

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

March 4, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

QUESTIONS

Refund of Drivers' Licences Surcharges

MR. ROUSSEAU: — A question to the minister responsible for SGI (Saskatchewan Government Insurance). Mr. Minister, in January of this year on the "Action Line" you advised the people of Saskatchewan that the \$50 surcharge on drivers' licences in 1980 would not be a retroactive charge and anyone having been so charged could appeal to SGI for a refund. As a matter of fact, you were at that time quite adamant in your response and your promise. Are you prepared to stand on that statement today?

HON. MR. ROBBINS: — Mr. Speaker, the statement I made was related to the fact that if SGI were responsible for a delay in relation to the claim, then the surcharge could be appealed. The fact of the matter is that in many instances there were accidents near the end of the year. The repair items for that particular accident did not come through the system and were not into the system until a change had been made in the surcharge and that's what I said.

MR. ROUSSEAU: — Mr. Speaker, I don't have the verbatim with me today. I will produce that in due time. That is not what you said, Mr. Minister. I ask you this question: is it not reasonable to ask that if an individual had an accident in 1979, at the time the surcharge was \$25 (it doesn't matter when it was repaired; it's not his fault that the parts were late or whatever the case might have been) why would you then surcharge him the new charge that came about on February 1 of 1980?

HON. MR. ROBBINS: — The surcharge, Mr. Speaker, is picked up by the payment system. When the payment was made, then the surcharged was applied.

MR. ROUSSEAU: — That was not my question. My question was do you recognize this as being just and fair that an individual who had his accident at the time when that surcharge was \$25 should be paying the extra surcharge? Keep in mind, Mr. Minister, you did say one could appeal for that refund and I will get the actual quote.

HON. MR. ROBBINS: — They can appeal and some have and some have had the money refunded.

MR. ROUSSEAU: — A question to the minister responsible for SGI. Mr. Minister, you have reported that in December of 1979, SGI processed 38,240 automobile accident claims. First of all, are you prepared to confirm that figure and secondly will you table the documents for review by the opposition?

HON. MR. ROBBINS: — What the member is doing, Mr. Speaker, is confusing coverage claims with financial claims. There can be three or four claims in one instance of an

accident, with one financial settlement, and there is a difference. There were 116,278 financial claims in November. If you look at the actual coverage claims at that time, they were in the range of 140,000.

MR. ROUSSEAU: — Mr. Speaker, if the minister would provide accurate new releases, one would not confuse these figures as he is doing right now. You claim approximately 140,000 claims. Doing a very quick calculation in my head — you also indicated, if that is the case, there was a 17.6 per cent increase in the average cost of repairs. Well, doing a very quick calculation on the average cost of your claims for repairs (you are now saying the number is around 140,000), the cost is about \$621 per claim. In 1978 that average was \$605. Mr. Minister, that's about a 4 per cent increase. Now, how do you tell the people of Saskatchewan they have to pay a 28 per cent increase for a 4 per cent increase?

HON. MR. ROBBINS: — Mr. Speaker, the difficulty with the member for Regina South is he depends on his head. The financial claims the gentleman quoted on the radio was 116,278 financial claims. That is what I said in the news release and that is what I said on the radio. The number of coverage claims was 141,485 to the end of November. If you go to the end of the financial statement for the fiscal year 1979, the coverage claims amounted to 154,518 and the financial claims were 126,272 in number. There is nothing mysterious about it at all. You can have a financial claim which will cover a disability claim, a dismemberment claim, a collision claim. So you've got three coverage claims and one financial claim. There is nothing mysterious about it at all.

MR. ROUSSEAU: — Mr. Speaker, since you have so many different kinds of claims that you are trying to bamboozle the people of Saskatchewan with, will you make available to us, so that we know we can accurately calculate the averages that you keep telling the people of Saskatchewan, the claims you are talking about for 1978? Are they financial claims? Are they actual claims? Are they claims out of your head? Or what are they? Again, I come back to the same question that I had prior to this. How can you justify, as you reported in April 1980, a 17.6 per cent average cost per claim increase when using your reported figures the actual increase was 8.8 per cent, and that is using the figure of a \$653 average for 1979 as opposed to a \$605 average for 1978.

HON. MR. ROBBINS: — Mr. Speaker, I take no responsibility for the confusion of the member for Regina South. The fact is the claims are all reported. They are in the annual report. He can check them himself. The coverage claims are the ones that are listed. Financial claims, as I clearly indicated to you, will cover more than one claim. You can have a person in an accident who will have a disability claim, a dismemberment claim, and a collision claim. That's one, two, three coverage claims. It is standard in the insurance industry and counted as one financial claim. I can provide you with it. I won't guarantee you'll understand it.

Front-Wheel Drive Vehicles and Insurance Costs

MR. LANE: — A question to the minister responsible for SGI. One of the justifications you've given for the major, Draconian rate increase that you announced this year was the high cost of repair of the new front-wheel drive vehicles. Do you still stand by that as one of your major justifications for the rate increases?

HON. MR. ROBBINS: — It's a factor obviously in the cost of the claims. It's a factor in British Columbia, Alberta, and right across Canada. The fact of the matter is The Automobile Accident Insurance Act suffered severe losses in both 1979 and 1980

because of the frequency of claims, and because of the inflationary trend. That is the only reason it suffered heavy losses.

MR. LANE: — You've just admitted that one of the justifications that you used for the rate increase was the high cost of repair of the new front-wheel drive vehicles. Could the minister kindly tell this Assembly why All State Insurance in the United States has now reduced its premium rates for those driving the new GM and Ford front-wheel drive vehicles because of the ease of repair?

HON. MR. ROBBINS: — Surely, Mr. Speaker, the member for Qu'Appelle could understand that if you have a front-wheel drive vehicle and it is in a front-end crash you are going to have more damage to that vehicle because you are going to have damage to the drive shaft, the transmission, everything else. He doesn't have to take my word for it. He can check with ICBC (Insurance Corporation of British Columbia); he can check with MPIC (Manitoba Public Insurance Corporation); he can check with Alberta. There are some insurance companies which are very selective in whom they will insure. So on that basis they can cut out a lot of other people and therefore they may be able to give the odd reduction here and there. The fact of the matter is that across North America in 1979 there were some \$500 million in losses related to automobile insurance. And you can't deny the fact that a front-wheel drive vehicle, for example, a Chev Citation, smashed up in the city of Regina may suffer \$2,000 damage. A lot of those repair parts are going to come out of the United States and we are going to pay a differential in terms of exchange. We would have \$2,000 damage and pay out \$2,400 simply to get the repairs.

MR. LANE: — So far you've given three justifications: (1) you blame the drivers (that was last year); (2) then you blame the front-wheel drive vehicles (that was this year); (3) the traffic rate increases supposedly were going up, when in fact they were going down. Every justification you have given has not been borne out by the facts that have subsequently become public. And would the minister now be prepared to table in this Assembly his specific course of action and what action he is going to take to correct the financial mismanagement, and I say the political mismanagement, that exists in SGI today?

HON. MR. ROBBINS: — Mr. Speaker, it will not matter how many facts are presented to the member for Qu'Appelle. He will pay no attention to them. The fact of the matter is that the automobile accident insurance fund suffered a loss of \$28,575,000 in the year 1978. It has suffered a loss of about \$20 million in the year 1980. I haven't seen the audited figures as yet. That is due totally to accident frequency and the rising cost of repairing automobiles.

SGI Publication — Five-Year Licensing Program

MR. ANDREW: — Mr. Minister, in a recent publication by SGI, one of the front page stories was "Harold Jones appointed Senior Vice-President". One of the things it did was list the various experiences, and one of those was the fact that he had put together the whole five-year licensing program. My question to you, Mr. Minister: were you aware that that very program was in fact botched? It cost the people of Saskatchewan \$500,000. It was botched because of the incompetence of Mr. Jones and his team of people in the group.

HON. MR. ROBBINS: — Mr. Speaker, it is typical of the opposition that it will abuse people who aren't here to reply for themselves. The fact of the matter is that Mr. Jones is

one of the best administrators who has ever been in this government at any time . . .

SOME HON. MEMBERS: — Hear, hear!

HON. MR. ROBBINS: — . . . and he has proved his capability in many instances. And that is why he has been appointed as a vice-president in SGI.

MR. ANDREW: — Were you further aware, Mr. Minister, that this matter came up before the public accounts committee of this legislature a couple of years ago and that committee commented unfavorably about that group? If you are aware, would you agree with this scenario, when in fact heads roll in this government, they roll up hill?

HON. MR. ROBBINS: — Mr. Speaker, it isn't even worthy of comment.

Poverty Level for Unattached People

MR. TAYLOR: — Mr. Premier, I noticed that the other day in speaking to the southeastern Saskatchewan Teachers' Association, that you stated that the true measure of a humane society is not in how it treats its average citizens, but rather how it treats the disadvantaged. You then go on in the same speech, Mr. Premier, to point out that Saskatchewan has gone a long way to protect people from the ravages of poverty. Mr. Premier, how do you justify this "long way to protect people from the ravages of poverty," when 37.2 per cent of the unattached people in this province — that's more than one out of three — are living beneath the poverty line today?

