

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 2, 1980

The Assembly met at 2 p.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. P. ROUSSEAU (Regina South): — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to the members of this Assembly, 52 Grade 5 students from Ethel Milliken School. They make this journey every year. They are accompanied today by their teachers, Ms. Brenda Arnold, Ms. Nonnee Reiman, and Mr. Dale Wollenberg. I know by the agenda that they will be touring the building from 2:45 to 3:15 and will have pictures at 3:15. It will be my pleasure to meet with them in the rotunda at 3:15. I'm sure the members will join me in wishing them a pleasant afternoon. I'll see you later on.

HON. MEMBERS: — Hear, hear!

HON. D.W. CODY (Kinistino): — Mr. Speaker, it gives me a great deal of pleasure today to introduce to you and to the members of the House, 30 Grade 12 students from the Kinistino High School. They journeyed here today a long way, from the north part of the Kinistino constituency, to be with us to witness some of the proceedings of the House. They've also had a very busy day in Regina. I know when they witness the proceedings of the House here today, they will be better informed on what we do in the legislature with regard to their particular system. They are accompanied by two teachers, Richard Friesen and Brian Suetta. I want to welcome the students and their teachers to the Assembly. They are sitting in the Speaker's gallery. I hope they have a good stay here and a very fine trip home.

HON. MEMBERS: — Hear, hear!

MR. D. LINGENFELTER (Shaunavon): — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to the members of the Assembly, a group of 57 students, Grades 11 and 12, from the Herbert High School on behalf of member for Morse, Mr. Gross. The students are here today to visit with us in the Assembly and to watch question period. I hope they have an educational and enjoyable stay here. They are accompanied by their teachers, Mr. Block, Mrs. Nobel and Miss Ashley and their bus driver, Ron Harder. I'm sure that all members will join with me in wishing them the best stay in town and a safe and enjoyable return home.

HON. MEMBERS: — Hear, hear!

MR. D.G. TAYLOR (Indian Health-Wolseley): — Mr. Speaker, I would like to introduce to you and through you to this House, 25 Grade 12 students from the Montmartre High School who are situated in the east gallery along with their teachers, Mr. Jerry Fisher and two members of the Montmartre Co-op Board who are with them today. I hope you enjoy your deliberations here, the oral question period and the tour of the building. I will try to meet with you for some refreshments and drinks later on. Have a safe trip home and thank you coming in to the legislature.

HON. MEMBERS: — Hear, hear!

HON. R. ROMANOW (Saskatoon Riversdale): — Mr. Speaker, it's my pleasure to introduce to you and to the members of the legislature, a group of approximately 41 Grade 7 students from W.P. Bates School, who I believe are in the west gallery facing me. At least, I hope so. They are accompanied by their teachers, Mr. McKenzie and Miss MacDowell and their bus driver, Mr. Don Cyr. I wish the students a pleasant visit to Regina and to the Assembly. I hope, if House business will permit, to attend for a few minutes and say hello to you. Thank you very much.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Quebec opinion

MR. D.M. HAM (Swift Current): — Mr. Premier, in light of your announced speaking trip in central Canada and in view of the recent pro-Canada billboard bombings in Quebec, does the Premier truly believe that regardless of the outcome of the referendum vote, conditions and attitudes will never be the same in Quebec, considering the high percentage of separatist support for their cause?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, it's the opinion of the Government of Saskatchewan that in fact opinion will never be the same in Quebec. Indeed, it will never be the same in Saskatchewan. Opinion in any part of Canada is always in a state of flux. I do, however accept the nub of the hon. member's question and say that it is the opinion of our government that there will be, whatever the outcome of the referendum, a substantial number of people in Quebec who advocate the cause of a sovereign Quebec, and that this situation will not be dissipated if the referendum turn out to be no. However, I do suggest that opinions change over a number of years and it is entirely possible to postulate a situation, predict a situation indeed, whereby the numbers of people who wish to separate from Canada in Quebec would decline as we began to solve some of the problems which beset our country.

MR. HAM: — Supplementary. Is the Premier prepared for another imposition of the War Measures Act, and if so, how is your government prepared to respond to this possibility?

MR. BLAKENEY: — Mr. Speaker we are not prepared for another imposition of the War Measures Act, nor do we anticipate any, and I think it would be unwise for us to indicate that we felt there was any likelihood of an imposition of the War Measures Act in the foreseeable future.

Interest Rates

MR. D.G. TAYLOR (Indian Head-Wolseley): — My question is to the Premier. Mr. Premier for the fourth consecutive week we've had an increase in interest rate to a record high for 16.2 per cent. My question, Mr. Premier, is how high do these rates have to go? How many home-owners must lose their homes? How many small businesses have to go broke? How many farmers have to go broke in this province of Saskatchewan before you'll take any action?

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Mr. Speaker, I know that the policy which is being pursued in the policy of Bank of Canada, the policy of Mr. Bouey who received his last appointment from Mr. Clark's government. It was one with which we took the strongest objection. We take the strongest objection to the policies followed. We are now in a position to announce any new policies which will mitigate the effect of high interest rates. We are obviously anticipating what the Government of Canada will be prepared to announce, and there have already been some suggestions by Mr. Cosgrove and others that there will be announcements. We can expect the Speech from the Throne in 10 days, and I think we will all then know what the general situation is, both by way of interest rates and by way of measure to mitigate those interest rates, which the Government of Canada may be offering.

MR. TAYLOR: — Mr. Premier, your government in Saskatchewan is spending approximately \$1 billion of capital Crown expenditures this year. Are you telling me that you're bound and determined to go ahead with those types of expenditures and not do anything to help people from this province who are, Mr. Premier, going broke at this time?

MR. BLAKENEY: — Mr. Speaker, we are proposing to proceed with a project for constructing of power stations. I'm sorry hon. members opposite feel that we ought to discontinue the construction of power plants. We are proposing to proceed with the expansion of potash mines and I'm sorry hon. members opposite feel that we ought not to proceed with the expansion of potash mines. We are proposing to offer assistance to private industry — like IPSCO — if they apply, and to many other industries who expect to expand and to provide jobs and opportunities. I'm sorry if hon. members feel that this is unwise policy. We believe that at a time when there may be a substantial contraction in some construction activity, particularly elsewhere in Canada and where the likelihood of employment for people in the construction trades and other people is fairly high, our government has an obligation to attempt to maintain the level of economic activity. We've done that in the past I think with very considerable success and hope to do so again.

MR. R.L. ANDREW (Kindersley): — Supplementary question to the Premier. In view of the fact you indicate with regard to the interest rates that we'll wait on the federal policy, I have a statement from the Minister of Finance, if you'll permit me to read this short quote:

If relief were to be provided for home-owners faced with sharply increasing mortgage payments the money would have to come from the oil revenue.

I say, Mr. Minister, I think it's time that this government took some action for the people of Saskatchewan before the Government of Saskatchewan swoops in and takes our money for the whole advantage of all.

Borrowing from Alberta Heritage Fund

MR. P. ROUSSEAU (Regina South): — Mr. Premier, in light of what I've just heard from my colleagues and your reply, and in light of the recent price increases announced by your government (for example, in natural gas insurance rate registration fees and even beer) and the proposed increases in municipal mill rates . . .

MR. SPEAKER: — Order. Does the member have a question? I wonder if the member would get to it right away.

MR. ROUSSEAU: — Mr. Premier, would you not agree that a saving of \$9 million in interest, at this point in time, by borrowing from the Alberta Heritage Fund, is worthwhile to the taxpayers of this province?

MR. BLAKENEY: — Mr. Speaker, I would agree that a saving of \$9 million would be worthwhile to the taxpayers of this province. I read that story. It suggested that we might save 15 one-hundredths of 1 per cent if we borrowed from the Alberta Heritage Fund, which fact I rather doubt. If true, in order to achieve the savings of \$9 million in any one year that they refer to; by my calculations we would have to borrow somewhere between \$3 billion and \$4 billion.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, if the Premier read the article correctly he would have noted that it wasn't a saving of \$9 million per year but a total saving of \$9 million, which is correct when you apply it to the \$590 million loan that your government is anticipating this year. Next time, read the script properly. But in light of these price increases, Mr. Premier, which are nothing but a hidden form of taxation, and in light of the fact that our federal equalization payments are up this year, will you admit that Saskatchewan is in fact a needier province contrary to what you recently stated to the press?

MR. BLAKENEY: — Mr. Speaker, we're certainly needier than we would be if we had something like the Alberta Heritage Fund. We're certainly needier than any other province in Canada other than Alberta. I think our financial position is about second to Alberta. We freely conceded we're not as wealthy as Alberta; we freely concede that. We did have the good fortune last year to borrow money at a lesser rate than any other province. That was partly good management and partly good luck. I readily concede that we had good luck and hit the market at the tie that produced lower rates than any other province. We couldn't have done that if we had a bad financial credit, which we clearly do not have. So, we are clearly in need of funds but not as much in need of funds as any other government Canada, with the exception of Alberta.

Saskatchewan Program to Reduce Interest Rates

MR. J.G. LANE (Qu'Appelle): — A question to the Premier. Given the record high interest rates today and your party's stated position during the last federal campaign about an artificially reduced interest rate, and given the fact that you're giving interest free loans to the Potash Corporation of Saskatchewan, do you not feel that you have a moral obligation to the farmers, the small businessmen and the home-owners of Saskatchewan to immediately bring before this Assembly proposals to give a reduced interest rate to those people in Saskatchewan who are being unfairly hurt by the record high interest rates?

MR. BLAKENEY: — Mr. Speaker, I think I would like to point out to the hon. member that advances to Crown corporations are viewed at least by the auditors in the financial statement as equity and not interest free loans. They are equity investments in the corporations which we believe are appropriate.

Our position as a government is that the first steps to be taken with respect to interest rates ought to be taken by the federal government. We believe that if the appointees of

the former Conservative government and now apparently supported by the current Liberal government takes steps to cause interest rates to rise to 15 per cent or 16 per cent, then the first steps to ameliorate the adverse effects of that should come from the federal government.

As I indicated earlier, we anticipate the Speech from the Throne will be dealing with this. Again, as far as I am aware all governments in Canada are awaiting the Speech from the Throne to see what steps will be taken by the federal government. That is the situation as I understand it.

Health Food Outlets

MRS. J.H. DUNCAN (Maple Creek): — Mr. Speaker, the Minister of Health is aware that there are health food stores operating in Saskatchewan which sell so-called medicinal products which are not subject to Canada Food and Drug Act regulations. Does your department investigate or have any type of control over these outlets?

HON. H.H. ROLFES (Minister of Health): — Mr. Speaker, I am not certain of the answer to the question. I will take it as notice.

MRS. DUNCAN: — New question. Very often, Mr. Minister, the elderly are attracted to health food stores by the somewhat exaggerated and sometime unsubstantiated claims of certain products sold therein. An example is royal jelly which is helpful in preventing and treating vascular disease often associated with aging, another one, a herb used as a preventive of senility. My question, Mr. Minister, as Minister of Health do you not think the Department of Health has some responsibility to investigate these claims?

MR. ROLFES: — Yes, Mr. Speaker, I have to agree with the member for Maple Creek that we do have some responsibility. I do know we have been in touch with the federal government on putting in stricter regulations in this regard. I have not had specific and definitive discussion with my officials on that particular topic. It has been drawn to my attention and I will take the suggestions from the member under advisement.

Mr. Speaker, while I am on my feet, may I answer a question I took as notice last Thursday from the member.

MR. SPEAKER: — Order, order! Perhaps the member has a supplementary?

