggestion that the accounting profession is reluctant to provide these external audits. I just simply find it hard to believe that the co-op or farm machinery was prepared to pay them. I don't think they were attempting to rip-off the co-op machinery association. So, very simply, Mr. Speaker, I don't think that that is a very sound basis by which to make this type of amendment.

It goes on to say (it's on farm machinery and farm co-operative statements) other forms of farm corporations may opt out of the audited statement requirement under The Business Corporations Act. Now, not being completely versed in The Business Corporations Act I can only say in my understanding of that act, only those corporations, Mr. Speaker, that have less than 50 per cent of their membership in control, are able to opt out of an audited statement. So again, using the suggestion here, the very statement that business corporations may opt out is not adequate because it's not so at all, entirely not so.

Further, it just simply says, and since these types of co-operatives are closely held with little or no potential conflict between members and management, they recommend the same option. Well, Mr. Speaker, I might refer the House to Co-op Implements and I would surely suggest that there must have been a breakdown there between

membership and management, obviously there was. You suggest here because there is no potential conflict, then there's no reason to require an audit. Well, Mr. Speaker, in support of co-op associations whether they be farm or machinery, or whatever association they may be, in strong support of them, I suggest that in the interests of those associations they should have an external audit. That primarily, Mr. Minister, is the objection that I have with respect to these amendments. I believe and suggest to you, Mr. Minister, that these co-op associations should and in fact, must have in my opinion, an external outside audit. We don't want farm machinery co-operatives like CCIL getting into trouble again. I would like to think that they are now on stable ground and that they are not going to run ashore again. Therefore, Mr. Minister, I would just ask that possibly in closing debate you might make adequate explanations to satisfy my concerns in this regard of external audits. If I am not at that point, well I suppose we might introduce an amendment in Committee of the Whole.

With that, Mr. Speaker, I am sure the minister will help me out in that regard and possibly then we can support the amendment.

**MR. ROBBINS:** — Mr. Speaker, I take note of the comments of the member for Moosomin (Mr. Birkbeck). I note that he has no real objection to (1) and (3) amendments, which he has covered. He says he has some objection to the second amendment, but he misses the point, Mr. Speaker. The point is that that can only happen if the members of that co-operative (by by-law) make that choice. I might point out that Co-operative Implements does not come under the jurisdiction of The Co-operative Production Associations Act and perhaps he was quite familiar with that. But, I repeat again, that only if the members of that production co-operative make the choice themselves by by-law, that they do not require an external audit, would that situation occur. That's exactly the situation that currently stands with respect to The Business Corporations Act, which basically deals with small businesses. I can understand some concern of the member, but I think, quite frankly, he will realize that only if there are six members and if they agree to pass a by-law to go without an external audit, will it come into effect. If there's any trepidation amongst the individual members themselves with respect to passing a by-law, I think it is likely that the by-law would not be passed and an external audit would then occur. If he wants to discuss it further in committee, I think we can do so then.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rolfes (Minister of Continuing Education) that Bill No. 8 — **An Act to amend The Universities Commission Act** be now read a second time.

**MR. G. TAYLOR (Indian Head-Wolseley):** — I have a few items I want to discuss with regard to this bill. As we see the section that I am opposed to is 3. — (1) subsection 3(3):

(3) One of the members of the commission shall be designated as chairman of the commission and shall hold his appointment at the pleasure of the Lieutenant-Governor in Council.

Now it is my understanding that with the present situation the chairman of The Universities Commission Act has been selected by the members of the commission. I have been following the universities for some time and I think we in Saskatchewan are proud of our universities. I think they have been operating very well. It makes me wonder what is necessitating this change to where the head of the Universities

Commission would be appointed?

Another area of concern of mine is why an appointment by the Lieutenant-Governor in Council? I believe in a system in which members are elected by their peers. I realize that these people are appointed to the University Commission, but I think they should be quite capable of selecting one of their members who could serve with this commission. The other thing, of course, that I've been discussing for some time is that we see (and I noticed in a clipping that they're giving a presentation to the Minister of Continuing Education today) the university students are still concerned about the cutbacks. I did question the minister on the salary. I think this is going to be a salary of somewhere in the neighborhood of \$50,000 and I think this money, as I pointed out in many times in this House, can be spent better in programs for students.

The other thing it intends is an open ended contract. I wonder about appointing people at \$50,000 salaries with open ended contracts. I'm not so sure that this is in the best interests of the people of Saskatchewan. True enough, we may have to select a capable person for this position. I think we all are in agreement with that, but there can be something gained in changing personnel from time to time, and the fact that it is an open ended contract also is of concern to me.