HON. MR. BLAKENEY: — Mr. Speaker, I would commend the particular speech to the hon. member, I wish he would read it all and not selectively. I am willing indeed to concede that there is much to be done. We believe that a good deal needs to be done in order to protect those in our society who are less well-able to protect themselves, and we propose to proceed along that line.

However, we do not in any way draw back from the statement that a great deal has been done, and those who do not believe that a great deal has been done in Saskatchewan can only be blinded by their political biases.

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Supplementary, Mr. Speaker. Mr. Premier, then I take from your remarks that you will agree that a lot of your talk about the great opportunities which abound in this province today to many of the citizens of Saskatchewan is nothing more than talk.

HON. MR. BLAKENEY: — Mr. Speaker, with respect to some of the people to whom he refers, the unattached, by and large the unattached in this society will largely be females over the age of 65, and I concede that for them the economic opportunities are somewhat restricted. But there are many, many economic opportunities in the province. We have the second lowest rate of unemployment in Canada and that means that we have a better unemployment rate than an Conservative government in Canada except Alberta. I think that speaks well for us or alternatively speaks very ill indeed for the other Conservative governments.

Adjustment to Day Care System

MR. SWAN: — A question to the Minister of Social Services. In today's *Leader-Post*, it is reported that Saskatchewan provided \$14 per child enrolled in day care and the

national average was \$21 per child. Are you prepared, as Minister of Social Services, to make a concerted effort to bring the day care system in Saskatchewan into line with Canada generally?

HON. MR. LINGENFELTER: — Mr. Speaker, I appreciate the question. I don't know where the member is getting is statistics or what he is basing them on. My advice is from the department and from the national co-ordinator of day care, Mr. Howard Clifford, when I met with him in Saskatoon. He said that Saskatchewan's day care system was as good as any in the country and that we had one of the most sound bases to build on in the country.

As well, I would like to make a small comparison of where we were in 1975 and where we are today in 1980. We now have 3,033 day care spaces, as opposed to 900 in 1975. The equipment grant has gone from \$250 to \$400 per year. The subsidies have gone from \$80 to \$150 and the handicapped now get a grant per space per month of \$150 as opposed to \$50 in 1975. So I think this does show our commitment to day care in Saskatchewan. That does not say we are doing enough. I think we can do more and we will do more as we will announce next week.

SOME HON. MEMBERS: — Hear, hear!

MR. SWAN: — Supplementary to the Minister of Social Services. You asked where I get my figures. Evidently they come from the report that you have been sitting on since January and won't release to the general public.

SOME HON. MEMBERS: — Hear, hear!

MR. SWAN: — Now we are continually being told that Saskatchewan is a have province, one of the provinces that is in a state of boom and where the economy is great. Why is it then, if Saskatchewan is in this position, that so many of the people in our province find it necessary for both husband and wife to work in order to support their children? What are you prepared to do for the families where both parents must go out to work and who don't have the opportunity to put children in day care, and if there is an opportunity, it is above the average cost for them?

HON. MR. LINGENFELTER: — Yes, I would like to make a comment on that. I think that the province's economy and employment show up in the fact that we have the second lowest rate of unemployment in Canada. The other fact is day care in Saskatchewan is not in the very poor condition that you suggest, and it is going to get much better in the future.

MR. SWAN: — Supplementary to the minister. You say it is going to get much better. Can you enlarge on that statement? Mr. Speaker, could we have enough order that I could be heard?

MR. SPEAKER: — Order, order! I would like to hear the member for Rosetown-Elrose. I am sure he has a good question.

MR. SWAN: — A supplementary question to the Minister of Social Services. You made a response but you didn't reply to my question. I would like a reply to my question. What are you prepared to do to assist the people who have to put children in day care? That is the question simply put. What are you prepared to do? Don't just tell me something that is going to happen down the road. What are the proposals?

HON. MR. LINGENFELTER: — I think what we are going to do in day care will be announced in due course. I would like to remind the member that I did quote the direction that this government and this department is heading, with the sharp increases which have taken place in the past five years. I would also like to comment that the report will be released next week.

Low-Cost Mortgages

MR. PICKERING: — Mr. Speaker, a question to the minister responsible for Sask Housing. In light of the 50 per cent decrease in housing starts in 1980, would the minister now consider initiating a program to counter the high interest rates and provide low-cost mortgages to first-time home-owners which we in the opposition have been asking for over the past 12 months?

HON. MR. SMISHEK: — Mr. Speaker, with regard to the housing starts in the province of Saskatchewan, I might inform the hon. member that on a per capita basis, Saskatchewan has certainly fared better than the rest of Canada. I concede that in Saskatchewan we have had a considerable reduction and part of that is due to the high rate of construction which we had in 1979 compared to the rest of Canada. For the hon. member's information, in Saskatchewan we had 6,250 starts in 1980 compared with our neighboring province of Manitoba which had just 2,000 starts. In the case of new programs which may be initiated, tomorrow is budget day and certain new initiatives will be announced by the Minister of Finance.

MR. PICKERING: — Supplementary question, Mr. Speaker. Is the minister responsible for Sask Housing saying he does have a program coming out in tomorrow's budget?

HON. MR. SMISHEK: — Mr. Speaker, we always have good programs to be announced in the budget. Tomorrow is another good budget day and the hon. member will be fully informed.

Government Position on Crowrate

MR. MUIRHEAD: — Mr. Speaker, a question to the Minister of Agriculture. I just had the pleasure of having a two hour meeting with the Minister of Agriculture, the Hon. Eugene Whelan, on Monday past . . . (inaudible interjection) . . . I am enjoying this, Mr. Speaker.

MR. SPEAKER: — Order, order! The purpose of the question period is not to comment on whose friends are whose friends but to get the question.

MR. MUIRHEAD: — Mr. Speaker, the purpose of this meeting with Mr. Whelan was on behalf of Saskatchewan farmers. We were discussing the problems with the crowrate, with MAP (market assurance proposal) and the cow-calf and finished beef situation. The question I wish to ask you, Mr. Minister, is concerning the crowrate. The Minister of Agriculture informs me that there are two voices coming through to him from the Prairies; one is the voice of the national Farmers' Union which say to leave crow as is with no further negotiations and the other is the position of the Saskatchewan Wheat Pool for crow reform. Will you tell us and inform this House what your position is? Is it leave crow as is, or is it crow reform? Please inform this House.

HON. MR. MacMURCHY: — Mr. Speaker, I am pleased that the hon. member for Arm River has such a good relationship with the Minister of Agriculture in Ottawa that he could spend two hours with him recently. I have not, unfortunately, had the opportunity to spend such a length of time with the hon. federal minister in quite some time. I am, therefore, pleased that he has such a good relationship with him and that the meeting could go on at some length.

I want to point out to the hon. member that our position on the crowrate and with respect to finding the solution to the grain handling and transportation system is very, very clear. I also point out to the hon. member that we have a position and we are prepared, Mr. Speaker, to discuss it at any time, any place, as we have been doing in the province of Alberta, in the province of Manitoba and in the province of Saskatchewan in most recent weeks. It is a position different from that of the National Farmers Union, different from the position taken by the hon. minister in charge of the Canadian Wheat Board. It is different from the position being announced by the Hon. Minister of Transportation and a position different from that of the hon. minister responsible for agriculture federally. All of those positions, may I say, Mr. Speaker, are different.

Our position is that the issue is not the crowrate in western Canada. The issue is how we find a solution to building a grain-handling and transportation system which will move 50 per cent more grain. To achieve that, we say the best solution is to keep the crown in statute to protect the producers and protect the communities — I would hope the hon. member opposite would share that position with us — and that we should put the railways under public ownership.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. MacMURCHY: — We accept, Mr. Speaker, that as part of national policy, putting the railways under public ownership is not going to happen within at least the next four or five years. We expect it will come down the road when we elect a New Democratic Party government in Ottawa and that is not going to happen within the next four or five years.

Accepting that, Mr. Speaker, we make it clear there is an option which should be considered as part of national policy and that option is to make investments in the grain-handling and transportation system. Investments that have been made have had an impact on the movement of grain over the last three or four years. The record last year, and the near-record this year, will be due to the investments which were made over the last three or four years.

I ask the hon. member, Mr. Speaker, to look at who made the investments. The investments were primarily investments made by public money and co-operative money. We think that option should be seriously considered as part of national transportation policy. If the Ottawa government would look at that option and wish to consider that option with us, we are prepared to come to the table, and I would say that the Government of Manitoba would share in that. I am not sure where the Government of Alberta stands on an issue of this nature.

SOME HON. MEMBERS: — Hear, hear!