MRS. DUNCAN: — Just one short one, Mr. Speaker. Mr. Minister, when I made a visit to one of these stores. I picked up one of these pamphlets lying around. On top it states clearly this is educational literature and is not to be displayed with or used to sell products. My supplementary is, do you believe the same strict qualitative and quantitative analysis which is used to substantiate claims of reputable drug companies as to the properties of their drugs should also be extended to the health food industry?

MR. ROLFES: — I am not certain, Mr. Speaker, I have the drift of the question. I think in general terms I would have to agree.

Nurses' Wage Settlement in B.C.

MR. ROLFES: — Mr. Speaker, on Thursday the member for Maple Creek asked a

question as to whether or not I was concerned about the settlement of nurses in British Columbia and what impact it would have on the Saskatchewan negotiations with our nurses. I want to inform the member for Maple Creek it is my understand that the two teams are at the negotiating table today and tomorrow, and I feel that any statement I would make at this time may have some impact on those negotiations. Therefore, I would not want to make any further comment at this particular time.

Additional Cost of Special-Care Homes

MR. H.J. SWAN (Rosetown-Elrose): — A question to the Minister of Social Services. In light of the remarks by the Minister of Finance in the budget address, promising financial relief to residents of special-care homes — and further looking at the figures released today by the director of the Sherbrooke Community Centre — is your department indeed going to provide financial relief to seniors, or do you expect that residents will again be called on to pay an additional \$100 per month for level 3 care?

HON. M.J. KOSKIE (Minister of Social Services): — I'm a little surprised at the apparent interest of the hon. member in the amount that is being paid by residents of special-care homes. I say I'm surprised because when you look a short time ago you find a federal government (which was a Tory government) which perpetuated the outmoded policies of the former Liberal government, with high interest rates, spiralling inflation. I want to say that I am surprised too because during their period of office they put an excise tax on gas for the handicapped.

I just want to say to the hon. member though, if he looks at the Speech from the Throne and if he looks at the estimates, he will find that the funding for special-care homes had been substantially increased. If he looks carefully he will see there is a 22 per cent increase in the total amount of funding for special-care homes. As I have indicated the rates have been increased as of April 1 from \$156 to \$167 for level 2. For level 3, they have been increased from \$464 to \$497. I may say, and as has been indicated by my colleague the Minister of Health, we are embarking on a program of re-evaluating special care as it exists at the present time. As you know, there is an additional \$6 million in the fund.

MR. SWAN: — A supplementary to the minister. Do the members of your government agree with the statement made by the director of the Sherbrooke Community Centre, where he quotes that you are decreasing the portion that the government is paying by about 3 per cent, and increasing the portion that the citizens themselves must pay?

MR. KOSKIE: — The article by Mr. Marleau, I believe, is the one you are referring to. In that statement I don't know if he is addressing it to the average cost across the province, because in checking with the department, all the rates have not as yet been set by all the special-care homes. Accordingly, I do not agree that this is necessarily so. Also, as I have indicated, during the course of the year we intend to look at that the question of funding in further detail.

Availability of Information re Grants

MR. R. KATZMAN (Rosthern): — A question to the Minister of Culture and Youth. As your department gives out grants to the people of the province for many different things is the information available to the public on who gets the different kinds of grants.

HON. E. B. SHILLINGTON (Minister of Culture and Youth): — Yes it is. It's in public accounts.

MR. KATZMAN: — Mr. Minister, would the information for people getting grants in the last few months be available to the general public?

MR. SHILLINGTON: — Yes. I'm not sure what you mean by the last few months. I'm not sure the public accounts are that far up-to-date. Certainly if the member wants to put a question on the order paper, we would be pleased to supply more up-to-date information. I think the proper place for this sort of a question is a question on the order paper, not an oral question.

MR. KATZMAN: — Supplementary.

MR. SPEAKER: — Order, order! I'll take the Minister of Mineral Resources.

Tender Plans — IPSCO

HON. J.R. MESSER (Minister of Mineral Resources): — Mr. Speaker, the Premier took notice of a question Monday last, March 31, asked by the member for Estevan. The question was in respect of Interprovincial Pipe and whether or not they had tendered for some of the product which may be used in a building a pipeline across the provinces of Saskatchewan and Manitoba. It also asks whether any renovations were being carried out or considered by Interprovincial Pipe in order to fill such a demand.

The answer is that IPSCO has in fact tendered on that tentative construction of pipe passing through the provinces of Saskatchewan and Manitoba. They are now actively negotiating with the principals. Should the authority be given to build that pipe, they stand in an optimistic position of being able to supply some of the material. The renovating which was asked in the question has already been carried out and completed by IPSCO, so if an award was given to that company, IPSCO, they would be in a position to being construction of the material immediately.

Constituency Grant Allotments

MR. KATZMAN: — New question, Mr. Speaker. This is to the Minister of Culture and Youth. Could you inform this House why the member for Saskatoon Centre had the list and is able to send congratulatory letters to people who get grants? Yet you are telling the members on this side of the House we must put a motion on the order paper and that it's in public accounts. Why does he have the list and is sending out congratulatory letters and we are not allowed the information?

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — Mr. Speaker, I don't know if the members want the answer or why they want to bellow at the top of their voices. Let me say, if they have questions about what grants have gone out in their constituencies they can have it. If you want to do it in a more informal way by writing me, I will tell you what grants have gone out in your riding. It is information which I will make available to anyone.

I made it available to the member for Saskatoon Centre because, being a good MLA, he had an interest in it. If you do as well, the information is available to you.

SOME HON. MEMBERS: — Hear, hear!

MR. KATZMAN: — Supplementary, Mr. Speaker. The member for Saskatoon Centre is not only getting them for his own constituency . . .

MR. SPEAKER: — Order, order! Order! Next question. Member for Regina South.

Insurance Tenders — SGI

MR. P. ROUSSEAU (Regina South): — Thank you, Mr. Speaker. A question to the minister responsible for SGI (Saskatchewan Government Insurance). Mr. Minister, in light of the refusal of the Minister of Sask Tel to table documents relating to insurance tenders in Crown corporation committee hearings, would the minister advise this Assembly whether SGI does or does not tender insurance rates and premiums to other government departments and Crown corporations?

A second question, Mr. Speaker. While you are on your feet, would you mind answering the questions we asked you about 10 days ago?

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services): — I didn't know you were going to ask that question, but I have the answer here.

I would like to pinot out with respect to the question that the member asked a number of days ago, he made this statement — if I may just repeat it.

I am going to refer specifically to limitations where the limitations are 400 per cent; and further, are you are that private insurance companies do not have any such limitations?

This was with respect to replacement cost coverage.

The adjusting practice which has always been used by SGI is that settlements for general claims are on replacement cost less depreciation. With the inclusion of the replacement cost endorsement, depreciation was no longer taken into consideration, providing the property was replaced. Our experiences has indicated that nothing has ever been depreciated at more than 70 per cent. Therefore, we would pay the replacement cost even with the 400 per cent rule. The 400 per cent rule was included when replacement cost was introduced to cover the use of old, essentially obsolete property. Mr. Speaker, the member asked me at the conclusion, are you aware that private insurance companies do not have such limitations? — he said that we were misleading the people of the province. The fact of the matter is that the 400 per cent limitation applies to a goodly number of private insurance companies. It does not apply to all of them, but it does apply to a goodly number of them. I wonder who is misleading the House.

MR. ROUSSEAU: — Supplementary, Mr. Speaker, I wonder how far and wide-ranging an area the minister went through to find the information he came with today with respect to other insurance companies. I checked with several of them myself and they don't have it. Will the minister table the document he just read to us and the information he has on that paper to this Assembly? And furthermore, are you saying that today there is no longer a 400 per cent exclusion or limitation in your endorsement?

MR. ROBBINS: — The 400 per cent exclusion was removed because it had no

application. It was removed on March 8.

MR. ROUSSEAU: — Mr. Speaker, that was going to be my second question. When was removed? My first question here today . . .

MR. ROBBINS: — The first question, I'll take as notice.

Points of Order

MR. J.G. LANE (Qu'Appelle): — With regard to the incident yesterday. I didn't get the opportunity, and I hope, Mr. Speaker, you undertake to advise the Assembly as to your reason for ruling out and stopping the question of the hon. member for Bengough-Milestone. His question was very simply put at page 1343 if I may, Mr. Speaker, and ask for your ruling.

A question to the Minister of Agriculture. Mr. Minister, a couple of weeks ago you indicated a number of MLAs and a couple of MPs went to Montana to conduct a study into the American grain transportation. Is the minister prepared to inform the Assembly of the results of their findings?

MR. SPEAKER: — Order. I think I have the intent of what the member is asking me. The rule is the same today as it was yesterday, as it was the day we made the rule in this Assembly. If a member had a point of order with regard to a question he asked in the Assembly, he could ask it at this point. Now, it's unfortunate if the member failed for some reason or other to ask yesterday (at this point before orders of the day) why his question was refused. I am sure I would have had a response, and if any members have questions today about the question period and what went on in the question period, I would be glad to try to respond to them.

MR. LANE: — Mr. Speaker, my next point of order is if Mr. Speaker could explain and I'm very concerned for the impression that's left to the press as to the activities he has . . .

MR. SPEAKER: — Order. The member may raise a point of order. He can't make a speech. He has to raise the point of order. He has to say what the problem is so I can deal with it.

MR. LANE: — My point of order, Mr. Speaker, is — why the abrupt termination of a couple of questions today and the rather lengthy reply of the . . .

MR. SPEAKER: — Order. The member for Qu'Appelle well knows that he has to put a point or order in a fashion that it can be answered. Now he asks an omnibus question on a point of order. Why were a bunch of questions not allowed to proceed? I can't answer that question. It doesn't give me any information. The member for Qu'Appelle has been here quite awhile and he knows the rules of the House, at least I think he does. I can only assume that he does and there must be some other motive for the member to ask a question of that nature. Perhaps it's forgetfulness, but I wish the member could be specific on a point of order.

MR. LANE: — Well, my point of order is how can Mr. Speaker give his ruling as to the lengthy response of the Minister of Social Services to a rather pointed question today, a lengthy response verging if not actually debate . . .

MR. SPEAKER: — Order. The member for Qu'Appelle is obviously not paying any attention to the rules. He has not listened to what I said.

From the record that I have here, the Minister of Health made one response today — the Minister of Social Services. I am afraid that my record here does not have the Minister of Social Services on it. I realize the Minister of Social Services responded to a question and I can't comment further on it until such a time as I have an opportunity to examine the record. But I will examine the record with regard to the question that was put to the minister and with regard to his response, to see if the question and the response are within the rules of the question period. I would be glad to come back to the House with that later.

MR. LANE: — Mr. Speaker, if you would also examine the record, and I'm not raising the point of order, as to the very short question yesterday the member for Bengough-Milestone who was cut off and perhaps give us an . . .

MR. SPEAKER: — Order. That's beyond my ability to do at this time. I cannot. The rules do not permit me to do that and the member well knows it.

MR. TAYLOR: — Point of order, Mr. Speaker. Would you tell me why today the member for Rosthern was cut off in giving his supplemental question on the same topic to the Minister of Culture and Youth?

MR. SPEAKER: — I listened to the member for Rosthern's question and I was unimpressed as to the urgency and importance of it. The rules state that questions should be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer. That is a rule that governs the question period. That's the rule I go by. I was unimpressed by the urgency of the member's question. That's not to say I have the final judgment on whether it's urgent or not. The member has opportunity later on in the question period if he thinks it's still urgent to rise on the matter again. The member of Rosthern, in fact did. He got a further question and a supplementary on, I gather, the same issue he raised before. I have to make a quick judgment as to the urgency of the question. I didn't feel it was that urgent. I thought if it was urgent, the member would be back later.