I think I would be summing up some of my feelings if I said that this indicates to me just another example of political control. In appointing a person to be head of the Universities Commission for the two universities of the province of Saskatchewan, I think in something as important as the Department of Continuing Education, where this person would be having considerable influence on the grants and the funding and the spending of the moneys of the university, I do not think that we should be allowing it to be any type of a situation in which there may be appointments made because of political affiliation. We're seeing a bit too much of this as has been pointed out in this House already. So I must go on record as being opposed to this bill. I see it as just another attempt by the government opposite to increase their bureaucratic control over the lives and many aspects of the province of Saskatchewan, and of course, in a very important one, the field of education. Therefore, Mr. Speaker, I would definitely oppose this bill.

**MR. LANE:** — Mr. Speaker, I indicate again the opposition to this particular bill. It's poorly timed, it's badly timed when you come in with a salary at that magnitude when the university students are critical of the government and are feeling a financial pinch. It's just like a red flag in front of their faces to antagonize them. I don't think that you can justify, at this time when you're talking about restraint, that type of salary, that type of appointment. I don't think, Mr. Speaker, that this is justified at this time. In fact, the government should pull this bill and reconsider its particular position. I would hope that we could give the government some time to consider that option, and I beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rolfes (Minister of Continuing Education) that Bill No. 9 — **An Act to amend The University of Saskatchewan Act** be now read a second time.

**MR. G. TAYLOR (Indian Head-Wolseley):** — Mr. Speaker, as you will have noticed, I have asked time to study this bill. I had pointed out that I was in agreement at first on clause 3(6)(1)(0) to extend the areas in which the universities can raise finances. I have looked

at the other sections concerning the fining for motor vehicles. I remember my days in college where, if you committee a faux pas, you didn't get your marks. I suppose that's past now, and if this will help with the controlling of speeding and motor vehicle problems at the university, I would be in favor of this bill.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rolfes (Minister of Continuing Education) that Bill No. 10 — **An Act to amend The University of Regina Act** be now read a second time.

**MR. TAYLOR:** — As I previously said, this bill is the same as the other one regarding the promissory notes and certificates of deposit. They hope to raise further finances by the universities and I would also support this one.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Rolfes (Minister of Continuing Education) that Bill No. 11 — **An Act to amend The Department of Continuing Education Act** be now read a second time.

**MR. TAYLOR:** — Well, I believe this bill deals mostly with updating the wording to keep it in connection with the new education act that was passed last year. So, there's no concern there. In clause 5(6) where they are relieving the instructors of liability for any danger or injury that happens to students while under their supervision, being a school teacher and having this same consideration, I think this is a very good move and I would certainly support this.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Snyder (Minister of Labour) that Bill No. 14 — **An Act to repeal The Industrial Standards Act** be now read a second time.

**MR. R. KATZMAN (Rosthern):** — I've got a question or two if you want to get to the questions, Mr. Minister. Mr. Speaker, as I was saying the other day when I adjourned debate on this bill, basically it does away with an act that's outdated because it's now covered by The Labour Standards Act. It's unfortunate though, within the new Labour Standards Act and the missing part of this act, that government employees themselves are not treated the same way as all other employees, and I refer here to overtime provisions and so forth. Mr. Speaker, on this particular bill, we will be going along with the minister's motion.

Motion agreed to and bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Snyder (Minister of Labour) that Bill No. 25 — **An Act to amend The Department of Labour Act** be now read a second time.

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, the other day I adjourned debate on this one while I was checking some information. Basically, this is now a way of government giving funds to organizations, which, to my understanding they have been doing in the

past anyway — even though they didn't have the legislative ability to do it.

The question I am concerned about is where these grants will be given to and what types of groups and for what purposes. If it is for occupational health studies or if it is for hours of work studies, or if it is the four-day work week study, or what purposes, who qualifies and the regulations surrounding them?

So, Mr. Minister, I would ask you — hopefully we have one more speaker on this one today and in the interim while he adjourns the debate — if you would supply us with a copy of the people who have been given grants, even though the permission wasn't in legislation before, and for what purposes they were given them and what criteria you were using, so that we will have some basis to understand more fully what you are trying to accomplish with these two. Until you can supply us with that information, and prove to us that it is a just thing to do, I will have to be against this motion until I can see differently.

**MR. R. ANDREW (Kindersley):** — Speaking, on this motion and it is the same type of motion, I believe, the Minister of Agriculture has also presented under The Department of Agriculture Act I would echo the thoughts of the member for Rosthern to the effect that it strikes me that what this legislation is doing is granting to the Minister of Labour the same power that he is granting to the Minister of Agriculture. My question is, where is that money going? Is it going to the trade unions or is it going equally to management people or this type of thing in the interests of good labour relations in the province? Just as the Minister of Agriculture, is your grant going to be going to the farmers' union and these type of people as opposed to other people who do good works in the field of agriculture? I am sure that until we do have some questions on that, the members of the opposition are certainly going to press on all those points. At this point I would beg leave to adjourn debate on this matter.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. E. Kaeding (Minister of Agriculture) that Bill No. 28 — **An Act to amend The Apiaries Act** be now read a second time.