MR. MUIRHEAD: — Supplementary, Mr. Speaker, to the minister. He seems to be very worried about my negotiating with the Minister of Agriculture. But the Minister of Agriculture sure wishes that you would negotiate with him.

You never answered my question. I asked you, Mr. Minister, to take a stand on whether you back the National Farmers' Union of the Saskatchewan Wheat Pool. You gave us a speech.

I want to ask you the same question as the Minister of Agriculture, federally, is asking: are you going to fence sit like your government did on the constitution until no one in this province knows where you are going? Tell us, Mr. Minister.

HON. MR. MacMURCHY: — Mr. Speaker, I am sorry the hon. member can't listen to the position which we have put forward, as I've put it forward this year, as I've put it forward in the throne speech debate, and as I have been putting it forward at a number of meetings around this province.

Mr. Speaker, I make it clear that we support neither the National Farmers' Union position, which is a position of keep the crow and if the railways don't move the grain, then nationalize, nor do we take the commodity coalition approach which is crow benefit nor the position put forward by WAC (western agricultural conference). This is a second list. We put a position which does not address the issue of crow but we put a position which addresses the building of a grain handling and transportation system which will move 50 per cent more grain. Those who say, Mr. Speaker, that crow has to be changed in order for that to happen, I think are in the wrong area. I think the producers of Saskatchewan say they're in the wrong area and that they support more strongly the Government of Saskatchewan's position that any other position put forward including the position put forward by the . . .

MR. SPEAKER: — Order. order! . . . (inaudible interjection) . . . Order, order! I think we should go on to the next subject unless members, by popular demand, want to hear more on this subject.

INTRODUCTION OF BILLS

Bill No. 32 — An Act to amend The Saskatchewan Oil and Gas Corporation Act

HON. MR. COWLEY: — Mr. Speaker, I move first reading of a bill to amend The Saskatchewan Oil and Gas Corporation Act.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 33 — An Act to amend The Water Power Act

HON. MR. BOWERMAN: — Mr. Speaker, I move first reading of a bill to amend The Water Power Act.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 34 — An Act to amend The Saskatchewan Human Rights Code

HON. MR. ROMANOW: — Mr. Speaker, I should like to move that a bill to amend The Saskatchewan Human Rights Code be now introduced and read a first time.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 35 — An Act to amend The Small Claims Enforcement Act

HON. MR. ROMANOW: — Mr. Speaker, I move that a bill to amend The Small Claims Enforcement Act be now introduced and read a first time.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 36 — An Act to amend The Land Titles Act

HON. MR. ROMANOW: — Mr. Speaker, I move that a bill to amend The Land Titles act be now introduced and read a first time.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 37 — An Act to amend the Non -profit Corporations Act

HON. MR. KOSKIE: — Mr. Speaker, I move first reading of a bill to amend The Non-profit Corporations Act.

Motion agreed to and ordered to be read a second time at the next sitting.

Bill No. 38 — An Act to amend The Credit Union Act

HON. MR. ROMANOW: — Mr. Speaker, on behalf of the hon. minister, I move that a bill to amend The Credit Union Act be now introduced and read a first time.

Motion agreed to and ordered to be read a second time at the next sitting.

MOTION

Criteria for Herd Maintenance Appeal Board

MR. GARNER: — Mr. Speaker, before orders of the day, I rise and ask leave of this Assembly to move the following motion, seconded by Mr. Hardy:

That this Assembly supports the farmers and ranchers of Saskatchewan in requesting the federal government to remove the precipitation criteria from the herd maintenance appeal board.

MR. SPEAKER: — You've heard the motion by the member for Wilkie which request leave. Is leave granted? Leave is granted.

MR. GARNER: — First of all, I would like to thank all members in the House for giving leave to this very important event which is happening in Saskatchewan today.

Mr. Speaker, the motion is self-explanatory. The criteria right now is based on 80 per cent of the crop yield in an area. Right now, before the herd maintenance appeal board there are 4,000 claims by farmers and ranchers from all over Saskatchewan. The precipitation criterion is tying it up. If that was removed, cheques could be sent out immediately to 4,000 cattlemen in the province of Saskatchewan who need the money right now to pay feed bills after this winter.

The advisory board that was set up for this herd maintenance assistance program, I

personally believe, did not have enough input into the whole program. It's the age-old story of a government setting up a bureaucracy, asking someone with the expertise to do a job, set up a program. These people with the expertise supplied the information but I don't believe the federal government listened closely enough. They even put snowfall into that criteria, and that is greatly affecting the program today. You can have a certain amount of snowfall in one area, but over in another township maybe not as much. It is the same with a rainfall. You can have a shower go through one area but miss another area. But, because of the rainfall criteria, a lot of farmers and ranchers in Saskatchewan, are being left out in the dry.

The advisory board, in my estimation, did not have any input into how the pay-out system was to work. Once again, I believe this decision was made by federal technocrats. These technocrats are the ones to blame for this program running amuck.

Mr. Speaker, another criterion that was not put in the program, and should have been, should have dealt with hay and pasture yield. I don't think there's one member in this Assembly who will not join with me in acknowledging that there was little, or no tame hay cut in the province of Saskatchewan this past year, except in the irrigation areas.

You can't feed cows on snowballs and you can't feed cows on federal government promises.

What about the individual who is a straight rancher, an individual who has 200, 500 or 1,000 cows, and doesn't have any crops and doesn't have any hay and the grass is short? The grass is short everywhere in Saskatchewan. He's the one who needs the money. I would just like to back it up with one case. I was very pleased to see the other day the Minister of Agriculture join with me in sending a joint communiqué to Ottawa. Very hopefully they will listen, because it was unanimous again.

In order that the farmers and ranchers of Saskatchewan could receive their money, Mr. Speaker, I won't dwell on this any longer. I won't take up any more House time. At this time I would like to table the motion seconded by my colleague, Neal Hardy, the member for Kelsey-Tisdale.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Mr. Speaker, I'd like to address this Assembly today on behalf of farmers, and mainly the beef producers of Saskatchewan, with regard to their not getting herd maintenance funds, the program that has not paid out funds to beef producers in our province. We met this morning with the appeals board for the herd maintenance program. They told us that there were over 4,000 farmers in the province of Saskatchewan, a number in the Pelly-Canora area, a number in my area, a bunch up in the northwest corner, and all over the province. Some of these farmers harvested between zero and three bushels per acres. They told us of instances where these farmers had to go out and buy as much as \$30,000 worth of hay to maintain the herd as it is today. These farmers have had to borrow the money through the banking institutions at a very high interest rate, and they are dearly in need of this assistance to not only maintain the herd but to see them through to another year. A partial reason that at last half of these applications have been set aside is precipitation within the criteria of the program. The appeal board people appealed to us today, and asked us to appeal to the Assembly today, to ask the federal government and the Minister of Regional Economic Expansion (who, incidentally, looks after the funding of this program) to remove the

precipitation criteria to allow these farmers to get their money. And they told us that there would be over 4,000 farmers who would immediately get their money. There would be no hold-up whatsoever on it. I feel that as a farmer representing the farming interests of my constituency (and every member here must feel the same way) these farmers dearly need this money to help them keep on farming and to keep their beef herds for another year.

In these precipitation criteria, last year the rainfalls came very late and they used snowfall. Snowfall in our country really amounts to about 25 per cent of the true moisture content for growing a hay crop. And these people (although maybe the snowfall was there) did not have any benefit or had very little benefit from the snowfall and, therefore, their hay crops were just about as low as they could be.

The price of cows as you relate right now are down about \$200 a head. They couldn't even sell them now. They'd have to take another loss. Green feed in our area and in all the areas of Saskatchewan wasn't there to be had. The crop was very low, although the yield was fairly good in bushels per acre in some places, but the green feed just wasn't there to be had. The rains must come early to have the grain seeded. In my area and in the Pelly-Canora area and in that group, we've been badly hurt by the lack of hay. Although hay wasn't taken into the criteria (the shortage of hay wasn't allowed and maybe should have been), I still feel that asking the Assembly to endorse the removal of precipitation from the criteria and to send a letter to the minister in charge of DREE (Department of Regional Economic Expansion), which ultimately pays the funds, seeking to have this removed would be of great benefit to our farmers. I would ask the Assembly to vote with us today. It is my pleasure to second the motion.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. MacMURCHY: — Mr. Speaker, I am pleased to rise in this debate on a very important subject. I am pleased also that the member for Wilkie put some effort and some energy into not only meeting with the appeals board, as indicated by the hon. member for Kelsey-Tisdale, but went to the effort of bringing this matter before the legislature. He did that yesterday and we were able to work something out; he does that again today.

First of all, Mr. Speaker, let me say that I think the hon. member very much for indicating to me that this, in fact, was what he was going to do. I am rather surprised that it came up under orders of the day, particularly following question period when we had a report from the hon. member for Arm River of a two-hour meeting with the federal Minister of Agriculture during which I thought that the hon. member for Arm River would have resolved this issue of the herd maintenance program. It seems as though they've made a deal on their position on how to change the crow or how to destroy the crow. It seems as though they have arrived at a decision on how to deal with the market assurance plan.

