

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

March 6, 1981

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

MR. MUIRHEAD: — Mr. Speaker, it is a great pleasure to introduce to this Assembly this morning a gentleman by the name of Mr. Roberts, and his daughter Cheryl. They were born and raised in Pangman district, are missionaries in Africa, and returned not long ago. It is a great pleasure to introduce these two people to you this morning.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Personal Tax Savings — 1981 Budget

MR. LANE: — A question to the Minister of Finance. I'm sure the Minister of Finance was very surprised this morning on the open line program to find public reaction was not as positive, as the government had thought, to the budget yesterday. I'm wondering if the Minister of Finance would attempt to explain the discrepancy in his calculations of personal tax savings. The calculation based on the present tax tables would show a tax saving of approximately, in this coming year, \$28 for those earning \$15,000; approximately \$53 for those earning \$20,000; and for those earning \$25,000 or more, approximately \$63. Last night in your interview on a TV program, you indicated that perhaps your calculations were based on next year's tax tables, and you indicated there would be new tax tables for the year 1981 brought out in 1982. Does the minister have advance notice of the federal budget for next year, and did you in fact base your tax savings on next year's tax tables?

HON. MR. TCHORZEWSKI: — I don't know which open line show the member for Qu'Appelle was listening to, but on the one I was on I found the response to the budget rather positive.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. TCHORZEWSKI: — There is no discrepancy in the figures on our tax proposals. I refer the member to page 35 of the budget speech. He will find the tax savings that are outlined there are exactly what they are going to be. If you are a \$15,000 income earner, there will be a tax saving of \$136 in 1981. That is almost cutting the taxation that such an earner would have to pay in half, and I think that is a substantial reduction in personal income tax for Saskatchewan citizens.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — The taxpayers of Saskatchewan are asking the question on the budget, "What does it do for me?" And the answer is coming back, "Not very much". My question to the Minister of Finance is: are you now prepared to correct your statement

made in the TV interview last night that you're basing your calculations on last year's tax tables, that in fact the savings based on this year's operative tax table are \$28 for those earning \$15,000, \$53 for those earning \$20,000, and for those earning \$25,000 only \$63? Perhaps you could give the assurance that your calculations, which are not based on next year's tax table of which no one has knowledge, were not done by your seatmate because we've had problems with those in the past.

HON. MR. TCHORZEWSKI: — Mr. Speaker, the tax savings that Saskatchewan taxpayers will have as a result of this budget are \$50 million. That is a saving of 12 per cent overall. That reflects quite accurately what the tax saving is. The tax savings which we calculate and lay out quite clearly in the budget speech are exactly what they are going to be for a full year. They will become effective on July 1, for 1981. They are substantial. They are of benefit not only because of the tax savings we are providing but also we have a balance in the budget in that we recognize there are people who do not pay income taxes because they have a low income. And so we are enriching the family income plan which assists those people and those families in order that they have an adequate income.

MR. ANDREW: — Mr. Speaker, my question to the Minister of Finance. Mr. Minister, your budget has shifted a further tax burden onto the home-owners who will again this year see an increase in their property tax levied by the local municipal government. That tax or that transfer will be reflected, for a lot of people by increased monthly house payments and property taxes.

Why did you not take some action in this budget to ease the burden on the Saskatchewan home-owner and property tax payer who is being seriously affected by the ravages of inflation?

HON. MR. TCHORZEWSKI: — Mr. Speaker, we did address that question in the budget. We have, as I mentioned yesterday, a mortgage interest tax credit; we're the only province in Canada that provides a mortgage interest tax credit.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. TCHORZEWSKI: — The budget provides \$73 million in property improvement grants which are of substantial assistance to property tax payers. Under the property improvement grant program, which includes a senior citizens' education tax rebate, that means 96 per cent of senior citizens will not pay any education property tax at all this year in Saskatchewan. So we provide a lot of assistance for property tax payers.

The revenue-sharing escalator is 10.2 per cent this year, a substantial increase in grants that we provide to urban and rural municipalities. This will be of further assistance to property owners because it provides funding for rural and urban municipalities to provide the services which they must have. As well, we are providing \$18 million in the community capital fund so capital works that must be done at local levels can be carried out.