**MR. R. ANDREW (Kindersley):** — On The Apiaries Act, Mr. Minister, there are several areas of the province where I have checked with the people in the beekeeping industry. They have some concerns re certain areas of the bill. Another portion of the bill they are concerned with is . . . we can't find anything yet to see if I'm wrong or right and hopefully maybe the minister can provide me with this information before I speak on the bill after I adjourn it later today. My concern is in the leaf cutting bee which is just a little different than this kind of bee that we're talking about in this act. We're concerned with the diseased bees of those type coming in and we're concerned with, in the act also, some of the explanations for used equipment which you refer to that they cannot use without special checks and so forth. How are you going to do those and what is the standard going to be for you checking them? You know the member that has been away in London, if he'd keep his comments to himself, I think the House would go much smoother rather than getting us into a long, lengthy debate.

**AN HON. MEMBER:** — Right on.

**MR. ANDREW:** — So I would suggest either be gone or be quiet.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ANDREW:** — Mr. Minister, within your fine section, the \$100 and so forth, I'm concerned if the representation from the people in the industry have spoke to you about that portion in the amount and if it's sufficient or if it's too much and what do you intend to do there? Basically, the bill seems to be properly doing what the industry wants but they have a few areas of concern and I am waiting for some of them to get back to me which will be later this week. For that reason, if you can supply me the two things I asked for, I will adjourn debate and soon as I have my information, I will stand up and let it go to the next position. Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. E. Kaeding (Minister of Agriculture) that Bill No. 45 — **An Act to amend The Horned Cattle Purchases Act** be now read a second time.

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, The Horned Cattle Purchases Act was an act I expected to see amended in the House this year and I predicted it would come before us mainly because of what the government did last year to the cattle checkoff act where they decided in their wisdom, and against the individuals of the province — the farmers, the producers who place the funds into that account — that they would take the authority, the final authority into the minister's hands and not leave it in the hands of the producer. I was a little surprised that this act didn't bring in the same direct change as the other act that was brought in last year on the cattle checkoff. A large portion of this bill seems to bring it in line with some of the changes that were made in the other act and were required. For an example, the changing of the chasing cattle back and forth and selling them and where they can and so forth. Those are changes that are required.

As the minister is aware, the fund that this money comes out of presently, this year, went to the beef Information Centre and to the Saskatchewan Stock Growers and I have no arguments with that amount of money going there. In fact, it's for the producers who will benefit in the long run and therefore, I think that's where the funds that come in under the horn fund should go.

I have a couple of concerns with this bill. One of them is that when you take the deduction at the standards for the animal the first time, quite often that animal will go back into a feedlot, to another producer at a weight of say, 600 or 700 pounds — I haven't figured out how to change into that new crazy math — and then it will come back in again at 1,000 pounds for butcher, let's assume a steer, and it will be deducted twice. They will pay the penalty. Now, I realize that the owner, the person who buys it the second time should get a copy of each certificate of each animal saying that the horn deduction has been taken off. But unfortunately, some of these animals will change hands, for an example, at the Saskatoon stockyards, will then go over to the Saskatoon auction mart, which does not deduct the dollars, and then will go to a farmer. When he sells it at 1,000 pounds, it will be deducted again at the stockyards and therefore, it's a form of double collection. I don't know if there's an internal system that we can use to cure it. I just wonder if the department has looked at this particular problem and when you're winding up debate on second reading, if you could indicate what your people have found with it.

The definition of a horn gets awfully interesting when you look at some . . . (inaudible)

interjection) . . . The member from across the water seems to want to catch up with his heckling. The small horn on an animal which is not dangerous, which is just the snub, or the long horn which is very obvious . . . (inaudible interjection) . . . Let me know when you guys are done heckling because that's when I'll start speaking again. We're trying to keep this to the business of the House. If you guys want to get into the garbage we can get there but let's stay to the business and not the rest of it.

Now, the other concern is, in one stockyard an animal will be deducted for a horn that size, just sticking out of the hairline; in the next stockyard he will not be. There is no conformity for what you deduct. So once again, that concerns me. I would like to see a form or maybe just a slip of paper given out when a cattle buyer or a drover, for lack of another word, buys, for example, at the stockyards and sells at the auction mart, and he can pass this along saying, this was weight tag number such and such. Saskatoon yards, the deduction was removed. Then the buyer will be able to get that from the seller, an approved little form so that when he takes it back to the stockyards for resale, he'll say, here's the form, you can look up this number weight scale ticket and you'll find that the deduction has already been made. That may work, or it may not, but I suggest that you see if you people have tested that system or done any studies of it.