I am surprised, Mr. Speaker, that in this meeting they did not take care of the herd maintenance program. Perhaps the resolution should more appropriately read that we ask the member for Arm River to go to Ottawa to meet with the minister responsible for agriculture so that between the two of them they can resolve this problem of herd maintenance since their relationship seems to be so much stronger, Mr. Speaker, than the relationship that the member for Wilkie and I have with the hon. federal minister.

Mr. Speaker, the herd maintenance program has a history of real disaster. As a matter

of fact, Mr. Speaker, the whole effort of the federal government with respect to assistance for the provinces of Manitoba and Saskatchewan in the drought area of last year (and everyone knows the seriousness of the drought) has been pretty much a disaster.

I think the leaked document that came from one of their civil servants in Regina, prior to the announcement of their program, set the tone for the federal government. And that document said: "We really can't do anything but we must appear to do something." As the Hon. Leader of the Opposition said, "Look good; try to look good." That is, in fact, what they have tried to do and any time Liberals try to look good, Mr. Speaker, it ends up in a disaster and here is evidence once again that when they tried to look good it ended up in a disaster.

Hon. members will recall that when the herd maintenance program was announced, it was announced in terms of \$140 per dairy cow and \$170 per beef cow with really no criteria, Mr. Speaker, attached to this announcement. All the dairy producers and beef producers expected a payment and they expected a payment, justifiably so, simply because there was no hay. There was virtually no pay in the whole province. Therefore it was expected. All of a sudden after a great deal of publicity by radio, television, newspapers, the criteria were changed. Rather than \$140 per dairy cow and a \$70 per beef cow, it suddenly became \$70 per dairy cow and \$35 per beef cow with the criteria tied to crop production.

Mr. Speaker, the criteria of crop production didn't work and you have the new criteria of precipitation to be used by those administering the program. When they ran into trouble with respect to the criteria of precipitation, what happened? Instead of addressing the criteria as is being demanded by this resolution put forward by the member for Wilkie, they decided to establish an appeal board. The appeal board could not function with the criteria that had been laid down. To say that the people who were administering the program on behalf of the federal government, making the payments, were not living up to the criteria that the government laid down, was something that I think was unfortunate. In fact it meant that the federal government didn't have confidence in their civil servants here in Regina who were responsible for delivering the program.

Obviously the civil servants could make some mistakes, but to make mistakes that would require the establishment of an appeal board seems to me to be ridiculous. Therefore when the appeal board came on the scene, it was handicapped not by the work done by the civil service, but by the criteria laid down by the government itself. That criteria meant it just couldn't respond to the huge number of applications. So what does the appeal say? The appeal board says, "Change the criteria." What does the hon. member for Wilkie say? He says, 'Change the criteria.' Mr. Speaker, I don't think there are any criteria that could be established which will accommodate the situation the farmers, the dairy people and the ranchers face in Saskatchewan with respect to this program. There is no change in the criteria which the appeal board could use in order to solve the dilemma it finds itself in.

Mr. Speaker, there is only one solution and I think it is unfortunate the hon. member for Wilkie and the appeal board did not address themselves to it. I point out to the hon. member that the solution was addressed by the Hon. Minister of Agriculture from Manitoba and me at a meeting in Yorkton, Saskatchewan on September 15.

At that meeting we said, "Look, you really can't come up with a set of criteria that will

meet the needs of the producers in this situation. There is only one thing to do and that is to use the \$40 million which you have now set aside for herd maintenance and pay it out. Pay it out to all the producers in Manitoba and all the producers in Saskatchewan on the basis of \$70 per dairy cow or 70 per cent of their herd and \$35 per beef cow.”

That was September 15. In looking at the history both prior to and after September 15 and looking at the situation as it exists today, that is the only solution which will satisfy the situation the federal government finds itself in with respect to this herd maintenance program. Forget about the appeal board. Forget about a look at newer criteria that the appeal board can consider in order to deal with the 4,000 applications they face, with which they are asked to deal before March 31, and make the payments to the producers who have made application, and make the payments to the producers on the basis of \$70 per dairy cow, and \$35 per beef cow.

Mr. Speaker, I want to read to you (and I will table these documents, but I don't want to take the time of the House because I think we can all agree on both the motion and the amendment which I am going to put forward to make the matter more clear) a letter sent on September 15, to the Minister of Agriculture. Perhaps, Mr. Speaker, I sent it to the wrong man. Maybe I should consult with the hon. member for Arm River now on this matter as to whether I should have sent this letter to the Hon. Minister of Agriculture, or to the hon. minister responsible to the Canadian Wheat Board, Mr. Argue, or whether I should have sent it, in fact, to the Hon. Minister Pierre DeBane, or to the hon. member for Arm River. The programs seems to be bouncing around between all three ministers, and now the member for Arm River is in it, so now there are four people between whom it can bounce.

Mr. Speaker, I point out that I received a call in my office this morning saying, with respect to the Telex that the hon. member for Wilkie and I sent yesterday, “You sent it to the wrong man.”

We sent it to the Minister of Agriculture, federally; we sent it to the minister responsible for the Canadian Wheat Board. They said that we should have sent it to the minister responsible for DREE because PFRA (Prairie Farm Rehabilitation Administration) comes under DREE. Now, who will it be next that we should send Telexes to?

I think we are taking a little bit too much advantage of the member for Arm River. I think he was out there on a good will mission.

Mr. Speaker, I say to the Attorney General that he has established a solid relationship, because clearly they are in agreement on matters such as crow, and matters such as market assurance plan, and so on.

But I want to read this letter of September 15:

Please find attached a copy of the communiqué issued jointly by the Hon. Jim Downey, Minister of Agriculture for Manitoba, and me following a meeting in Yorkton yesterday.

You will note in the communiqué our request for extension of the fodder and livestock transportation assistance cost-sharing program with the provinces beyond August 31, 1980. As provinces, we committed ourselves to continue paying our portion of the assistance directly to farmers and we request that

the federal government do the same.

As all hon. members know, that assistance was cut off on August 31. I don't know what is happening in Manitoba, but in the province of Saskatchewan, we have been picking up all of the costs of that program since August 31.

Now, Mr. Speaker, we are coming to the important part:

Secondly, we have requested that the federal government remove the current restrictions on the herd assistance program and simply make the funds available to all livestock products. Our calculations indicate that it would be possible to assist producers in Manitoba and Saskatchewan to the extent of 70 per cent of basic herds, assuming \$70 per dairy cow and \$35 per beef cow, within the \$41 million allocated to that program by your government.

So a solution, Mr. Speaker, goes back to September 15, 1980. We have been continually requesting the federal government to respond to that. As a matter of fact, the letter and Telex, which were sent to Ottawa yesterday by the member for Wilkie and me, said that that is in fact the solution.

I, therefore, move an amendment to the resolution in keeping with the position taken by myself and my colleague from Manitoba, the position which was taken yesterday by the member for Wilkie and me. I move the following amendment, seconded by the member for Kelvington-Wadena, that the following be added to the resolution after the word 'board':

And make the \$35 per beef cow and \$70 for dairy cows available to all producers who have wintered herds as requested in a joint communiqué by the minister of agriculture for the provinces of Manitoba and Saskatchewan released at Yorkton, Saskatchewan on September 15, 1980, and as requested in a joint Telex by the Progressive Conservative member for Wilkie and the Minister of Agriculture, dated March 3, 1981.

Mr. Speaker, I so move.

MR. BYERS: — Mr. Speaker, I rise to offer a few comments on this motion, in support of this motion and the amendment because I can't recall, in the years I have been in public life or the times I have seen federal programs delivered, an instance which has more confusion and more hardship to the farmers of this province than this particular program. I can't recall a federal program that was announced with more fanfare than that when the federal minister announced it in the city of Yorkton in the spring of 1980. I can't think of a program, in its initial stages, where the criteria were changed so frequently or were so poorly interpreted as in this case. But on the other hand, I don't think there was a program where the farmers' expectations became as high as they were after the federal Minister of Agriculture announced in Yorkton last spring that payments in the amount of \$140 per dairy cow and \$70 per beef cow would be forthcoming to the farmers.

The farmers took Mr. Whelan at his word and began planning their farming and ranching operations accordingly. It is indeed unfortunate that the federal government has not delivered on its original intention and a good many cases of economic hardship have fallen on the livestock producers in this province. There are a good many of them

in my constituency and in other parts of the province — economic hardships that parallel the economic hardships we experienced here in the great depths of the depression.

The blame for the economic squeeze of the cattle producers has to be laid fairly and squarely at the door of the federal government. The federal government in this case has failed to develop and to deliver a program of financial help that would sustain the livestock operators during this dry cycle. The program was conceived in haste. Its true intent, I think, was never clearly stated and yet the farmers, the bankers and the credit union managers in Saskatchewan and in western Canada have every right to expect that when an elected federal minister announces a stock-loss program to tide a group in society through a period of economic hardship, the government's intentions are clear and will be carried out. In the case of the hard maintenance program, they have not only been deceived but also they have been let down by their federal government and are suffering severe economic hardships as a result.