Revenue-Sharing Proposals

MR. MUIRHEAD: — Mr. Speaker, a question to the Minister of Rural Affairs. I was in contact this morning with several municipal secretaries, reeves and councillors and they are very unhappy that the revenue-sharing pool of 10.2 per cent didn't even keep

up to inflation. They are also disturbed that you are dissolving the maintenance area and main access programs, which causes my municipality to lose \$35,000 even after the new programs are initiated. Do you agree that this morning the average taxpayer is saying there is nothing in yesterday's budget for him? And do you agree municipalities will have to increase their mill rate substantially to compensate for your failures in yesterday's budget?

HON. MR. KAEDING: — Mr. Chairman, I think that he should go back to some of the municipal councillors and ask them whether they requested the changes which were made in the allocations this year. If you'll go back to last year's SARM (Saskatchewan Association of Rural Municipalities) convention (and conventions for a number of years before that), the SARM convention was pressing this government to pool those resources, the main farm access and the primary grid programs. We have pooled the primary grid and the main farm access programs. As a result there are some shifts in allocations and those shifts will show up in some of the municipalities.

The total amount of money going to rural municipalities this year is up by \$3.5 million. That's a pretty substantial amount — a 10.2 per cent increase. If you look at all the other benefits which rural municipalities get, the inflation factor will be more than 10.2 per cent. It's not just in taxes that we have helped the rural municipalities, so I think that the inflation factor in the budget this year was quite adequate.

MR. HARDY: — A supplementary to the Minister of Rural Affairs. Mr. Minister, with only a 10.2 per cent increase in revenue sharing, do you realize that rural municipalities and I'm sure that all municipalities, not just my own, will have to go up between 10 and 15 mills this year to cover the additional increase in expenses.

Do you realize that this will put additional expenses on the backs of the taxpayers (the landowners)? Would you give this Assembly your assurance that you will assist these municipalities with additional funds in the coming year?

HON. MR. KAEDING: — I don't know where some people across the way get their statistics. You talk about 10 or 15 per cent increases. My early indication is that mill rates in the municipalities may go up something like six mills this year. It seems to me that is not an exorbitant increase. We never suggest that we were going to pick up all the cost of inflation in the municipalities. It is certainly the responsibility of the local governments to pick up their share of inflation. We are picking up ours.

I suggest that on the average, this year, the mill rates will not exceed increase of 6, 7, 8 mills, or something in that area — which is less than 10 per cent inflation.

Gasoline Taxation

MR. ANDREW: — A question to the Minister of Finance. Mr. Minister, you have, I believe indicated on many occasions that you view income tax as a very progressive form of taxation. I would take it from that that increases in taxation like your 20 per cent gasoline tax would be less progressive, in fact more regressive taxation. My point is this: Saskatchewan is one of the two provinces in Canada that are producers of crude oil, yet, unlike Alberta, you continue to increase the cost to the Saskatchewan consumer for gasoline purchases. Is it not time that you reflected in your budget a reduction in the gasoline tax to the people of Saskatchewan, so that, like the people of Alberta, they can benefit from the resources we own in this part of the country?

SOME HON. MEMBERS: — Hear, hear!

HON. MR. TCHORZEWSKI: — Mr. Speaker, I invite the member opposite to take a look at the comparison of taxes provided in the budget speech on page 90. I invite the member to read the page and he will find that in comparing taxes Saskatchewan people pay with any province in Canada, including Alberta, our taxes are very good by comparison. It is true that there is not the kind of gasoline tax in Alberta that there is in Saskatchewan, but there are other charges. There are health taxes which they have in Alberta but we don't have in Saskatchewan.

Mr. Speaker, in response to the member opposite. If I have a choice between levying a user charge for the use of highways in the form of a gas tax or putting a tax on people with health needs, I will choose the gasoline tax rather than the health tax.

Four-Laning of the Trans-Canada Highway

MR. BIRKBECK: — I have a question to ask of the Minister of Highways. I suppose it reflects on the answer given by the Minister of Finance that users of highways pay. I can tell you that with this government that's certainly true.