MR. LANE: — A matter of privilege, Mr. Speaker, or a matter of procedure. I would like Mr. Speaker to consider if he would, the statement made by the hon. member for Thunder Creek yesterday on page 1346 when Hansard clearly states: "I am quite prepared to withdraw any aspersions against the Chair and I'm not aware of having made any."

MR. SPEAKER: — Order, order. The member is raising an issue that is closed. I understand that the issue is closed. Yesterday the House took its decision and this decision was to expel the member for the balance of the day. Anything with regard to that, I believe, should have been raised yesterday. If it's a matter of privilege, I'm going to say to the member I will take under consideration what he says and study the matter and report back to the House later if in fact he wants me to proceed.

MR. LANE: — As a matter of privilege, then I would like Mr. Speaker to consider page 1346 of Hansard where the hon. member for Thunder Creek, Mr. Thatcher, says:

I am quite prepared to withdraw any aspersions against the Chair and "I'm not

aware of having made any. If you view them as being aspersions, which I don't, I will withdraw them in an unqualified . . .

At that point, Mr. Speaker is on record as stopping the member for Thunder Creek. Would Mr. Speaker make it clear to the Assembly at an appropriate time as to what constitutes an unqualified withdrawal and whether those statements (not completed) would in fact constitute an unqualified withdrawal?

MR. SPEAKER: — Yes, I will do anything that's within the responsibility of the Speaker to put this matter to rest because I am distressed by some things that have happened in the House and when I was not in the House. I have heard reports. I am concerned that the productivity of the House is being hampered. I'm not sure there's a reason why that is happening but I will do anything I can to allay members' concerns about the way I made a judgment in this particular case. I think it's a good one for me to bring a statement into the House. I'd be very glad to do that at the earliest possible opportunity.

MR. D.M. HAM (Swift Current): — Point of order, Mr. Speaker, I wonder if you might rule for me the reason for indicating my second question as the final question today?

MR. SPEAKER: — The member for Swift Current asked a question with a regard to the referendum in Quebec and consequences of that. Under the rules it says that questions should be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer and questions must not be in the nature of a lengthy . . . Pardon me. Yes, I think the first rule I suggested covers the reason why I didn't allow the member to proceed — because I didn't feel it was of sufficient urgency and importance to proceed further with it. Now at some other time, the member is quite free to bring the same topic back in for another question.

HON. R. ROMANOW (Attorney General): — Mr. Speaker, point of order. With respect to the point of order raised by the member for Qu'Appelle relating to the Thatcher incident yesterday, could I ask for clarification? Is Mr. Speaker looking at coming to the House with a statement on what constitutes an unqualified apology and/or, is Mr. Speaker coming to the House with a statement, after having reviewed comments made by the member inside and outside the House, namely, the totality of the whole incident?

MR. SPEAKER: — It is my intention to examine the record to see if I can, precisely what the member for Qu'Appelle is requesting.

COMMITTEE OF FINANCE

MOTION FOR INTERIM SUPPLY

MR. CHAIRMAN: — Oh yes, we have a new Minister of Finance.

MR. TCHORZEWSKI (Minister of Finance): — Thank you very much, Mr. Chairman, for the recognition.

Mr. Chairman, at this time I move the following resolution:

Resolved that a sum not exceeding \$163,959,070, being approximately one-twelfth of the amount of each of the several sums to be voted, as set forth in the estimates for the fiscal year ending March 31, 1981, laid before the Assembly at the present session, be granted to Her Majesty, on account,

for the twelve months ending March 31, 1981.

Motion agreed to.

MR. TCHORZEWSKI: — Mr. Chairman, I move the following resolution:

Resolved that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1981, the sum of \$163,959,070 be granted out of the consolidated fund.

Motion agreed to.

MR. TCHORZEWSKI: — Mr. Chairman, I wish to move the following resolution:

Resolved that a sum not exceeding \$52,664,580, being approximately one-twelfth of the amount of each of the several sums to be voted, as set forth in the estimates for the fiscal year ending March 31, 1981, laid before the Assembly at the present session, be granted to Her Majesty, on account, for the twelve months ending March 31, 1981.

Motion agreed to.

MR. TCHORZEWSKI: — Mr. Chairman, I move one more resolution:

It being resolved that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1981 the sum of \$52,664,580 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

The committee reported resolutions.

Resolutions agreed to and read a first and second time.

MR. TCHORZEWSKI: — I move that bill No. 71 — An act for granting to Her Majesty certain sums of money for the public service for the fiscal year ending March 31, 1981 be now introduced and read the first time.

Motion agreed to and bill read the first, second and third time.

COMMITTEE OF FINANCE — NORTHERN SASKATCHEWAN — VOTE 26

Item 1 (continued)

MR. CHAIRMAN: — We were dealing with the Department of Northern Saskatchewan when we adjourned the other day. I call on the hon. member for Moosomin.

MR. L.W. BIRKBECK (Moosomin): — Thank you, Mr. Chairman. I would like to continue with our line of questioning to the minister responsible for northern Saskatchewan on his estimates, the estimates this legislature is trying to gain approval for, for the

Department of Northern Saskatchewan. Mr. Chairman, with permission of the committee I would like to allow a couple of our other members to ask a few questions they have with respect to this department. I would ask Mr. Taylor, the member for Indian Head-Wolseley, to proceed with that line of questioning so I may be allowed to be absent for a few minutes. Thank you, Mr. Chairman.

MR. D.G. TAYLOR (Indian Head-Wolseley): — Mr. Chairman, there are a few things I would like to know about the activities of the minister and the Department of Northern Saskatchewan. The other day I was questioning, and as it is well known in this House now, Mr. Minister, you worked for the Department of Northern Saskatchewan for a period of time in the past. As I consulted Hansard, you said that was from March 1972 to June 1973. I understand at that time you were let go from the department. In my questioning yesterday or the day before yesterday, you said the reasons was for insubordination. I attempted to get an answer from you as to the type of insubordination (that's rather wide terminology). I personally, and I think the people in this province, would like to know why you were let go from your position. I asked you; obviously you would not give me an answer but the Attorney General seems to like to get into this debate so I would direct that question to the Attorney General. He might be willing to give the reason for your termination to me and to this House.

I would also have been interested to see if the Minister of the Environment had been here for this debate because he was the minister at that time and surely he would know the reason for your being let out. It seems perhaps the password of the Blakeney government is, once let go then you end up running the show. That seems to be what happened to you, Mr. Minister of the Environment. That puts me in mind of an example where it would be like firing the hired man. If you're running a farm you would fire the hired man and then the next you would turn around and . . .

MR. CHAIRMAN: — Order, order. As I recall the other day I ruled this same question out of order as not being relevant to the estimates here so I would ask you to pursue another line of questioning.

MR. TAYLOR: — Mr. Chairman, I think we have to take a look at this. I'm wanting to know a little bit about this man, about his philosophy and about his background. He is the minister of a department of this government; so he is in charge of an \$86 million budget, Mr. Chairman, and I think I have every right, and so do the people of Saskatchewan, to know what his thoughts are on certain things. I would like to bring forth some evidence that would perhaps indicate to this House and to the people of Saskatchewan just what his thoughts are. I would like to stick to that line of discussion so I could get a feeling of what type of a minister this is. I think that is very important for us to know, Mr. Chairman.

As I say I would like to know the reason and it could possibly be . . .

MR. CHAIRMAN: — Order, order. You can ask any question you like as long as it's relevant to the minister's responsibility as minister in charge of Department of Northern Saskatchewan. I hope you'll proceed on that.

MR. TAYLOR: — Most certainly. The actions of a man, his viewpoints as to certain important happenings in our society, have to be germane to his philosophy; have to be germane to his running of that department, Mr. Chairman. That is the line of discussion I want to embark upon, just to find out what his thoughts are. O.K. I'll not go on and persist at why the man was let go. It's obvious that I'm not going to get an answer from him. I've asked the Attorney General; he may. However, I would like to indicate here that

maybe I have come up with a few reasons myself. I'd like to show and read into the record a letter this minister wrote in a newspaper called The New Breed. This letter is as follows, Mr. Chairman:

Box 359, La Ronge, Saskatchewan, March 16, 1973. To representatives of the Oglala Nation of Wounded Knee. This letter is an expression on the part of the individuals whose names appear on the following page of support for and solidarity with all the people presently engaged in the struggle at Wounded Knee. All of us are Canadians, some Indian and some white. However, we all recognize that the leadership you are demonstrating has implications for all of us, and we draw hope and inspiration from your determination and example. Ultimately you will win. You will win because your cause is just, and justice is sustained by justice alone and not by the identity of the just person. The same oppressive forces that are suppressing your aspirations suppress the aspirations of all of us who would live in a free and just society. We must . . .

MR. CHAIRMAN: — Order, order. I'm not having a lot of trouble, while the letter is interesting, trying to find whether or not it's germane to the estimates of the Department of Northern Saskatchewan. I'm having a lot of trouble sorting that out.

MR. TAYLOR: — Mr. Speaker, I only have a couple of lines more and I'll give you the signature of the letter. I'm sure you'll find it's germane to what we're talking about.

We must maintain solidarity in our determination to bring about a new social order on this continent. Yours very truly, Jerry Hammersmith.

It goes on to say:

We enclose a modest donation which we hope will in some way assist the occupants of Wounded Knee in maintaining their struggle.

And one of their contributors is Jerry Hammersmith. I want to ask the Minister of Northern Saskatchewan — and I think it's important to know this man's philosophy and his reasons and his ideas — what are the implications you were talking about? What is a just cause? And what is the new social order that you hope to bring about in this continent? Why? Your money, support and donation — what was it for? I'll tell you what it was . . .

MR. CHAIRMAN: — Order, order. I'm going to caution the member. I think I've interjected now about three times. If you have questions and comments that are germane to the operation of the Department of Northern Saskatchewan and the hon. minister's position. I think that those questions would certainly be germane. What the minister did as an individual back in 1972 — writing letters and sending contributions to people — might be interesting. It is not germane to the question that we have before us which is item 1, Department of Northern Saskatchewan.

MR. TAYLOR: — I think this is a very germane because I want you to know the type of social order. I want to ask a few questions. You asked me to ask a few questions. What kind of a minister is this who would meddle in the internal affairs of another country? That's one of the important questions. What kind of a minister is this who would send support for arms to revolutionists in another country? What kind of a social order is he talking about bringing about in this continent? I say, Mr. Chairman, that this minister is a revolutionist. He is an insurrectionist and an anarchist. I believe that if this government, the Blakeney government, is really sincere in having the type of people

running the departments in this province that the people of Saskatchewan want, you would call for the resignation of this man.

Now the Attorney General, the other day, went on this side of the House, condemning the party on this side of the House as not supporting the RCMP. I want to point out another picture in this magazine in which this minister wrote, in 1963 — the type of respect by your ministers for the RCMP. This picture, Mr. Speaker, is a picture of a fine RCMP horse with a pig mounted on it. That's the type of newspaper to which you subscribed and in which you wrote your article. I say to you, Mr. Attorney General, who has the respect for the RCMP?

We are wanting to know what type of ministers the Blakeney government has appointed. I would like this minister to explain the reasons for his writings. I would like him to tell this House because what happened as a result of this letter, was that there were \$5 million in police costs to the United States government. There were two people killed and the town was racked and bullet-torn. Many people never returned to their homes. That's the kind of movement this minister supports.