I don't know how many farmers went to their bankers on the basis of the Whelan announcement and negotiated loans on the prospect of financial help forthcoming at a later date. Livestock producers, being good sensible people, analysed the Whelan announcement. They interpreted the announcement and tried to analyse it as to whether or not they would be eligible for assistance. They then analysed the assistance that would be forthcoming from the province through programs such as the transport of fodder or fencing or developing water well, locating feeds and fodder supplies. They knew that the province has delivered on its commitments and promises and announcements from drought programs in the past and they had every confidence that we would deliver in the future. As a result of putting these two programs together and analysing the benefits that would come, many farmers made a decision as to whether to remain in the livestock business, whether to retain their present sizes of herds, whether to reduce their herds, or whether to dispose of their herds. Then the rules began to change.

The \$70 for beef cows slipped away and eligibility became set on the precipitation for the area. I want to tell the members of this House (and many of the rural members will know) that this is causing some real hardships in the rural areas. I have a case of a young farmer in my constituency whose farmstead happens to be on the west side of the range line. The west side of the range line is declared a wet area. The area east of the range line is where his pasture and his forage crops are situated, and as a result he is not able to collect because of the location of his farm. There are any number of cases where the farmstead is situated on one side of the range line where you are ineligible and it is in a different township from where the hay land is located.

Another aspect which is causing severe hardship to the farmers is the removal of the federal portion of the fodder transportation subsidy for hay moved after August 31. I am very pleased that the Minister of Agriculture has taken action at the provincial level to correct this deficiency in a federal program. In most parts of the province the rains came on June 25; somehow the federal government says that hay is supposed to grow from June 25 and be cut, baled and transported to its new location within 60 days in order to qualify for the federal subsidy. I say that the manner in which this program is being delivered by the feds with respect to the transportation subsidy, cutting it off after August 31, is an absolute disgrace. Some of the older members in this House do remember the initiatives of the federal government in previous periods of drought. I think in most cases, if not in all cases, the federal government was willing to offer a program that would move hay when it was needed, regardless of the time on the

calendar . . . (inaudible interjection) . . . You would like to get done before 5 o'clock. Well, we'll see.

I want to say a word about the advisory board. I do not personally know all the members of the advisory board. I know two of the members very well. Mr. Clarence Hookenson has been president of the Saskatchewan Federation of Agriculture. He's a reeve, a rancher and a farmer from southeastern Saskatchewan. He is very knowledgeable and has a good understanding of the farmers' problems. Mr. Evans Thordarson is another member who is very competent to serve on a variety of boards. He's a livestock man and comes from the parkland. He happens to come from my constituency; that's right. I think these people are to be commended for accepting a very difficult job. I think most of the farmers in Saskatchewan, in the prairie basin, were shocked when after their appointment, the federal Minister of Agriculture made it abundantly clear to the members of the advisory board that the precipitation criterion was to apply and they were in no way going to alter that. Precipitation would be the basis for determining their eligibility. I know this board will do its best. I know it would be impossible to tie the hands of people like either Mr. Clarence Hookenson or Mr. Thordarson, for any government to tie their hands. Nevertheless, they are working within a very, very tight framework.

I would like to urge the farmers of Saskatchewan, who intent to make representation to the appeal board, to attempt to organize in groups to appeal before the board and to put their cases with the full knowledge that the members of the appeal board must operate within a very rigid framework. I would urge our cattle producers to make an effort, as I know they are in many cases, to appear before the board in groups as one method of showing an demonstrating to the federal government their dissatisfaction and their displeasure with the unsatisfactory manner in which the federal government has treated the cattle producers of western Canada in this last year particularly which was a very, very severe year. And I hope that our farmers and particularly our young farmers, will take the initiative to act on that suggestion as one way to impress upon the federal government the shoddy way in which western agriculture is being treated in this respect.

There are a great many more things I would like to say about this particular subject. I don't want to keep other people from offering their feelings and their views on the subject. I want to assure the House that I will be supporting the motion as amended.

MR. BERNTSON: — Mr. Speaker, I'm just a little hesitant. If this happens again tomorrow, I'm going to declare I have a headache. This is two days in a row we've been in bed with you guys.

In any case, Mr. Speaker, we will be supporting the amendment offered by the Minister of Agriculture, although I have some concern that the motion offered by the member for Wilkie would have more chance of being accepted by the feds (although I think probably any of it is an exercise in futility) than the amended motion. And, quite simply, the motion from the member for Wilkie that asks that we eliminate the precipitation criteria from the formula would immediately get the funds out to an additional 4,000 farmers. I don't think there's a political party any place in western Canada that hasn't advanced the proposal set out in the amendment to the feds with the exception of perhaps the odd Liberal party here and there. It has been raised by both the NDP and the Conservatives in the House of Commons. It's been raised by the opposition here and the government here. It's been raised in Alberta and Manitoba by both parties and they haven't acted on it. But perhaps I'm talking about the pay-out of the \$60 million based

on whatever. Perhaps they would act on a simple dropping of the precipitation criteria. I quite frankly think that we are wasting our sweetness on the desert air because it's not going to happen. I think out of the \$60 million so far they have disbursed somewhere in the neighborhood of \$25 million. I'll draw you back to the leaked document in Regina when the program was introduced. It said that we must look good but it must not costs any money. I think that would indicate to you that the program was in fact conceived in sin and born in hypocrisy. I think that speaks for itself. We will be supporting the amendment. However, as I said earlier, I think the original motion would have a better chance at at least getting the benefits to another 4,000 people.

SOME HON. MEMBERS: — Hear, hear!

Motion as amended agreed to nemine contradicente on the following recorded division.

YEAS — 49

Pepper	Kaeding	Snyder
Romanow	Smishek	Bowerman
Tchorzewski	Robbins	Baker
McArthur	Gross	Rolfes
MacMurchy	Mostoway	Banda
Vickar	Hammersmith	Kowalchuk
Dyck	Thompson	Engel
Feschuk	Byers	Koskie
Matsalla	Lusney	Poniatowski
Prebble	Johnson	Lingenfelter
Long	Nelson	White
Solomon	Chapman	Berntson
Birkbeck	Duncan	Lane
Taylor	Rousseau	Swan
Hardy	Pickering	Muirhead
Katzman	Garner	Andrew
McLeod		

NAYS — 0

ORDERS OF THE DAY

SECOND READINGS

Bill No. 29 — An Act to amend The Automobile Accident Insurance Act

HON. MR. ROBBINS: — Mr. Speaker, before making the traditional motion for second reading of this bill to amend The Automobile Accident Insurance Act, I would like to make some remarks regarding Saskatchewan Government Insurance and the automobile accident insurance funds.

I think it is important to take a look at the history related to the setting up of public insurance in this province and to remind ourselves what has been accomplished along the way.

Saskatchewan Government Insurance was begun in the year 1945 with a loan of \$12,000 from the Government of Saskatchewan. It wrote its first policies in the summer of 1945 and it repaid the \$12,000 to the government by the end of that year.

In 1946 The Automobile Accident Insurance Act came into law and was passed in the Assembly. Now, The Automobile Accident Insurance Act is not part of SGI as such. Saskatchewan Government Insurance is a publicly-owned insurance company which competes with some 200 or more insurance companies in this province for insurance business. It administers The Automobile Accident Insurance Act on behalf of the government.

The motivation for setting up The Automobile Accident Insurance Act in the first place was to provide universal coverage to retain insurance funds in Saskatchewan and to provide coverage and service appropriate to Saskatchewan conditions.

It is important for me to know when I drove down the highway and I meet the member for Qu'Appelle that he is insured as well as I. That is a unique thing which we have accomplished in this province with respect to the setting up of the automobile accident insurance fund. It has been copied, in whole or in part, right across Canada. We have similar plans operating in British Columbia and Manitoba and other provinces have also taken action (at least in the partial sense) to ensure that universal coverage is available to motorists travelling on the highways.

The second desire was to retain insurance funds in Saskatchewan and that has certainly been achieved. At the end of the 1979 fiscal year, we had \$112,518,000 in investment funds working in the province and, of that sum, \$93 million was invested in Saskatchewan bonds — either provincial government, municipal government, hospital, or school bonds. It is perfectly safe to assume, Mr. Speaker, that if we had not had SGI and The Automobile Accident Insurance Act, we would not have had those funds available for investment in the province of Saskatchewan.

I think it's also important to realize that we have devised means of bringing coverage to people unique to the province of Saskatchewan. Also, we have set up some 13 claims offices around the province which have an impact in terms of improving service to people who do suffer loss in automobile accidents.