Mr. Speaker, I want to ask this question in the light of yesterday's budget where it was reported there would be four-laning of the Trans-Canada Highway west of Swift Current. I have two simple questions: one, why will it extend only to the scene of the accident? And two, is your department's and your government's policy to double-lane only where major fatalities occur?

HON. MR. LONG: — Mr. Speaker, the decisions the Department of Highways has to make are sometimes tough ones. When we looked at the twinning of the four-lane road out by Webb, we looked at the capacity of the road to carry the traffic. We looked at the traffic counts. When you look at that road you find that it is a winding road. The distance for passing is not great; there are some hills there. Those are the kinds of determinations we have to make, those are the kinds of decisions we have to make; and they were made for those reasons.

MRS. DUNCAN: — A supplementary to the minister. Are you saying, Mr. Minister, that it is going to take another major fatality on the other portion of No. 1 to the Alberta border before you commence twinning that area?

HON. MR. LONG: — Mr. Speaker, the member wasn't listening. I am saying that there are a number of reasons why we build four-lane highways. I said the traffic counts is a contributing factor, and the ability of the road to carry and handle the traffic is a contributing factor.

MRS. DUNCAN: — A supplementary. In other words you are saying that you will not complete the twinning of the highway from Webb to the Alberta border. Right?

HON. MR. LONG: — Mr. Speaker, I will announce next year's program in due course.

MR. TAYLOR: — On the matter of twinning the Trans-Canada Highway, I hold in my hand here 25 pages of petitions from two towns and they state as follows:

We are concerned for the protection of our people living in and around our town as well as those who travel this highway. We also feel that it would cut

down on the accidents due to the increasing traffic on the Trans-Canada Highway each year.

If you are concerned about this matter would you please sign your name and your occupation.

I might add that one of the signatures on here is the name of Robert Begg, a grade 12 high school student in Indian Head killed two weeks ago on that highway.

I say to you that you haven't been taking a count of traffic flows. You talk about hills. When are you going to start listening to the people of Saskatchewan, as a priority on your highway traffic building program?

HON. MR. LONG: — I listen to the people of -s constantly, and I make decisions accordingly, Mr. Speaker. As I said before, they are tough decisions to make. When I run a total provincial highway system, then I have to make decisions accordingly. I have roads out of Saskatoon with traffic counts nearly twice as high as those the member is talking about.

Mr. Speaker, I would suggest to them that they just check the highway count and they will find that No. 7 out of Saskatoon has a traffic count almost twice as high as the one they are talking about.

We have one of the safest highway systems in the country. I am proud of it and I think all members on this side of the House are proud of it. I might point out to the members opposite that the fatality rate was down by some 9 per cent last year. It dropped from 290 to 265 last year. I think that is an indication of the kind of work that goes into our highways in terms of safety in this province.

Requests to Improve Quality of Drinking Water

MR. ROUSSEAU: — Mr. Speaker, I have a question for the Minister of Urban Affairs. In light of representations from the cities of Moose Jaw and Regina to your department, requesting financial assistance for the proposed carbon filtration plant to improve the quality of drinking water in these two cities, would the minister be prepared to give a firm commitment to assist Regina and Moose Jaw at this time?

HON. MR. SMISHEK: — Mr. Speaker, we have already provided assistance to do a two-phase study that has been undertaken at the request of the cities of Regina and Moose Jaw. A technical and steering committee has been established which is composed of a technical person from the city of Moose Jaw, the city of Regina, the Department of Urban Affairs, the Department of Environment, plus the federal agency, PFRA (Prairie Farm Rehabilitation Administration). That technical committee is now studying the recommendations that have been made and the studies that have been initiated by the cities of Moose Jaw and Regina. After that review has been made and the reports have been submitted to us, we will evaluate the kind of assistance that will have to be provided.

MR. ROUSSEAU: — Supplementary, Mr. Speaker. Last year the question came up. You answered that you didn't know and that you hadn't been asked. You have been asked and you still have no results. You are talking studies. Mr. Minister, you can study the drinking water problem in Regina and Moose Jaw from now until doomsday. I ask the minister: if the government is not prepared to aid these cities in the carbon filtration

plant, do you have an alternative plan to improve the drinking water? Do you have any assistance program, for example, for a pipeline? And why not?