I want to point out another thing about some of the civil servants and ask a few questions about them. They were also supporters with the present Minister of Northern Saskatchewan.

I would like to know if a certain Mr. Brian Morgan, who contributed to the Wounded Knee situation, who was an employee of the Department of Northern Saskatchewan in 1974 at a salary of \$10,956, is the same Mr. Brian Morgan who today is in the public service commission at a salary of \$37,406. The Blakeney government promotes them or brings them up in the public service. I would like to hear some answers to these charges, Mr. Minister.

HON. J.A. HAMMERSMITH (Minister of Northern Saskatchewan): — The member for Indian Head-Wolseley overendows the quality of his remarks by calling them charges. I want to say (and I want to say clearly to this House, as I have said to others on other occasions) that in 1977, when I became a candidate for a party, I subscribed to the platform and the philosophy of that particular party. When I was elected in 1978 as a candidate of that party, I campaigned on and subscribed to the philosophy of that party. When I became a member of this House I swore an oath of allegiance in 1978. When I became a member of the government in 1979 I swore an oath of allegiance. And I stand on that oath of allegiance. If the member is suggesting that oath of allegiance taken in 1978 and that oath of allegiance taken in 1979 are less than sincere, that's one thing. I think he is obliged to provide some evidence that oath of allegiance is less than sincere.

I think when he uses the kinds of terms which he has, he is obligated to provide some evidence. I want to say that the charges he has made with regard to my conduct as a member of this Assembly, and my conduct as a minister of this government are totally erroneous and continue the well-earned, well-deserved reputation of that member and other members opposite; it is a category of tactic, a strategy which I reject. The members refuse to discuss the Department of Northern Saskatchewan; they refuse to discuss the estimates; they refuse to question the estimates and they would imply, Mr. Chairman, that the oath of allegiance to the Queen and to this nation is not honest. They would imply that it is less than sincere. This is a very, very serious charge. I invite the member to make this charge outside this Chamber. I invite him to take his muckraking and make the specific charge which he made outside the Chamber.

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — He made several statements and I say, Mr. Chairman . . .

MR. CHAIRMAN: — Order! I would ask all hon. members on both sides of the House to have a little decorum in the committee so we can hear the answer to the minister. I would ask the minister to proceed.

MR. HAMMERSMITH: — The member for Indian Head-Wolseley has suggested in this Chamber that a minister of the Crown having taken an oath of allegiance is a revolutionary, is an insurrectionist and has charged a number of other things. I challenge him to say those specific words outside this Chamber. I challenge him to say those specific words!

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — The member for Indian Head-Wolseley has named a former employee of this government and has suggested this person engaged in subversive activities. The person is a private citizen in Saskatchewan. I challenge that member to go outside this Chamber and make that statement about a private citizen of Saskatchewan. I challenge him to do that.

The member for Indian Head-Wolseley has managed (what most members of this Assembly thought was impossible) to lower himself and the quality of his remarks even below the tactics of the member for Qu'Appelle. Mr. Chairman, that is a record low in this Assembly. I repeat, let just one of those members opposite walk outside this Chamber and say that a minister of the Crown who was sworn in as a member of this Assembly in 1978, who took an oath in 1978, who was sworn in as a member of the government in 1979 and who took an oath in 1979. I challenge any one of you to talk outside this Chamber and say that person lied, or that he is an anarchist or is a revolutionist or is an insurrectionist. Let one of you make that statement publicly. Because you know you do not have the guts. You come in here, muckrake, wallow around in the mud and you walk outside the Chamber as the member for Thunder Creek did yesterday and tell a completely different story. Then you come back and pretend that something different happened.

I say to you that you have not the courage or the conviction or the knowledge to deal with the estimates of the Department of Northern Saskatchewan because you are totally unaware of what's happening in northern Saskatchewan; you're too lazy to find out and the people in northern Saskatchewan recognize you have no credibility. The member for Indian Head-Wolseley has demonstrated his credibility by his inability to read the estimates . . . (inaudible interjection) . . . Well, that's fine. But I have been minister of this department since June 1979. I've been an MLA since 1978. If you wish to attack me personally, that's fine. You attack me personally. You dig out whatever you can from my background. If you dig a little further, you'll find that many individuals in Saskatchewan may have also sent money recently to Cambodia. Maybe they're revolutionaries. Many residents of Saskatchewan and of Canada sent money to Viet Nam. Maybe they're revolutionaries by the logic or what passes for logic on the part of the member for Indian Head-Wolseley.

But I say to him, he has yet to demonstrate that he is prepared to seriously consider the spending estimates, the policies and the programs of the Department of Northern

Saskatchewan. He knows (no, that would be endowing him with a little more intelligence than he has demonstrated) he should know that the policies with regard to any department and that one who becomes a member of the government and who swears an oath of allegiance agrees to carry out those policies. I make no explanation for 1973, 1963, or 1953. I owe you no explanation.

I challenge you to begin the question and deal with the estimates of the Department of Northern Saskatchewan. If you want to call me names, you go out there and call me names and we'll deal with it in the appropriate manner. This is the forum because you haven't the guts to go out there and do it. Because you hide in the protection of this House you disgrace this House and you continue to disgrace it. Mr. Chairman, when the member is prepared to begin questioning the Department of Northern Saskatchewan, we're ready with the answers.

MR. TAYLOR: — I'd be careful in saying who's disgracing this House, Mr. Minister. Be very careful. I noticed you didn't answer one of the questions I asked you, not one. I want to know, have you changed your philosophy now to what it was in 1973 when you were writing letters and actively supporting an insurrection in the United States? Have you changed your position at all? Did you send the money and did you write the letter? Do you admit any of those things? Not a thing. Have you changed your position at all? What were you trying to do, get votes so you could run in the election? Have you changed your position?

MR. ROMANOW: — I think today we have seen one of the sickest and saddest performances I have ever seen in my 13 years in the legislature.

Mr. Chairman, I abide by your rulings, if you think this is in order. Obviously it is because the comments have been made.

Mr. Chairman, we have witnessed today, the member opposite, or somebody on his behalf, researching letters written by private . . .

MR. CHAIRMAN: — Order. I would ask all hon. members to have the courtesy to allow the speakers who have the microphone to answer. I have allowed members of this side of the House to make their points, so I think it is only fair that members on the other side of the House have the same respect when the individuals are at the microphone. Attorney General, you may continue.

MR. ROMANOW: — Mr. Chairman, I was saying I think this is one of the sickest and saddest performances I have ever seen. Because what the member did was accuse a member of the Crown today of being an anarchist, a revolutionist, and one other equally obnoxious. I would say, libellous statement, based on a letter an individual wrote, as a private person, going back to 1972. I have never, Mr. Chairman, seen in debate this kind of an approach.

Mr. Chairman, I move the committee rise, report progress, ask for leave to sit again, and I invite the hon. member — I demand the hon. member to repeat those remarks outside the Assembly so this member can go and take his fair day in court.

The committee reported progress.

SECOND READINGS

HON. E.L. TCHORZEWSKI (Minister of Finance) moved second reading of Bill No. 20 — **An Act to amend The Saskatchewan Loans Act.**

He said: Mr. Speaker, I rise to say a few words of explanation about the amendments which are being proposed by this government to The Saskatchewan Loans Act. Now, Mr. Speaker, this act rarely comes before the legislature as most members will know. While the amendments proposed could be classified as housekeeping, I feel they will be of some interest to the members of this House and the public. The purpose of The Saskatchewan Loans Act is twofold. First, Mr. Speaker, this act provides the objects or purposes for which the government may borrow money. In its present form, the act permits the borrowing of money as may be appropriated from time to time by the legislature, for capital expenditures or for any purpose for which authority to raise money by way of loan is given by an act of the legislature. Second, this act provides the technical terms by which the government may raise money by way of loan. These technical terms include rules governing the forms of securities the government may issue and the powers of the Lieutenant-Governor respecting the sale of such securities.

Mr. Speaker, in its present form, The Saskatchewan Loans Act does not allow the government to take full advantage of the financial instruments available in today's Canadian money market. The Canadian money market has experienced rapid growth over the last 10 years and is now a mature and efficient mobilizer of short-term capital to the extent that it ranks among the world's most sophisticated. The money market has become increasingly competitive and can offer funds with a wide variety of maturities, thus allow borrowers to introduce more flexibility into the timing of their financial requirements.

Mr. Speaker, the province of Saskatchewan, like all other Canadian provinces, periodically experiences cash-flow problems because of seasonal fluctuations in the rate at which revenues are collected and the rate at which expenditures are incurred. This can sometimes result in negative cash balances which must be temporarily financed by borrowing. Historically, the province has relied on lines of credit with Canadian chartered banks and treasury bills to finance temporary cash deficiencies. Lines of credit have proved to be more expensive than money market financing. Treasury bills on the other hand are cheaper than bank financing but have a fixed maturity of three, six or twelve months.

The proposed amendments to The Saskatchewan Loans Act will provide the Minister of Finance with authority to borrow for cash deficiencies in the consolidated fund through the issue and sale of promissory notes in the Canadian money market. Promissory notes are short-term money market instruments that can be issued with varying maturities and they can be tailored to meet the actual requirements of the province both as to term and amount. Promissory notes will therefore be cheaper than bank financing and they offer more flexibility than treasury bills.

Mr. Speaker, there has been a great deal of discussion in this House and outside of this House about the financing provided and carried out by this government. One of the areas in which there has been criticism by the members of the opposition is the area of money being loaned for capital purposes in the Crown corporations. I think it has been made very clear by myself and my colleagues and the Premier, Mr. Speaker, that borrowing is essential and important for the development of the province of

Saskatchewan — even though members opposite may suggest, as they have very clearly done so from time to time, we should shut down the development of our Crown corporations, even though the member for Regina South has been known to suggest, as they have very clearly done so from time to time, we should shut down the development of our Crown corporations, even though the member for Regina has been known to suggest the Saskatchewan Power Corporation should not continue to expand its generating capacity. Not expand its generating capacity in spite of the fact there is a growing need for electricity in this province because of our development taking place in the industrial sector as well as in the resource sector.

We, as the Government of Saskatchewan, do not take that point of view. We believe the potash corporation should expand as has been announced by the potash corporations, to provide, Mr. Speaker, the jobs that are important to the young people of Saskatchewan, to provide the potash that is so important to a world in the production of food. The members opposite have clearly stated that that is not their view. It is their right to have that point of view; it is not our view because we think it is important. They would shut down the expansion plans of the potash corporations and therefore, Mr. Speaker, not create those additional jobs which will be created by that expansion.

I was visiting some schools this morning in my constituency at Guernsey. That is the Lanigan division of the Potash Corporation of Saskatchewan. Let me say, Mr. Speaker, that the people in that community are very interested in the phase 2 expansion that will be taking place there. They are not concerned about any money which may have to be borrowed in order for that to take place because they know it is a good investment. Furthermore, they know this is money that is coming out of the heritage fund for the expansion of the potash corporation or money that may have to be borrowed — that is what this bill talks about, the borrowing of money. It is a good investment in a resource that is important to us now and in the future.