The other portion is, I look at the RCMP in the brand inspector section that you are suggesting that you are going to do some work with. In the other bill, in the animals at large portion, I am concerned that some R.M.s don't have what you call a pound keeper. This reference is really not totally on this bill but it reflects because in other bills the RCMP in certain areas can pick up stray animals. If you remember correctly, we used to have to drive them to a place of compound and now they can be picked up and taken a distance. I'm concerned about the Mounties in this particular fund; I don't see what the purpose of them is.

Basically those are some of my concerns, Mr. Minister, with this particular act. I ask one other question. For example, when the cattle are taken to Edmonton or across the Manitoba border or across on the Alberta side and sold, are we having any problems collecting the amount of foreign deduction or do you find that people are taking them across the line to escape that deduction?

You know, it is interesting that the Minister for the North (Mr. Byers), who was incapable of looking after the environment department, is yelling at me. Ask Mr. Robbins.

**MR. SPEAKER:** — Order! I think the member is getting into my jurisdiction. If he will stick to the principle of the bill I would be quite pleased to let him go on.

**MR. KATZMAN:** — My apologies, Mr. Speaker.

My concern is, Mr. Minister, that even though it has been suggested that the Minister of Revenue collects those funds, I understand that they go through your department and not the department of the Minister of Revenue, so I should say that they go into the horned trust fund.

Is there a system of checks and balances on the state of the funds, the same as we have on the deductions? Do we have the same reporting on this system? Those are a few questions that I leave with you, Mr. Minister.

I ask permission to adjourn debate on this issue. Maybe the member from London will



go back there and be quiet.

Debate adjourned.

## COMMITTEE OF THE WHOLE

### Bill No. 24 — An Act to amend The Highways Act.

#### Section 1

**MR. R. KATZMAN (Rosthern):** — In the act, Mr. Minister, I notice that you are going to be changing to a new system of measure, and also something about a chain length and width. You refer to a chain measurement which, I believe, is a proper measurement in surveying. Could you explain what you are trying to do here with it.

**MR. KRAMER:** — A chain in our measurement is 66 feet. (Sixty-six and two-thirds to be exact).

**MR. KATZMAN:** — Is the reason for this change to conform with the metric problems that this bill is being introduced, and so forth?

**MR. KRAMER:** — We will not be using chains any more. The system is entirely metric. The chain will not be used.

**MR. KATZMAN:** — So basically this is to conform with the metric as I asked earlier?

The new measurement, will it make any difference in the widths on highways at all? Will it make it easier for (other than to move to the new system) . . . how will it affect, for example, when you go to purchase land from an individual now (I assume that even though the farm land is still in acres, feet and yards that you are suggesting you are going to use this new system). For an example, when you try to buy land from a person, will you be going to them with a contract on feet, yards, acres or what will be the new system?

**MR. KRAMER:** — If the member will go through this, he will notice that in each item, for instance, subsection (3) is amended by striking out 'one chain' or 66 feet, which is the description that's run and substituting '20 metres'.

The next one, subsection (4) which deals with the number of cubic yards of dirt that we are permitted to sell to any individual; we speak of 300 cubic yards. That will change to '250 cubic metres'. Every title that is entered into, or every setback, instead of being allowed to build so much at such and such a distance from so many feet back, will relate to metric. Any changes will be fractional. We will go to the nearest digit.

Sections 1 and 2 agreed.

Section 3 as amended agreed.

Sections 4, 5 and 6, as amended agreed.

#### Section 7

**MR. KATZMAN:** — Forty kilometres and twenty-five miles are not identical, are they?

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Why the twenty-five to forty — that's not an exact switch on this item.

**MR. KRAMER:** — It is not exact but it's as close an approximation as we can get.

Section 7 agreed.

Section 8 agreed.

## **Section 9**

**MR. CHAIRMAN:** — Section 75 amended, and we have an amendment here by the Minister of Highways — An Act to amend The Highways Act — proposed House amendment — memorandum to the Hon. Mr. Kramer — section 9 of the printed bill. Amend section 9 of the printed bill by striking out 'acres' in the last line and substituting 'metres'.

**MR. KRAMER:** — Mr. Chairman, before I move that amendment — there was a misunderstanding and I apologize for that — the member for Swift Current (Mr. Ham) raised this and I had not noticed those acres were in the bill. That was a printer's error. He raised it. I thought he was asking, Mr. Chairman, about changing from acres to hectares and there was a little hubbub back here and I am sorry about that — but the answer in Hansard is rather perplexing. Anyway, Mr. Chairman, I move this amendment as presented.

Section 9, as amended, agreed.

Sections 10, 11, 12, 13 as amended, agreed.

Section 14 agreed.

**MR. CHAIRMAN:** — Order, we could do with a little less assistance from both here.

Amendments agreed.

Motion agreed to and bill read a third time.

The committee reported progress.

The Assembly adjourned at 5:00 o'clock p.m.