Consistently we hear from the opposition, Mr. Speaker, that SGI loses money. That is not a true statement. SGI made money in 1979. It made money in 1978; it made money in 1977; it made money in 1976. You can go back year after year after year. The fact of the matter is . . .

AN HON. MEMBER: — With a 48 per cent rate increase, it should make some money.

HON. MR. ROBBINS: — That has nothing to do with it. If the member for Moosomin would listen for a minute, he might learn something. The fact of the matter is Saskatchewan Government Insurance and its premiums have nothing to do with The Automobile Accident Insurance Act. He should know that. He probably does but he won't admit it. The fact of the matter is that SGI made \$11,212,000 in net earnings in the years 1977, 1978 and 1979.

Now, if we look at The Automobile Accident Insurance Act, the whole theory of that act is to provide universal coverage, to retain funds in Saskatchewan, and to ensure that it operates on a long-term, break-even basis. And it has consistently done so. Again I ask the members opposite to face the facts.

At the end of 1977, The Automobile Accident Insurance Act had a surplus in it of \$13,800,000. The rates were reduced in 1978 by an average of 7 per cent across the piece. I know members opposite immediately say, "Well, that's because there was an election coming up." The fact of the matter is that the reserve in that account grew by \$1,480,000 in the year 1978 despite the fact that we had reductions. So, at the end of 1978, December 31, we had \$15,280,000 in surplus in the automobile accident insurance fund. For the benefit of the member for Moosomin, that has nothing to do with SGI as a publicly operated insurance company.

In the year 1979, we suffered very, very substantial increases in accidents, in claims, and in losses in the automobile accident insurance fund. The loss in 1979 totalled \$28,575,000 and it wiped out the \$15,280,000 surplus that was in that fund and left a deficit of \$13,295,000. Now, we do not have the audited figures yet for 1980 but I can inform the members that it's in the range of another \$20 million loss in that fund. that was despite the fact that the rates were raised by 20 per cent in 1980.

The people opposite, Mr. Speaker, keep saying, "You know, it has nothing to do with accident frequency. It has nothing to do with increasing costs of automobile claims, etc." Obviously, those are the primary reasons. Anyone realizes that those are the primary reasons for those increases.

We have to now make sure that we achieve sufficient return into the automobile accident insurance fund to meet the probabilities of claims in the year 1981 and to begin to reduce the deficit which currently exists in that particular fund because it has always been the theory that it would operate on a break-even basis. If it builds up a surplus, as it did in 1978, then we reduce the rates. When it runs deficits, then obviously you have to raise the rates in order to wipe out that deficit and get back to the break-even basis. There's nothing mysterious about it. It's just a fact of life and it's there.

Mr. Speaker, we were accused in 1978 of reducing the rates because an election was coming up. I suppose they are going to accuse us now of increasing the rates because an election is coming up. Well, they can't have it both ways.

If you look at the automobile accident insurance fund, it provides some pretty basic and very important coverage up to \$15,000 in death benefits; up to \$10,000 in dismemberment benefits; up to \$4,000 in supplemental benefits; a disability benefit up to 104 weeks, assuming that the person at the end of the 104 weeks has been rehabilitated and can go back to work; and a \$35,000 public liability coverage.

Now in effect in this particular bill we are saying that those coverages are not sufficient. We want a higher base. Therefore we have proposed to increase the disability benefits to increase the public liability coverage, and that is occurring in other provinces as well. British Columbia has gone to \$100,000 public liability. Ontario has gone to \$100,000, and even talking of going higher. Manitoba is at \$50,000 still. We will be ahead of them even if they rush their legislation through. The fact remains that generally speaking the theory is that we should have a base of \$100,000 in public

liability and property damage coverage.

Members opposite, Mr. Speaker, seem to assume that there is some mystery about this whole thing. There is not. And clearly, clearly the reason the automobile accident insurance fund is in difficulty is because, and solely because, of the accident frequency increase that occurred in 1979 and 1980. If they look at the statistics, they will find that the claims incurred exceeded the total premium income in those two years by about \$30 million. So there is nothing mysterious about it at all.

In addition, I think we should have to concern ourselves with accidents, the fact that they are occurring and why they are occurring. And if we look at the statistics related to the last year on which we have statistics, we find that about 40 per cent of the accidents occurred by what they call the human condition. A lot of that is related to the use of alcohol which is very widespread in our society. I suggest to you, Mr. Speaker, and to the members of this Assembly, it is not necessarily the drunken driver because the police officer can pick that drunken driver up very quickly. I suggest it is the social drinker who goes to a banquet, drinks and drives his car thinking he can drive better than he could before. I think there is a lot of truth in the fact that his capabilities are reduced to some degree and . . . (inaudible interjection) . . . The member for Wilkie thinks that that's not a correct statement but it is a correct statement if you analyse the facts — 40 per cent. I don't know where he gets his information . . . (inaudible interjection) . . . The member for Wilkie thinks he is a self-made man — a horrible example of unskilled labor.

Let's face the facts in relation to why those accidents are occurring. About 27 per cent of the accidents occur because of what is called human error — misjudgment, disobeying laws and things of this nature. So it is obvious that the increases that were put into effect were necessary in relation to the automobile accident insurance fund and although members opposite attempt to tell us that there are other reasons for it, statistics clearly indicate right across the country that that is the basic reason why insurance rates are rising everywhere.

Looking at the bill itself, specifically we should realize that for 34 years The Automobile Accident Insurance Act has served the people of this province and it has served them well, It still serve them well despite allegations to the contrary by members like the member for Wilkie and others on the opposite side of the House. We hear a great deal about a 28 per cent increase in this province. Well, all you have to do is look at the increases that have occurred in the province of Alberta. They range from 12 per cent to 18 per cent, and because they are on a higher base than the insurance rates in this province, they cost appreciably more in terms of dollar value to the insurer. That's a fact of life. I hear a great deal about comparisons with Manitoba. Well, you can pick examples anywhere you like. You can take a 1978 Plymouth Gran Fury sedan driven by a fellow under 25 years of age. If you check with MPIC you will find he has paid \$282 for his licence insurance in the province of Manitoba. The same cost in Saskatchewan is \$248. It is true that in Saskatchewan you have to add a \$15 charge on the driver's licence. But the additional insurance coverage in Manitoba is not \$15 but \$30. Now it is also true that in Saskatchewan we transfer a portion of the gasoline tax; they do not do that in Manitoba. You can add up the figures any way you like and you will find that the fellow driving in Manitoba is paying more for his 1978 Gran Fury and the insurance on it than he would in the province of Saskatchewan.

Now let's be completely fair about this. It is true that the charge in the city of Winnipeg and its environs is \$282. It is not \$282 in the rural areas; it is \$241. Again if you add that to the \$30 that fellow has to pay in terms of insurance on his driver's licence and

relate it to the \$15 in this province, you are very close in terms of insurance costs.

If you look at the registrations in the province of Manitoba and relate them to the metropolitan area of Winnipeg, St. Boniface, St. Vital, Elmwood, Selkirk, St. James, etc., you will find that the majority of the vehicles licensed in the province of Manitoba are licensed in that metropolitan area. If you average them out, you will find your average insurance cost is higher than the average in the province of Saskatchewan, despite the fact they had a 17 per cent increase this year and we had an 18 per cent increase.

In the early days of the corporation, Mr. Speaker, one could not have foreseen just how well the act would serve the people of this province. Who could have predicted how important a part of our lives it would become. Prior to 1944, only one automobile in seven was insured in this province. I hope the members opposite will pay some attention to that fact. Insurance rates were high.

AN HON. MEMBER: — That was when you were driving the Clydesdale, no doubt!

HON. MR. ROBBINS: — I was walking then. Insurance dollars were being syphoned out of the province for investment and employment elsewhere. Those are facts which you simply have to face. Today all automobiles are insured, that's important. Insurance rates have been maintained at a reasonable level and they are still at a reasonable level in relation to insurance rates anywhere you want to check. Those rates are far below the inflationary rates that have plagued this country ever since we have had successive Liberal and Tory governments in the country. Insurance dollars are staying here in Saskatchewan and creating jobs for Saskatchewan people.

Mr. Speaker, The Automobile Accident Insurance Act is a unique Saskatchewan endeavor and it is a good one. It was conceived in the minds of people who had endured economic depression. It was designed to restore to individuals the independence of their pioneering forefathers. It was an attempt to improve the financial status of people when they suffer automobile accidents. It was established to bring a measure of financial independence in a sound, affordable, universal insurance plan. It is still a sound, affordable insurance plan.

Mr. Speaker, many of those early dreams have been realized. The establishment of claim centres and issuer offices throughout Saskatchewan has brought a measure of economic stability to hundreds of small Saskatchewan communities. New jobs have been created. Sometimes we are criticized when we say we have over 1,300 employees. I think it is good to have 1,300 employees in the insurance industry which we would not have, had we not taken the approach of SGI and The Automobile Accident Insurance Act many years ago. Those jobs would be elsewhere. New jobs have been created, not in large American cities, nor in major centres in eastern Canada, but jobs right here in Saskatchewan for Saskatchewan people.