Mr. Speaker, even though the members opposite, as was stated earlier today by the member for Regina South, would not allow the Saskatchewan Power Corporation to expand to meet increased needs for electricity, the people of Saskatchewan expect the power corporations to expand to meet those needs. We are prepared, if necessary, as is indicated in the budget, to borrow the amount of money needed. We say our capital expenditures, almost all of which will be through the Crown corporations are in the area of \$590 million, and that is to be put into the development of Saskatchewan, into income generating and job creating kinds of developments. If there is any reason why this province is economically in the state it is today, it is because of the efforts we have made since 1971 to continue the development which has been taking place at the initiative of government effort. If we had those members opposite in the Conservative Party forming the government there we would have been in a worse situation than we were in 1968, 1969 and 1970 when the member for Qu'Appelle was an executive assistant for a minister in the former Liberal government. That is the difference, Mr. Speaker, between that government (if they ever were one) and this government, which is one at the present time.

Mr. Speaker, what I have indicated in this bill is that it will give the government more flexibility to get better terms and better arrangements for short-term borrowing of money which is required by the government for operating purposes. I am sure that the members opposite have had time since last fall to consider this legislation. They have expressed a great deal of concern about getting legislation well ahead of time. Since they have now had several months, I am sure that because they understand what its intent is, they shall not hesitate to give it immediate second reading after I move it.

Mr. Speaker, the proposed amendments to The Saskatchewan Loans Act, as I have said,

will result in lower costs of borrowing for the province. I therefore move second reading.

MR. R. KATZMAN (Rosthern): — Mr. Speaker, due to the fact the bill came up and the member who wished to speak on the motion has been out of the House and will be here shortly — he would like to speak on it — I ask permission to adjourn debate on Bill No. 20.

MR. SPEAKER: — Debate is not adjourned.

Debate continues on the motion.

MR. KATZMAN: — -Mr. Speaker, of course any saving to the citizens of Saskatchewan, as was indicated by the Minister of Finance — to be able to borrow money on the 3 month, 6 month, 12 month market will develop in a saving. This is what he's concerned about. It also suggests in this amendment the maximum borrowing will be \$250 million. But the minister, in his address wandered from this bill and I would like to reply to some of his comments.

He referred to potash, Crown corporations, capital construction, and borrowings for all those issues. Mr. Speaker, it's interesting to note he suggests the construction industry must continue to flow and it must be the Government of Saskatchewan which continues to cause it to flow. That seems to be what he indicated. He suggests the private sector is not doing any construction work, causing the construction industry to continually cause employment for the workers.

Let me suggest to the minister that anybody who is constructing anything, be it private sector or government sector, causes employment and work — be it the expansion of a potash mine or an office building in Saskatoon, or be it a government building we're building.

The main portion in your bill seems to indicate you want permission, as in section 9 amended, to allow the treasury bills — which you indicated are 3, 6, and 12 month loans — to be used by the government because they are cheaper. We compliment you on that idea, because it will be a saving to the taxpayer of Saskatchewan.

Mr. Minister, about the comments you made re Lanigan — I believe it was about the growth of the potash mine there. I was glad to hear your remarks. I understand there are a couple more members who would like to speak on this one. Therefore, I will take my place and we will see what happens.

MR. LANE: — We regret the government didn't see fit to allow an adjournment on this particular matter. Let me indicate, Mr. Speaker, this is not a minor amendment as indicated by the Minister of Finance. Let's look at how broad The Saskatchewan Loans Act already is. It allows the government the cabinet, to raise money by way of loan upon the credit of the province for all projects such as public works including the purchase or construction of public buildings; public improvements including public construction; improvement of highways; construction and extension of telephones and telegraph system; purchase of the drainage district debentures and advances; agricultural, industrial, commercial, financial and public utility enterprises and undertakings; works and undertakings required in the protection and development of the natural resources — any purpose for which authority to raise money by way of loan is given by an act of the legislature. Now that is extremely broad and extremely

comprehensive. Obviously the government opposite feels such broad authorization for more money is not good enough. In fact they need more. The reason, of course, that they need more is because somehow the government opposite somewhere missed an opportunity to borrow money. When we look at the fact that the government opposite has second and third mortgaged the future of this province — they actually missed something. In all the borrowings of the Crown corporations we've had the assurance of the Premier and the Minister of Finance and the Provincial Secretary — all this is going for Crown corporations.

It's for power; it's for potash; it's for telephones. In each fact and every one of the Crown corporations mentioned by the Minister of Finance has the authority to borrow practically unlimited sums already under their own statutes and this is totally unnecessary and is not needed. If we take the reasons of the Minister of Finance, there is obviously more, so obviously more. This particular bill is really designed to let the government float or borrow, in and out of a temporary nature, a quarter of a billion dollars. It is going to allow the following — if we couple it with the amendments to the heritage fund act — it is going to let the government run out, get \$250 million, give it into the heritage fund quick for an election for a week or two, or for a month and then take it back and pay it out. This is precisely what this bill allows the government to do. It allows the government to come up with some financial slight of hand with the heritage fund and a quarter of a billion dollars of the taxpayers' money.

One of the broadest pieces of legislation for government borrowing is already on record, the existing act. In addition, we have all of the Crown corporations with their power to borrow — all of them. I suggest this bill is going to make the legislature once and for all an irrelevant body when it comes to reviewing public expenditures. The arguments the Provincial Secretary wants to give — you can always get it out of public accounts, you have your public accounts committee, are of course just that — they are irrelevant. I suggest this massive borrowing power is unnecessary and I'm going to suggest as well that the public of Saskatchewan is going to rue the day this government and the Minister of Finance is given blanket powers to immediately go out and borrow short-term money, an additional \$250 million to make temporary loans of promissory notes to the cabinet. Heaven forbid that we are getting into a situation here where they can just walk down and sign a promissory note for a quarter of a billion dollars, hand it into the heritage fund, wait for an opportune time, take it back out — this is not proper handling of government expenditures, Mr. Speaker. I don't see the necessity for the legislation. I don't think it is wise legislation. I'm going to urge all members to vote against it because that type of financing is not good government. We're agin it.

MR. TCHORZEWSKI: — Mr. Speaker, I will not take a great deal of time in reply to the comments made by the two members opposite who have spoken on this bill. Clearly, most of what they have had to say was based in misinformation on what the bill is all about, which surprises me very, very much . . . (inaudible interjection) . . . Oh, it does indeed, Mr. Member for Last Mountain-Touchwood. The members opposite, especially the member for Qu'Appelle has so often made an issue in this House about the importance of being ready and the importance of being prepared. Here we are, Mr. Speaker, with a bill introduced into second reading which has been on the order paper and now available to the members opposite since last November, and they are not prepared. Now that, clearly, to me is an indication of an opposition in great disarray — great disarray, Mr. Speaker, and not having a grip on what its purpose is in this legislature.

The member for Rosthern, if I may comment on his remarks, said I had indicated the

private sector doesn't do any construction. Well, Mr. Speaker, let me make it clear for the record I did not indicate that. I said there was a very important role the public sector could play (through the Crown corporations and other ways we as a government have played) to ensure the growth in our economy during the periods between 1976 and 1979, when the growth would have been slower, was strong. As a result of that in 1979, Mr. Speaker, we had one of the lowest unemployment rates in all of Canada. As a matter of fact in many of the months in 1979 we had an unemployment rate in Saskatchewan lower than the unemployment rate in the province of Alberta. I think that's quite an achievement. I think it's fair to say, Mr. Speaker, that does not happen by accident. It takes good management. It takes good government which has a sense of direction, knows what it is about and knows what it wants to accomplish.

The member for Qu'Appelle made a couple of comments on this bill, Mr. Speaker, which I want to correct because they are comments which are extremely misleading, and, I think, need to be corrected. Now I know that that's not unusual to hear from time to time (especially from the member for Qu'Appelle). I have in my office a copy of newsletter which he sent out to his constituents in which he makes comments about another bill, an amendment to the heritage act, in which he says — and I wish I had it with me because I would read it — that that amendment to the heritage act, Mr. Speaker, would allow the Government of Saskatchewan to take any revenues, income tax revenues and put them into the heritage fund. Wrong, Mr. Speaker. He obviously has not read the act itself or the amendment. He says it's because we say we won't do it. Well, let me say we, or anyone else, couldn't do it if you know anything about the law and how it is written. The only revenues that can be put into the heritage fund, Mr. Speaker, are revenues that come from non-renewable resources. That's clear, deliberate misrepresentation.

MR. SPEAKER: — I just want to interrupt the member for a moment because he's talking about the heritage fund, an amendment to an act. Unless he's going to relate it specifically to this bill — I haven't heard the relationship yet, maybe I missed it.

MR. TCHORZEWSKI: — Mr. Speaker, I maybe have taken too long in bringing about the relationship. I was trying to point out the error made in the comments by the member for Qu'Appelle with respect to that act. In much the same way he has made another comment in his comment on the bill before us right now. He did say, and I'm directly relating my remarks now to his comments, what this amendment would do is it would allow us to borrow money and put the money into the heritage fund, prior to an election. In some ways, I suppose, he assumes to make the heritage fund look good. Mr. Speaker, we don't need to make the heritage fund look good. It looks good already.

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — I don't know, as a lawyer, how anyone who has legal training could possibly read into this amendment to The Saskatchewan Loans Act, that it will allow the government to do what he has said and that is borrow money and put it into the heritage fund. Absolute and sheer nonsense. They are basically, Mr. Speaker, groping for words.

Mr. Speaker, it isn't necessary to say more. If the opposition opposes this bill, what they are simply doing is saying to the government, when you need to borrow short-term money you should not have the right to borrow it in the best kinds of terms available to you. They are saying, Mr. Speaker, going to some other form where it will cost the people of Saskatchewan a great deal more. The promissory note borrowing as opposed to

treasury bill borrowing, which will still continue and exist, simply gives the government more flexibility so that we can even borrow on shorter terms than we can with the treasury bill approach. Thus, Mr. Speaker, it would save for the people of Saskatchewan, at times, significant amounts of money. So I ask the members opposite to reconsider their position on this bill and to support it.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to on division.

HON. G. MacMURCHY (Minister of Agriculture) moved second reading of Bill No. 58 — **An Act to amend The Agricultural Implements Acts**

He said: Mr. Speaker, I am pleased to move second reading of this bill, The Agricultural Implements Act.

The Agricultural Implements Act, Mr. Speaker, was brought into effect in 1968. It provided for the establishment of an agricultural implements board. A board of directors consisting of farmer and industry representatives was established in 1974. The board has administered this act since 1974 and has regulated the marketing of agricultural implements in Saskatchewan for the purpose of protecting the farmers of Saskatchewan.

Mr. Speaker, the legislation, however, does more than that. It contains provisions which also protect dealers. It also protects manufacturers. In other words, Mr. Speaker, The Agricultural Implements Act regulates the marketing of implements by removing the problems, the unfair practices and the unscrupulous dealings which have frequently occurred in this industry in the past. Such problems and practices have had a very detrimental effect on the agricultural industry of this province. The legislation administered by the agricultural implements board, without a doubt, has reduced, and in many cases eliminated these problems. It has brought stability to the agricultural implement business and has assured our farmers of service and parts supply for the implements they require.

Now, Mr. Speaker, the agricultural implement business in this province is big business. Statistics indicated that there was over \$3.25 billion invested in machinery in Saskatchewan (on Saskatchewan farms) in 1978. This is second only to the total value of farmlands and buildings. In other words, Mr. Speaker, investment in implements is the second largest capital investment made by Saskatchewan farmers. Machinery and parts purchased by Saskatchewan farmers have, in recent years, been in the area of \$400 million annually. These figures, Mr. Speaker, indicate the size of and, consequently, the importance of the agricultural implement industry in the province. However, Mr. Speaker, as everyone knows, the amount of implements does not mean a thing unless these implements can do the job required. It is for this reason the legislation provided under The Agricultural Implements Act was brought into place.

In the past, Mr. Speaker, Saskatchewan farmers were sold implements often by travelling salesmen. They subsequently found the implement was perhaps unsatisfactory. It didn't perform the job it was intended to do. There was no assured supply of repair parts. To correct this problem and other problems, The Agriculture Implements Act required that a manufacturer wishing to sell his implements in Saskatchewan must first establish a distributor within the province. To further help overcome the problem, all dealers selling at retail must first obtain a licence for which they must meet minimum

requirements, particularly in an assured supply of parts and the availability of service facilities, equipment and personnel.

The agricultural implement board rigidly administers these requirements. They carry out inspections to ensure the standards are met and adhered to. At the present time, there are 243 manufacturers selling implements in the province of Saskatchewan. These are represented by 124 distributors. There are 905 licensed dealers supplying the end users, Saskatchewan farmers.

This legislation has, therefore, provided our farmers with a source of repair parts and service in the province. This is not to say the repair parts problem has been entirely solved, Mr. Speaker, but the legislation has at least made a responsible contact available in the province. This, Mr. Speaker, leads me to another function of the agricultural implements board.

Repair parts supply is always a problem. No matter how many parts are available immediately to a farmer, it is always the one most urgently required that is missing, such as to get a combine working during the harvest season. This becomes a problem. Legislation has allowed the agricultural implements board to help resolve the problem in such cases. I am told, Mr. Speaker, Ford personnel have been so successful in getting emergency parts in place that some farmers have wondered if they keep a stock of those parts on hand. This is certainly, of course, not the case but they have developed the ability to find and overcome the bottleneck that has occurred preventing the required part from arriving at its destination. It is interesting to note, Mr. Speaker, in 99 per cent of the cases, the problem has occurred due to a breakdown of communication which includes transportation tie-ups.

I am advised that with the modern electronic systems now employed, it is very seldom that required part cannot be located. But again, the electronic systems are only as good as the human beings operating them and human errors often occur. The follow-up performed by the board's employees is the key in overcoming the problem, in securing the required part for our Saskatchewan farmer. I believe, Mr. Speaker, that due to the legislative requirements, the parts supply problem is not solved totally but certainly is being reduced.

The industry has, generally speaking, recognized its responsibility and when considering the overall picture of parts supply, is doing a very, very commendable job. Records indicate most suppliers are consistently filling 88 to 92 per cent of the parts requirements from the Saskatchewan distribution centres. This amounts to a lot of parts when we consider Saskatchewan farmers purchase between \$40 million and \$50 million worth of parts per year. However a further improvement is necessary as it becomes more important the delay in farm work caused by machinery failure is in fact eliminated.

Mr. Speaker, I would like to speak of another section of The Agricultural Implements Act — section 12. I refer to legislation that was brought forth because of the apparent disinterest or lack of concern of the implement industry in situations where farmers in Saskatchewan suffered a financial loss due to the fault of the industry itself. This program is commonly referred to as the compensation program.

Under this program the board may review and award compensation payments to applications who have suffered losses due to non-fulfilment of warranties, or to the non-availability of repair parts. You'll notice, Mr. Speaker, in this legislation section 12 is

being amended as a result of the judgment handed down by the court. This judgment upheld the power of the board to levy an assessment on agricultural implement distributors, with the exception that the levy could not be based on gross sales. The government has responded to this judgment. The amendment of section 12 eliminates the provision allowing for assessment to be based on gross sales.

The agricultural implements board responded to the judgment in 1978 by developing a formula on which the assessment to distributors was based. This formula took into consideration complaints handled by the board hearings held in regard to the applications for compensation and awards made on application for compensation.

Some complaints were received by the board from the distributors relative to the formula structure and the board has responded by developing a revised formula which has taken these complains into consideration. The new formula will be put into place for the 1980-81 year. This indicates, Mr. Speaker, that the board is receptive to concerns expressed by all segments of the industry including distributors, dealers, and farmers. Prior to the advent of this legislation, the farmers' only recourse for compensation was through the courts. Such action was costly, time-consuming, and therefore seldom used. Since the inception of the program a total of 92 applicants have been processed with 44 awards being made by the board, while another 20 were resolved between the parties concerned without the board having to make a decision. Although the total number of applications is not high, particularly in relationship to the total number of farmers in Saskatchewan, we find that the legislation has had the desired effect.

Industry is now paying heed to the problem. It is now taking action to represent losses — action such as supplying replacement units to keep our farm work progressing while the problem with the implement is being corrected there is more effort and better system in supplying emergency parts, and above all, Mr. Speaker, they are working with the farmers to alleviate such problems when they arise. In conjunction with this the efforts of the board's personnel are directed to resolving the problems before they reach a point where a loss occurs or mediating or negotiating a dispute before it reaches the form of an application for compensation. The board has always had the objective of a 100 per cent effectiveness from the preventative programs afforded it by legislation, in which case there will be no activity in the remedial or compensation program.

Mr. Speaker, I'm pleased to announce that The Agricultural Implements Act has been effective in resolving machinery problems encountered by farmers. It is not a cure-all. It is not perfect by any means but the situation that was creating a problem for our farmers has very definitely improved. The amendments proposed in the bill before you are considered to be a housekeeping nature, designed to assist in administering the legislation by clarifying the meaning and the intent of some of the sections. As an example, section 4 in its present form indicates that the exemption from the provisions of this act applies only when implements are sold by farmers through auction sales when in fact the attempt was and still is that the exemption applies to all implements sold by auction.

Another example, Mr. Speaker, is item 10. Section 28 in its present form requires that implements have the model year, date of manufacture or date of sale imprinted on the them. Model year is the only one to be used and the amendment merely removes the other two for more clarification. The bill also provides for increases in the various allowable penalties to assist in the administration of the act.

Mr. Speaker, I am pleased to move second reading of The Agricultural Implements Act.

SOME HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — Will the minister permit a question before he takes his seat?

MR. MacMURCHY: — Yes.

MR. LANE: — Can you table for us or give to us representations on these amendments which you received from the implement dealers?

MR. MacMURCHY: — From the dealers? Well, if there's any correspondence that has been forwarded with respect to the amendments. I'll be glad to table them. I will just respond to the hon. member, the dealers are represented on the agricultural implements board and the amendments that have come forward are at the request of the agricultural implements board.

MR. ANDREW: — A few comments with regard to this legislation and, in particular The Agricultural Implements Act. Coming from rural Saskatchewan, I think the farmers of rural Saskatchewan in respect to agricultural implements face several problems. I would suggest one of those problems is the fact that the towns, the smaller towns, are losing population, are losing businesses. One of the many business being lost from these small towns, of course, is the agricultural implements business — the machinery dealers.

In my constituency alone, several of the small towns, the Eatonias, the Dodslands, the Estons are losing implement dealers resulting in more and more farmers being forced to go farther and farther afield to get not only their equipment but also their parts. In the old days, perhaps it was a 9 mile community and then it moved to a 35 mile community and now we're perhaps looking at a 60 and a 100 mile community. I think that does create a serious problem for the farmers with regard to parts in particular, also bearing in mind the fact that many of the pressing demands, as you know well, for parts in the farming industry are at the two serious times in the farm operation — the seeding operation and the harvest operation.

So, what I say is that problem is going to magnify itself farther and farther and farther unless we can get the handle on that problem of the communities disappearing and the small businesses, particularly the farm implements businesses, disappearing in those small towns, forcing the farmers to go farther and farther afield to find the parts they have to find. I refer to the statement of the Hon. Minister of Agriculture with regard to some of these problems. I think quite frankly, if we're to be fair with the machinery dealers in Saskatchewan, as a whole they're a pretty fair lot of business people. I think they try hard to serve their customers, to serve the farm industry with parts as much as possible.

That leads to the second question and the second problem I believe the minister raised, that is, if a farmer requires a given particular part, nobody can expect the dealer to stock all those parts in order that, should a breakdown occur, he can service the vehicles or the piece of equipment in question. This results in creating distributorships or a larger field. I think many of the problems faced by the farmer who breaks his combine, and the local dealer does not have the part — and it could be a particular part, this one in question. . . You might have to go to Saskatoon, or even Toronto to get those parts. I

don't' think it is a question of communication so much as a matter of getting it from point A out to point B, and that's our total transportation system of getting those parts — our distribution points from here to here. That becomes magnified I suppose, if we are into a late harvest season and the rains are potentially coming in a couple of days, and the farmer sits idle, spinning his wheels waiting for that part, to get onto the field again. So that is the problem that clearly, we have to address, not only in the field of agricultural implements, but I suspect in the field of everything as it relates to transportation.

It is clearly an area we have to address to effectively make this type of legislation work. I might also say that as a former practising solicitor, many times a farmer comes in and is pretty put out he is unable to find the particular part or his machine isn't working as it was represented to by the salesman for an agricultural implement company. The problems many farmers face — many of the farmers whom I have seen on a professional basis — is they rely on the representation (as most farmers do — it's history of farming in this province) . . . very often of the tactics of a given salesman on the representation this machine can outpull the red one or the brown one, or the green one. They rely on those representations and are not, perhaps, quite so careful to read the form A contract, or the form B contract, whichever is involved in this given case. They still lead to the problem where a given tractor is unable to pull the load that was represented to them, and that doesn't very often appear on the form A contract. As a result, the farmer comes in and is pretty put out that this thing isn't reacting or is not performing the way the salesman professed it should perform.

So what we had when this particular legislation was brought in was sort of the be-all and end-all for the farmer. He wouldn't have to attend at the lawyer's office to get the lawyer to come and help him to get a just settlement on his equipment or get a just settlement so his parts were there on time so he could do what he had to do in his farming operation. I think we are still faced with the problem that many of these problems still find their way into the legal process, and still seem to go on for months and perhaps, years trying to resolve the given problem here, or given problem there.

So I do say it is an area we must continually work on, and it is not an area particular to Saskatchewan. I believe the province of Alberta has similar legislation. I'm sure Manitoba and Alberta face similar problems in their communities, other than perhaps the fact that maybe they have different geographical locations — that type of thing.

I think many of the amendments I have reviewed on this particular bill, as advanced by the Minister of Agriculture, are of a house cleaning nature. I don't' think we would stop in that process of putting this particular legislation through. But I do think it has to be an ongoing process; there are still lots of problems there to make a system work — that the farmer is, in fact, satisfied. I think it's always important to try to streamline as much as possible. The contract that you will see is generally on a piece of 8.5 inch by 14 inch paper in quite small print as you go through the warranties and the conditions of this type of thing. And I also note in the act that it clarifies a question which very often did arise. That was the question of the farmer exhausting his remedies under The Agricultural Implements Act and then trying to exhaust remedies under The Sale of Goods Act. I believe that the new section 48 is designed to address that particular problem.

I think perhaps we are moving in a direction where we are able to face this problem for

the agricultural community. I say that the two most important questions relating to this is to try to develop our communities, to develop better dealerships and most of all develop a better system of transportation from point A to point B so the farmer is able to get on with his work, perhaps a day or two earlier. I think the bulk of the questions are coming out that way.

The other one, I suppose, you can never cure by legislation. That is the problem of the farmer simply being represented by a salesman on a one-to-one basis with nothing in writing. Then you're back to the legal process of saying, you said that; no, I didn't say that type of thing. That clearly is a problem which I suppose will always be there.

So I do say from my reading of this I would be prepared to support this legislation. The member for Souris-Cannington who is the critic in this field was unable to be here today. He was required to be at a Celebrate Saskatchewan function in his constituency. I am sure he would have a few words to say and I would ask for indulgence of the House to beg leave to adjourn debate on this particular matter so that he might make a few points with regard to this proposed legislation.