Mr. Speaker, imitation is the sincerest form of flattery and nowhere is this more evident than in the case of the automobile accident insurance fund. The Saskatchewan example has been copied in whole or in part right across this country.

While it is good to look back over past accomplishments we must also look to the future. We must continue to improve the benefits of The Automobile Accident Insurance Act — benefits that accrue either directly or indirectly to every resident in this province. And we must demonstrate a capacity to respond to changing circumstances.

Conditions in Saskatchewan today are vastly different than they were in 1944.

The challenge to The Automobile Accident Insurance Act is to adapt to the conditions of 1981 and to remain faithful to that original objective to provide a wide range of benefits that are consistent with the needs of the people of this province. This bill represents a major improvement in benefits to persons who have been partially or totally disabled as a result of an automobile accident. Mr. Speaker, I hope the members of this House will pay some attention to those facts. Automobile accidents have increased in Saskatchewan since 1977, but disability claims and claims related to public liability have gone down. Injuries have gone down. Fatalities are roughly the same; however last year's statistics (and I haven't seen the final figures), I understand are off appreciably. The fact remains that that is directly related, we feel, though you may not agree with us, to seat belt usage.

I remember the members opposite being very critical of seat belt legislation. It was going to remove the freedom from the individual, etc. There was a good deal of criticism from members opposite — and very widespread . . . (inaudible interjection) . . .

It's on record. Take note of the fact that not only the number of claims but the cost of those claims have been reduced. Also, take note of the fact that in the rates that were announced under the regulations in January, we have taken into account the probabilities of claims related to public liability and disability claims. In other words, we could have reduced that 28 per cent to a lower figure, had we not taken into account our proposal to raise the public liability from \$35,000 to \$100,000 and our proposal to raise the \$60 per week disability payment to \$150 per week.

This bill represents a major improvement in benefits to persons who have been partially or totally disabled as a result of an automobile accident. Again, you are rewarded in terms of the conditions that apply in relation to accidents that occur and all of us are punished (if you want to use that term) in relation to bad accident records when they do occur. I get people who phone me and say: "I've only had two smashed windshields in the last 15 years; why should I have to have my rates raised?" And he forgets totally about a young person (I'll not name him) who was totally disabled at age 24, and who will draw, based on the proposals now before this House, a total of \$558,000 out of the automobile accident insurance fund, assuming he lives a normal lifespan of a male. Obviously we help pay for that — that is what insurance is all about; it's a pooling arrangement. An insurance can only go on the basis of past experience, and I don't see why anyone should be unduly critical of the fact that when we hit a year like 1979, rates have to go up. Obviously no insurer could know, based on his past experience, that he was going to run into a series of claims like we ran into in 1979. That is totally unpredictable.

The fact remains that all of us help pay for the accidents that occur; that's obvious — all of us do. Members opposite say, "Oh, you don't surcharge the person who has had a bad accident record." that is nonsense, Mr. Speaker, clearly nonsense. I'll give you an example of a disqualified driver who crashes into a car, races away from the scene of the accident, and is caught by a police officer. He gives false information to the police officer because he doesn't want him to know that he is a disqualified driver. The police officer is suspicious and makes him take a breathalyzer — he's over 0.08 per cent. The surcharge of the rating units of that fellow is \$760 on his driver's licence. And you say we're not severe in terms of surcharges! The fact of the matter is that we have 600,000 drivers in this province, and there are less than 3,000 with a really bad driving

record. There are some 43,000 other people who have some surcharges. But I don't care whether you put surcharges on up to \$10,000 and \$20,000 per person. You would not solve the problem. It simply would not be solvable on that basis. You have to face the reality that we are acting strongly against people who have been bad driving records. We are being severe in this respect. People opposite try to create the idea that we don't make people who suffer convictions and bad driving records pay severe penalties — but we do, and they are going to get more severe.

It is a package I am pleased to present in this House, a package that merits the unqualified support of every member of this House, regardless of his or her political affiliation.

Let us consider some of the elements in this improved compensation. For the totally disabled, a payment of \$150 per week for 104 weeks is an increase of \$90 per week from the current level of \$60. It raises the level from \$6,240 of payments to \$15,600.

The member for Regina South says it's still not enough. Therefore, we should have raised the rates more — according to him — to take into account the probabilities related to public liability and disability claims.

For the partially disabled, a payment of \$75 per week for 104 weeks, less any amount collected under the total disability clause, is an increase of \$45 per week from the current level of \$30. And really that \$150 per week, since it's a non-taxable item, is roughly comparable to the minimum wage.

For homemakers — and surely the members opposite will strongly support this; it's been a long time coming and we are now making a major breakthrough in this regard as previously homemakers could only get payments for 12 weeks, and that is now deleted in this bill — we are increasing the payments up to 104 weeks, assuming that rehabilitation occurs at the end of that time.

In addition, Mr. Speaker, the \$60 a week payment is going to \$150 a week for all those people currently totally and permanently disabled, and there are some 53 of them in the province. That will cost the fund very close to \$1 million in the year 1981. I ask the members opposite if they want to battle that one, to vote against that procedure.

The fact is that we made provision in the 28 per cent rate increase to cover some \$2.3 million in claims on disability — estimated, obviously, for 1981 — to cover \$3.3 million in claims based on the disability going from \$60 a week up to \$150 a week.

Mr. Speaker, I want to point out to you, and to the members of this House, that this latter benefit will be extended to persons currently receiving payments under the act.

In addition, payments under the act have been extended to a large group who previously did not receive benefits — persons who were not employed at the time of the accident, and who have been employed for less than six months in the preceding year. This will particularly apply to students who will now be eligible to receive disability benefits for partial or total disability, according to a formula based on previous earnings, or 50 per cent of benefits payable to a full-time earner, whichever is less.

In addition to improvement in compensation for disability, Mr. Speaker, there is increased coverage for the motoring public. Third party liability coverage will be increased from \$35,000 to \$100,000 and passenger-hazard coverage will be

provided so that gratuitous passengers in a motor vehicle will now be entitled to benefits under The Automobile Accident Insurance Act.

Perhaps I should say a word or two about that because I am sure the member for Moosomin won't understand it, but we'll try anyway. We might as well keep on trying.

I'll give him two examples. I'll give him the example of a farmer who leaves his farm in the wintertime, moves into the city for the winter, leaves his half-ton truck under the supervision of a young fellow who he hires to operate the farm during the winter months. That young fellow (and this is a specific instance I'm giving you without giving you the name, obviously) did nothing criminally negligent; he was temporarily negligent, I suppose. He drove onto a highway off a grid road without stopping and without looking. He was hit by a car and two people were injured. The suit was for \$160,000. I don't know whether the court will make a final decision that it will be \$160,000, but if they do and all that farmer had was his plate insurance, he had \$35,000 of coverage. If the claim, in fact, is settled for \$160,000, that farmer has to find \$125,000. I suggest to the members opposite that that will really hurt that particular individual.

Therefore there is logic in raising the average plate insurance. We need to do a lot more educational work among people generally, and I think often among out rural people who simply may insure a car with a package policy and not put it on their half-ton or not put it on their grain truck, etc. I have run across a number of cases. If, in fact, those people feel that the package policy rates and the cost of insurance is becoming too much in terms of their capability of carrying it, it is very simple for them to simply carry public liability to very substantial amounts for very limited and very small sums of money.

We should be encouraging more people to think on that basis because I have talked to many farm people who will simply say, "I have coverage on my car which protects me in terms of public liability," but I find they do not have it on the half-ton; they do not have it on their grain truck; they do not have it on other vehicles. It is important, I think, that we make sure that we alert people with respect to this.

Now, of course, the members opposite will say when we spend some money advertising to do this, that we shouldn't be spending money advertising because the automobile accident insurance fund has lost some money. Well, take a look around you. I find Chrysler Corporation doing a great deal of advertising but it only lost \$2.9 billion in the last two years.

Passenger hazard coverage will be provided so the gratuitous passengers in a motor vehicle will now be entitled to benefits under The Automobile Accident Insurance Act.

Just a word of explanation with respect to that. If any person driving down the highway picks up a gratuitous passengers, a hitch-hiker, for example, and if that vehicle suffered an accident in which that person was severely injured, that person could sue the driver on the basis that he was guilty of wanton and willful misconduct in the operation of an automobile. But he could not get any benefits under The Automobile Accident Insurance Act.

We propose now to make those benefits available, which in fact is not a protection in

reality to the gratuitous passenger, but a protection to the driver of the vehicle.

In order to encourage all motorists to practise safer driving habits, a new more onerous system of surcharges will be applied against the driver at fault, in respect to an accident.

I think I should say a word of explanation here. Currently there is a \$50 surcharge and that is totally separate from the rating units which apply to a driver's licence. There is a \$50 surcharge on a person who is held to be 50 per cent or more responsible for an accident in which the automobile accident insurance fund has to pay out a sum of \$105 or more. We propose to change that rule to this arrangement.