Debate adjourned.

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services) moved second reading of Bill No. 52 — **An Act to amend The Public Service Superannuation Act**

He said: Mr. Speaker, these amendments to The Public Service Superannuation Act are basically housekeeping amendments. They are required to meet certain regulations of the federal income tax authority related to income tax approved pension funds.

The first amendment in the bill I'm referring to, The Public Service Superannuation Act, deals with former teachers who became employed in the public service at various times in the past and whose contributions were transferred from the teachers' plan to The Public Service Superannuation Plan.

Unfortunately that legislation which provided for those transfers did not permit any interest accruals with respect to the amounts transferred. Since those amounts are used to provide an annuity at retirement, the fact that no interest was accruing on those accounts had a major impact on the final annuity.

I'm sure members are aware that a major amount of the result in any given annuity is related to the interest accrual earnings or the accumulation which occurs over a period of time. A lot would depend, of course, on the length of time whose funds were held. This amendment will permit accrued interest to be added to the original amount transferred and will increase the amount of the annuity payable with respect to the teaching service. I want to stress to the members of the Assembly that this deals only with regard to teachers transferring from the teachers' pension plan into the public service plan. It's something that occurred in the past. This annuity is added to the pension payable for the period of employment in the public service. An additional factor in this particular amendment is it will provide a pension with respect to the previous teaching service of a public service employee which cannot be less than the minimum pension that would have been provided under the teachers' plan to a teacher with equivalent service. Therefore the pension will automatically be increased to the minimum pension which would have been accrued to that person had he remained teaching.

The second amendment is required to reinstate a section inadvertently omitted from the Revised Statutes of Saskatchewan. This provision applies to school superintendents employed in the public service who resigned to take employment with the school board. I think we have examples of that — we had a member sitting on the opposite side of the House in the previous legislature who was in that category. It allows them the options to stay under the public service superannuation plan, if they so desire, instead of going to the teachers' plan. There are still some superintendents in the public service who could decide to accept employment with the school board and may wish to take the option available under that provision. We are simply restoring a previously existing right under that act.

Mr. Speaker, it gives me pleasure to move second reading of Bill 52, a bill to amend The Public Service Superannuation Act.

MR. LANE: — Mr. Speaker, I wonder if the minister would supply to the Assembly the cost of the public of the differential which he referred to. In other words, you get basically a minimum allowance payable under section 33 of The Teachers' Superannuation Act and the minister didn't address, in his remarks, whether or not there would be a cost to the public purse for that floor. On the fact of it I have no objection. I am wondering if the minister would mind supplying, to the opposition, the projected estimated costs of the amendment and then secondly, the number of individuals affected.

If the minister would undertake to supply that to the opposition, I beg leave to adjourn debate.

Debate adjourned.

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services) moved second reading of Bill No. 60 — **An Act to amend The Superannuation (Supplementary Provisions) Act.**

He said: Mr. Speaker, the initial remarks with regard to this particular bill bear some relativity to the remarks I made in the previous bill.

I think members are aware The Superannuation (Supplementary Provisions) Act applied to five acts — The Public Service Superannuation Act; The Saskatchewan Power Corporation Superannuation Act; The Saskatchewan Telecommunications Superannuation Act; The Workers' Compensation Board Superannuation Act and The Liquor Board Superannuation Act. Therefore, when an amendment occurs to this bill it is applicable to those five acts.

All of those plans I have mentioned to the Assembly, Mr. Speaker, are registered plans with the federal authority for income tax purposes related to income tax approved pension plans. Therefore the first two amendments, which are necessary to conform to the requirements of the federal Income Tax Act, in order to maintain registered pension plan status, are similar to those in the previous act. The first one relates to the fact an individual must be retired by their seventy-first birthday. In other words, they cannot extend beyond that period, the drawing of a pension. That is a standard rule of the federal authority and the income tax act regulations related to income tax approved pension funds and to registered retirement savings funds. This request came from the federal authorities that the change must be placed in our act to retain income tax approval for that pension fund.

The second amendment was related to the provision which allows a refund of contributions to be paid in annual instalments to an employee who resigns. Now there is a differentiation here between an employee who resigns and one who retires. If an employee resigns and withdraws equity from an income tax approved pension plan up to now, it has been permissible to pay those refunds out to the individual concerned in instalments.

The federal income tax act change deletes this proviso. It simply says the individual will not have the right when he resigns and withdraws equity from an income tax approved pension fund to withdraw his funds in instalments. For example, the individual with \$1,000 previously could draw \$250 one year, \$250 the next year, \$250 the next year, and \$250 the next year. He will not be permitted to do that. The rule will be changed so that he will withdraw his \$1,000 at once. That lump sum allowance, payable to employees, applies only in relation to those people who resign. It does not apply to those people who retire, who could still be paid by instalments if they so choose — if they exercised an option which is still available to retiring employees.

Now, those two really tie in with the same changes that occurred in The Public Service Superannuation Act, previously referred to. The major change in this particular bill is related to the last amendment which provides for supplementary allowances to increase the pensions of superannuated employees and the spouses and children of deceased superannuates and employees who died in service. This supplementary increase adheres to the same principle we have provided for increases over the past six years. In prior years there were alterations to that rule, but for the last six years we have followed the rule of giving a specified dollar for each year of service calculated in the formula which we have used. This method provides the highest percentage increase to those receiving the lowest pensions based on equivalent service. The superannuated employee will receive \$14 annually for each year of service to a maximum of 35 years which would provide a maximum additional amount of \$490 or \$40.84 per month. Spouses will receive one —half or \$7 annually for each year of service, used in the pension formula. I must point out that one-half amount is consistent with the basic death benefit formula in the plans which provide 50 per cent to spouses.

It is true, Mr. Speaker, we've had representations to increase that amount, and some other pension plans such as the teachers' and the MLA fund are up to a 60 per cent level. I must point out we did make the amendment to that particular act a year or two ago, which means the individual going on pension can, if he so chooses, select a last survivor annuity, or an annuity with a guarantee of ten or fifteen years, in which they assure 100 per cent provision to the spouse if the death of the individual does occur.

I want to just give a few examples if I may, Mr. Speaker, to the members of the House.

We have 2,450 people superannuated from the Public Service Commission of Saskatchewan at the present time. There are some 900 superannuated under The Saskatchewan Power Superannuation Act, The Saskatchewan Telecommunications Superannuation Act, The Work Compensation Board Superannuation Act, and The Liquor Board Superannuation Act. We have a total of 3,350 people on retirement. Obviously, we are doing this as an attempt to protect these people to some degree against the inflationary trend. I wish to give, if I may, a few examples to illustrate.

If an individual retired on a \$3,000 a year pension (and many of them have in the past) and had 35 years service, that individual will, subject to this bill's passage, receive

\$490 or a \$40.84 increase in that pension beginning on May 1 this year. Since we have followed that practice for the last six years, this individual would find his total pension payments in the current year would grow from the initial \$3,000 he had, to a figure of \$5,940. It's an accumulative approach. If the individual had a \$6,000 a year pension, the same rule or formula would be applicable or \$14 annually for each year of service on a monthly basis, which means that individual would also secure a \$490 increase per year. The proportion of increase would be 8.17 per cent based on a \$6,000 a year pension.

As you go up the scale, if you go to a \$9,000 a year pension, using the same formula, the same \$490 additional payment would raise that person's total pension in that year by 5.54 per cent. If you got a \$12,000 a year pension that individual would be securing a 4.08 per cent increase.

Now I realize, Mr. Speaker, there is some criticism of this approach but I think it's fair to say that we have obviously made the funds available to the people who need it the most in relation to the impact of the inflationary trend.

I have statistical data here which might simply point out to the members that last year there were some 200 people retired from the public service only (I'm not covering the other four acts at the moment) and those people retired under pensions ranging from \$3,000 up to \$20,000. Obviously, most of them are at the lower end of the scale. If you average them out amongst the 91 roughly at the lower scale through the piece, they average \$4,965 a year pension. It's not a large pension, but assuming they are 65 years of age, they also receive in addition the old age security payment and in time, some of them receive Canada pension payments as well.

I wish to point out to the members of this Assembly that because of this accumulative approach over the past number of years, the pension bill for the public service which now appears in the estimates as \$16,410,010 has been increased by the supplemental increases included and incorporated in that figure by \$4,488,000; in other words, approaching \$4.5 million.

It's true to say, if you analyse the estimate for the current year, roughly 25 per cent of the pension payments being made are additional payments added over the last number of years in an attempt to protect people to some degree against the inflationary trend in our society.

Mr. Speaker, I move second reading of Bill No. 60.

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, I am sure hon. members on both sides would like to respond I don't mean it as a criticism of the particular minister but obviously the increases are inadequate. I think obviously all members in this Assembly have had representations as to adequacy of the pension and the increases. We have had this matter, it's been ongoing for years. We keep having it brought forward, brought forward and brought forward. I am not sure there is not a better way to approach this. Certainly they are very small in numbers, the number of people affected. We are all aware of the situation. As I say we all get representations but surely we have to come up with a system which allows those who retired at very low pensions to be brought back up to reasonable level. We know it's a cost to the taxpayer. We know it's a lump sum payment. We know there's no legal obligation, but I think all members in the Assembly agree there is certainly a moral obligation.

I referred to the fact that the matter has been coming up each year only because I suggest to the minister that surely after these years, the officials in the commission

could have come up with a proposal which allows for basically a once in a lifetime catch-up. I might well be wrong in that but surely now is the time to have such a proposal. The minister has admitted that \$490 is inadequate. Inflation, if it reaches the levels the economists are projecting this year — I am sure the minister doesn't hold \$490 up as any great amount because it is totally inadequate. I would like the minister, if he would, to ask the officials before we proceed, if there is not some way of making a lump sum payment so that these people aren't forced to make representations to their MLAs and to the cabinet, to come back basically to beg every year. We admit there is a problem; the minister I know has just admitted that there is a serious problem.

I am going to ask the minister if he would ask the public service commission if they have in fact given thought to some form of catch-up for the people who are affected and retired on a \$3,000 pension as the example given, or inadequate pensions. If the minister would mind communicating either to myself or to the finance critic of the opposition, if there is a way. In the interim I beg leave to adjourn debate.

Debate adjourned.

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services) moved second reading of Bill No. 55 — **An Act respecting Saskatchewan Government Insurance**

He said: Mr. Speaker, my comments on second reading of this particular bill will perhaps be a bit longer than the two preceding bills.

I wish to point out, Mr. Speaker, that this bill revises and consolidates the present Saskatchewan insurance act. For some 35 years now, Saskatchewan Government Insurance has served the people of this province and, Mr. Speaker, I think it has served them well. In the early years of the corporation who could have foreseen how really well SGI would serve the people of this province? Who among us could have predicted how much an essential part of the economy of this particular province that organization would be? During that brief period of our history, Saskatchewan Government Insurance has not only been able to continue providing automobile and general insurance coverage at reasonable rates, it has broadened its involvement in the whole sphere of the economic and social progress which we enjoy in this province. This has been particularly true, Mr. Speaker, over the last eight years, eight years in which we have had a very strong economic growth in this province — a period of stability and sound management unprecedented in the 75 years of the province's existence.