If an individual has renewed his licence as of today, for example, and if tomorrow he was involved in an automobile accident in which he was held to be more than 50 per cent responsible and the damage was in excess of \$105, he would get a \$50 surcharge on his licence the following year. However, if two months later he had another accident in which he was held to be 50 per cent or more responsible and the damage exceeds \$105, he will get an additional \$100 surcharge. Therefore, he would be paying \$150 when he got around to his renewal. However, if he found himself involved in a third accident a month or two later in which he was held 50 per cent or more responsible and the damage exceeded \$105 in loss to the automobile accident insurance fund you would add another \$150 to the surcharge.

If he suffered a fourth accident before he got around to renewing his licence one year later, he would have an additional \$200 surcharge applied, provided he was held 50 per cent or more responsible and the cost to the automobile accident insurance fund exceed \$105.

So, it is conceivable that you could have a Saskatchewan motorist suffering four accidents within a one-year period and that he could have up to \$500 surcharge on his licence. However, that is most unlikely. Again, if you look at the statistics with some 600,000 drivers and only 23,000 of them with bad driving records, obviously you are not going to likely get very many people in that category.

In addition, it is computed over a three-year moving period, which means that if, in fact, he gets past the first year, in terms of the \$50 surcharge, it drops off. The same thing applies with the others as you go along.

We trust that this will lead to a greater safety on our streets and highways. In the final analysis, it will have some result, no doubt, but the real need is to make sure that people drive with courtesy and care in relation to other people.

Mr. Speaker, let me just recap the key elements in this benefit package.

For total disability, there will be an increase of 150 per cent — from \$60 per week up to \$150 per week, payable for life.

For partial disability, there will be an increase of 150 per cent.

For homemakers, there will be an increase of 150 per cent in benefits, and a major extension in the period during which benefits may be received. I am sure the hon. member for Maple Creek will be pleased with this, as all members should be, because it was obvious that the previous rule was a discriminatory rule.

For long-term disability, there will be an increase of 150 per cent in weekly payments.

For students, there will be a system of benefits where none previously existed simply because they might be unemployed persons at the time an accident occurred.

Mr. Speaker, The Automobile Accident Insurance Act is based on the principle that all individuals are entitled to reasonable compensation for economic loss resulting from an accident. The amendments which are being presented in this bill rest firmly in the tradition of that first automobile accident insurance act — an act that brought affordable, universal automobile accident insurance to this province. Today, I am pleased to be a part of this government — inheritors of that fine tradition — and to introduce these amendments which, I feel confident, will be supported by all members of this legislature irrespective of their political affiliation.

Mr. Speaker, I move that this bill to amend The Automobile Accident Insurance Act be now read a second time.

MR. GARNER: — Mr. Deputy Speaker, we will be making some comments on this bill. The bill was only tabled at the beginning of this week and we have not had time to go through it clause by clause. It, basically, seems like a very good package — it's overdue. But after we have gone through it clause by clause we will be bringing our views forward. I beg leave to adjourn debate.

Debate adjourned.

Bill 30 — An Act to amend The Vehicles Act (No. 2)

HON. MR. LONG: — Before I move the motion to move second reading for this bill, I would like to say a few words. This bill, Mr. Speaker, is simply consequential, in terms of its amendments, to comply with changes that are to occur in The Automobile Accident Insurance Act. These amendments, of course, simply reflect the desire of this government to provide the motorist with more adequate insurance coverage and the public at large with more protection. This will bring The Vehicles Act in line with The Automobile accident Insurance Act in terms of the increased coverage (public liability coverage), increasing the figure from \$35,000 to \$100,000.

It will also make it possible under this act to suspend drivers' licences, should SGI find itself in a position where one of the people they have insured is indebted to SGI or judgment is rendered by a court in Canada for damages or injury to a person. In that situation, Mr. Speaker, The Vehicle Act must fall into line with The Automobile Insurance Act. Mr. Speaker, there isn't a lot more to say on this. As I said before, it's consequential only in terms of the amendments that are coming about in The Automobile Insurance Act. Mr. Speaker, I now move that this Act to amend The Vehicles Act be read a second time.

MR. BIRKBECK: — Thank you, Mr. Speaker. My reply is going to be very brief. I thank the hon. member for Cutknife-Lloydminster for enlightening us on the content of the bill that is before the House on behalf of the hon. member for Saskatoon Nutana. Basically, as the minister has outlined, the bill is only increasing the public liability and certainly we, as an opposition, are not going to be opposing that, notwithstanding the fact that the drivers' frequency of involvement in accidents was down last year as opposed to the year before.

Nonetheless, Mr. Speaker, it is becoming more and more a fact in Saskatchewan that people want to be secure and we are one of the most insured people in North America. I suppose in these uncertain economic times, both here in Saskatchewan and throughout the country, it's understandable that Saskatchewan people would want to accept any amendments to The Vehicles Act that would provide for greater liability insurance. Subsequently, with those very brief remarks, I would like to indicate to the House, Mr. Speaker, that we on this side of the House will be supporting the bill.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cowley that **Bill No. 20 -- An Act to amend The Oil Well Income Tax Act** be now read a second time.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

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

MR. TAYLOR: — Mr. Speaker, there are a few concerns that I have on this bill. I don't see the minister here, though . . . (inaudible interjection) . . . That is one of the things I see in the proposed bill, Mr. House Leader — as it is amended in subsection 2 it points out that the minister of education is not necessarily the minister of continuing education under this proposal; that it can be any other minister as designated by the Lieutenant-Governor in Council. Personally, I think perhaps that is an error. I think it is probably more conducive to the betterment of education in this province if one man can have that portfolio, and look at the whole spectrum of education from kindergarten right through to the completion of the higher education. I think this is the optimum.

Now, it may well be that because of the demands that are placed upon a person, and the importance of education, it is advantageous from the government's side to divide that portfolio up. But I, personally, would think that it would be more advantageous, as I pointed out, that this would be encompassed under one minister so that we have a total global view of where we are going in education in Saskatchewan, right through from top to bottom.

The other thing of course, that really concerns me in this bill is section 10(1). It says:

Subject to subsection (2), the minister may, for the purpose of promoting any of the functions of the department or of furthering the advancement of education, make annual or other payments on any terms or conditions that may be prescribed in the regulations, to any person, agency, organization or institution.

I feel that that probably is the most dangerous part of this amendment to the continuing education act, Mr. Speaker. I do not think that it is necessary to give the minister such wide-ranging powers as to be able to give grants of money on any terms or any conditions, not having to go before the rest of the cabinet. The minister is given this power to make payments to any persons, agencies, or organizations. I think that is not the type of freedom that is necessary. It said previously in the old section:

. . . that subject to the approval of the Lieutenant-Governor in Council, and to such conditions as he may prescribe, the minister may make regulations respecting the payment of grants for the purpose of furthering any activities related to any aspect of education that is under the control of the department.

Now, that is quite a bit more restrictive than this new amendment which say, on any terms, or under any conditions, to anyone. Now, that's a wide-ranging power that this minister wants vested in himself, and I cannot see why a member of your cabinet opposite, as it was under the existing provisions, could not go before the rest of you to say, "I want to give these moneys to these people." That gives a bit of a check. I don't know how good a check, but it gives a bit of a check. This way you want to allow this person up to \$10,000 on any terms or any conditions, and I think the members on this side of the House (and I would think some on the other side), wonder if that is the type of power that you want to give to the Minister of Continuing Education, or, for that matter, to any minister. So I object strongly to that type of thing.

AN HON. MEMBER: — They all have it.

MR. TAYLOR: — Well, if they all have it then that is more dangerous than even this. The next part then:

The minister shall obtain the approval of the Lieutenant-Governor in Council before making any payment under subsection 1 in excess of \$10,000.

Now that is the one that I understand most of the ministers have. We on this side have objected to that in many situations also. But look at section 3 where it says:

The Lieutenant-Governor in Council may make regulations prescribing terms and conditions for any payments made under this section.

It says that they may. There's no shall in there; it's may. This is giving tremendous power to the Minister of Continuing Education, whoever he may be. So on those grounds, Mr. Speaker, the grounds that I feel it would be in the best interest of Saskatchewan education, if the Minister of Education and the Minister of Continuing Education could be embodied in the same person, and secondly, that we on this side totally disapprove of these wide-ranging powers of being able to give payments up to \$10,000 on any terms and any conditions to anyone. In that regard, Mr. Speaker, we would certainly not be supporting these amendments.

HON. MR. ROMANOW: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr.

McArthur that Bill No. 22 — **An Act to amend The Association of School Business Officials of Saskatchewan Act** be now read a second time.

MR. TAYLOR: — In regard to this act, after studying it and talking to people concerned, we see no problem and will let this one proceed.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly adjourned at 4:17 p.m.