To a great extent, Mr. Speaker, the success of Saskatchewan Government Insurance is a reflection of sound principles and sensible policies which have guided our province for these past eight years. The corporation has remained true to its philosophy of providing insurance services to Saskatchewan people at reasonable rates. It has put earnings back into the hands of the people of Saskatchewan in the form of agents' commissions — some \$14.2 million last year. Provincial taxes — some \$4.7 million last year. Safety education expenditures exceeded \$1 million and capital investment — investment that provides many hundreds of jobs for the people who live here . . . The fact of the matter is, Mr. Speaker, we now have 1,389 people employed in SGI. The very success of SGI has enabled it to be one of the many stabilizing influences in the economy of this province. With these things in mind, Mr. Speaker, changes are proposed to amend the act respecting Saskatchewan Government Insurance.

There are some inconsistencies in the present legislation. Over the years the act has been amended and revised to reflect changing conditions in this province and in the insurance industry in a general way. The changes which we propose today, Mr. Speaker, are again necessary to reflect the growth in insurance services and other

activities of Saskatchewan Government Insurance. There are many problems and inconsistencies in the present legislation which reveal themselves in the normal day-to-day operations of the corporation. For example, Mr. Speaker, the present act when originally drafted did not take into consideration the fact the Saskatchewan Government Insurance would become involved in the administration of such activities as the provincial disaster financial assistance program or motor vehicle administration. There are many other areas of involvement that could not have been anticipated or foreseen.

The trend in the insurance business is towards the diversification of services offered to the public. It is commonly felt the present act may inhibit the capacity of the corporation to become involved in other lines of insurance services or it may hinder Saskatchewan Government Insurance in its ability to be charged with the responsibility of administering government programs such as the provincial disaster financial assistance program.

Mr. Speaker, a number of changes have been made in the definition section of the act. For instance the word corporation is newly defined to replace the term insurance office. These changes in definitions are necessary to reflect the true meaning of those changes in the legislation. Mr. Speaker, I am sure members of this Assembly are aware of the fact that the applied name of the corporation is now Saskatchewan Government Insurance. Section 3 of this bill allows for the application of the new name to avoid any potential confusion or inconsistency which may exist between it and the name Saskatchewan Government Insurance Office. The present act makes no specific provisions for a board of directors; in fact, what is commonly referred to as the board is described under the present act as members of the insurance office. While existing legislation does allow for the power of delegation, there is no express provision relating to the establishment of an executive committee of the board and its powers, authorities and responsibilities. Mr. Speaker, sections 4 and 5 of the new legislation will allow for the formal establishment of a board of directors and executive committee of the board of the corporation. These changes are in keeping with the concepts established under The Crown Corporations Act.

Subsection 1 of section 7 is a housekeeping amendment. It clarifies the existing wording. In this way the corporation is allowed the power and capacity to contract in its corporate name and to sue and be sued in any legal action or proceedings. One of the most significant changes relates to the diversity of services I spoke about earlier, Mr. Speaker. Section 9 of the legislation consolidates what is found in several existing sections of the act while at the same time clauses b, c and d expand the powers of the corporation to carry out other functions. This includes lines of business secondary in importance to the insurance services which SGI now provides. I referred to those previously under the financial disaster program and also motor vehicles administration. These clauses also enable the corporation to perform such functions and administer such programs as it may be authorized to do by any statute, regulation, or order assumed by the corporation. What this means, Mr. Speaker, is the corporation is responsible for The Automobile Accident Insurance Act as well as the provincial disaster financial assistance program and others I have already mentioned. The new legislation will now clearly spell out that responsibility.

Section 10, Mr. Speaker, of the legislation deals with the investment powers of the corporation. As it now exists the present act doesn't take into account the size and the complexity of Saskatchewan Government Insurance. As I remarked earlier, Mr. Speaker, who could have foreseen how successful SGI would be in serving Saskatchewan people? And while the dimensions achieved in insurance services by the corporation are impressive, the present investment powers contained in the act do not reflect that broadened involvement. Only a few intermediate amendments which in effect patch up the existing legislation have previously been made.

Mr. Speaker, even with these few amendments, investment activities of the corporation are limited — limited to investments authorized in The Saskatchewan Insurance Act for provincially incorporated companies. What the new legislation will propose to do is to accomplish three basic goals. First it will broaden the investment powers of Saskatchewan Government Insurance. Secondly, it will bring those powers into line with the powers granted a federally incorporated insurance company under the Canadian and British insurance companies acts. And, thirdly, Mr. Speaker, it will give Saskatchewan Government Insurance more scope to invest in those securities mentioned in section 36 of The Department of Finance Act. It is true, Mr. Speaker, these investments will only be made by the corporation after consulting with the investment board of the Department of Finance as outlined in subsection 2.

Subsection 3 ensures the continuance of any investments or commitments under contract by the corporation prior to this legislation coming into force. In section 11 is another housekeeping amendment with the substitution of the word “corporation” for the term “insurance office.” Subsection 1 of section 12 outlines the application of The Saskatchewan Insurance Act to the new legislation. This hasn't changed from what is already in the act, except to reflect the broadening of the investment powers of Saskatchewan Government Insurance under section 10.

Mr. Speaker, section 13 of the new legislation refers to advances made to Saskatchewan Government Insurance from the consolidated fund. This new legislation corresponds with the former act but the wording in this section has been changed to bring it more into line with the kind of wording used in other acts. The only significant change in the whole section is found in subsection 4. It says if the province advances any money to the corporation for claims, the corporation must pay back the money at interest rates agreed upon or directed by the Executive Council and not at the current fixed low rate of 3 per cent which applies in the present act, and obviously which is not reasonable in today's world.

This brings me to another important section of the new legislation, Mr. Speaker. Saskatchewan Government Insurance doesn't have the same power as other Crown corporations to borrow funds to support its activities. If it becomes necessary to borrow funds, they have to be taken from the consolidate fund. This puts an unnecessary burden on the consolidated fund and places the corporation in an uncompetitive position.

Section 14 of the new legislation gives Saskatchewan Government Insurance the power with the approval of the Lieutenant-Governor in Council to borrow funds it may require for its business operations. Mr. Speaker, this will not only introduce greater flexibility to the day-to-day operations of Saskatchewan Government Insurance, it will give greater significance to the changes made in the investment powers I previously mentioned in section 10.

In addition, it will give Saskatchewan Government Insurance the same power to borrow funds to support its activities as is currently available to other Crown corporations. Subsection 4 and 6 specify the Minister of Finance shall negotiate all loans to be made under this section. That is similar to the rules that apply to Saskatchewan Power and Saskatchewan Telecommunications. For instance, he will arrange all details and transactions necessary for the loan subject to the approval of the Lieutenant Governor in Council. Also in subsection 9 it empowers the corporations to borrow by way of temporary loans from any chartered bank or any person or corporation. These loans

will be made by way of bank overdraft or by pledging notes, bonds, or other securities for the loan held by the corporations. Mr. Deputy Speaker, let me reiterate that all such borrowing by the corporation must be scrutinized and supervised by the Minister of Finance subject to the Lieutenant-Governor in Council. Mr. Speaker, section 15 of the new legislation authorizes that all interest charges and instalments on our principal made in respect of advances or borrowing of funds by the corporation shall be a first charge on the revenues of the corporation. The intent of section 16 ties in with both sections 14 and 15. This section provides a guarantee by the province for the payment of principal and interest on any bonds, debentures or securities issued by Saskatchewan Government Insurance and any loans raised by the corporation. This guarantee, Mr. Speaker, is consistent with past legislation under the act and existing legislation governing other Crown corporations.

Changes in sections 17, 18 and 19 of the legislation are made only to reflect a redefinition of terms. In other words, the phrase “insurance office” has been replaced by the word “corporation.”

The provisions under section 20 of the new legislation call for an audit of the corporation’s business proceedings on an annual basis or such other times as the Lieutenant-Governor in Council may require. This has always been the practice as the provision itself is really only a formal enactment of what has been taking place in relation of the regular auditing practices of the corporation.

Section 22, Mr. Speaker, ensures a continuance of the rights and the obligations of the corporation with the enacted change in legal name to Saskatchewan Government Insurance from Saskatchewan Government Insurance Office.

I therefore, Mr. Speaker, would like to conclude my remarks by saying the proposed changes in this new legislation respecting Saskatchewan Government Insurance are very necessary changes. They are changes that will better equip Saskatchewan Government Insurance to meet today’s challenges. Mr. Speaker, these changes are critical to the future of Saskatchewan Government Insurance as a viable and competitive enterprise in the market place. A diversification of services, broadening of the investment powers of the corporation, strengthening the day-to-day operations and improving the borrowing powers of Saskatchewan Government Insurance, will guarantee that Saskatchewan people continue to enjoy the best insurance programs possible at the most reasonable costs. I, therefore, Mr. Deputy Speaker, take pleasure in moving second reading of bill No. 55, An Act respecting Saskatchewan Government Insurance.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Thank you, Mr. Deputy Speaker. Looking at the new bill the minister has just discussed. I would like to make a very few brief comments on it. First of all, we have for the first time heard the explanatory notes. I don’t know why we didn’t receive any explanatory notes on this bill prior to now, and it was interesting to listen to some of the comments and reason why the minister suggested the new change. I agree an act that has been in place as long as it has required changes. A company that has grown or a corporation that has grown as much as SGI has grown certainly will require some changes. I question, of course, a couple of comments the minister made respecting the success of the corporation and the reflection of the sound principles by the corporation. I wonder when we hear of the increases we have heard of this year in the rates of SGI, whether or not SGI is really serving the needs of the people of

Saskatchewan at the best possible rates. Perhaps on one hand they are and on the other hand when they enter the field of competing with other insurance companies, rates skyrocket and perhaps an adjustment is made in that respect.

Mr. Deputy Speaker, I certainly would like some time to study the verbatim report from Hansard and the explanations the minister has given us today. We will probably agree with most of what is in this act, in this new bill. However, before committing ourselves to this type of agreement, I want the opportunity to study and review it, having now been given the explanations of the new act. As such, Mr. Deputy Speaker, I beg leave to adjourn debate.

Debate adjourned.

HON. R. ROMANOW (Attorney General) moved second reading of Bill No 48 — **An Act to amend The Notaries Public Act.**

He said: Mr. Speaker, I rise to move second reading of The Notaries Public Amendment Act, 1980. The two amendments contained in this bill are, I think, properly categorized as of a housekeeping nature. The first, outlined in section 3 of the amending bill, will amend section 2 of the act to make it clear that only those persons who have reached the age of majority may be appointed notaries public.

The second, outlined in section 4 of the amending bill, provides for a procedure to change the name of a notary public if such a person undergoes a change of name for any reason. The person would then apply to the Attorney General who would direct the deputy attorney general to issue a new certificate in the new name.

Mr. Speaker, I believe these amendments are fairly straightforward and I move second reading of The Notaries Public Amendment Act, 1980.

Motion agreed.

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 49 — **An Act to amend The Commissioners for Oaths Act.**

He said: Mr. Speaker, again these amendments are in the nature of a housekeeping category.

I move second reading of The Commissioners for Oaths Amendment Act, 1980/

Perhaps I should just say a word about the three amendments which are contained in this bill. The first two outlined in section 3 and 4 will amend sections 2 and 3 of the act, to make it clear that only those persons who have reached the age of majority may be appointed a commissioner for oaths.

The third, outlined in section 5 of the amending bill provides for a procedure to change the name of a commissioner for oaths if such a person undergoes a change of name for any reason. The person would apply to the Attorney General who would then direct the deputy to issue a new certificate in the new name for any reason. The person would apply to the Attorney General who would then direct the deputy to issue a new certificate in the new name.

Motion agreed to and bill read a second time.

The Assembly adjourned at 4:45 p.m.