HON. MR. SMISHEK: — Well, Mr. Speaker, I have tried to give the hon. member the answer that he asked for. The cities of Regina and Moose Jaw have asked for a two-phase study. That study is on the way, and until that two-phase study is completed . . . (inaudible interjection) . . . This is a request that was made to us by the two cities. Surely the hon. member would not suggest that we completely ignore and by-pass the request that has been made by the two cities. We believe in working with the urban governments. It was their request. We are following the procedure that has been laid down at their request, and pending the assessment of the studies, we will make our decision.

Irrigation in Saskatchewan

MR. SWAN: — Mr. Speaker, a question to the Minister of Agriculture. During last spring's estimates, I discussed irrigation with the Premier of the province. He indicated that if I brought in a number of names from my constituency, you would take a pretty serious look at it. He said 50, and I brought in well over 100. Now I look at this year's irrigation budget and I see that irrigation projects and development have dropped by 30 per cent. I'd like to know: where is the commitment of this government? Are you not concerned that we start to get irrigation in the province to eliminate much of our drought problem?

HON. MR. MacMURCHY: — Mr. Speaker, in answer to the hon. member for Rosetown-Elrose, there are two aspects of this budget which are different from last year with respect to irrigation. One is the increase on the broad basis to all farmers of the \$35 per acres to a maximum of 50 acres, which is extended now on the basis, as I recall, of \$35 per acres for the first 50 acres and then \$10 an acre on acres over 50 acres to a maximum of 150 acres. So the broad program has been expanded. As well, we are providing for a start on irrigation on the west side.

I recall this debate and discussion that went on between the hon. member for Rosetown-Elrose and the Premier. I don't have the debate in front of me, but it seems to me that the Premier was talking in terms of making a start on the west side without subsidies — if the farmers wanted to use the water from Lake Diefenbaker and if they could get the water into the trench or the ditch there without a call for subsidy from the government, he could certainly take a look at the proposition.

Based on that discussion, we have established a start on the west side in this budget, providing for the use of the ditch, which is obviously our responsibility because it's our ditch, and we have to get it in shape and we have to protect the producers in the area from seepage from that ditch. We have accepted that. In return the producers are to put the water in the ditch and also take the water off the ditch under the provincial programs. So, we have in fact broadened our overall program, Mr. Speaker, and we have put attention to the issue on the west side of Diefenbaker Lake.

MR. SWAN: — A supplementary to the Minister of Agriculture. If you are doing such great things in the irrigation field, where is the money for it? You can't do these things unless you are going to put some money in. Indeed, you have cut the amount of money available by 30 per cent in the one vote and in the others there is no change. So where did you put the money for these increases?

It is very difficult, I believe, for farmers to proceed to develop the irrigation on the west side if the government makes no capital commitment to try to put the water into the ditch. Those major pumps are a cost that is difficult for them to bear. Yet, Mr. Minister, I am sure that if you will do your part they will be pleased to irrigate. They would pay for water, but it is very difficult for them to come up with the capital. Can you come up with the capital?

HON. MR. MacMURCHY: — Mr. Speaker, if the hon. member for Moosomin will give me an opportunity to respond to the hon. member for Rosetown-Elrose, who has asked a very serious question, I will try to do so.

With respect to development on the west side, we have tried to respond in keeping with the discussion that went on between the Premier and the hon. member for Rosetown-Elrose during last spring's session. I met with representatives of those farmers, along with the member for Rosetown-Elrose and we talked about the principles. I have informed them of the principles which are in this budget. They are not happy with those principles. I have indicated to them and to the hon. member for Rosetown-Elrose that I will be prepared to meet with them in Saskatoon on Wednesday and I hope that meeting can take place. Perhaps we can sit down with them and arrive at some kind of a further compromise which will see that development take place this year.

Guarantee of Sask Tel Rates

MR. GARNER: — Mr. Speaker, a question to the minister responsible for Sask Tel. The annual report which is on our desk this morning, Mr. Minister, shows an excess of \$24 million profit for 1980 and retained earnings now at \$134 million (just about \$135 million). Will you stand in this Assembly and tell the people of Saskatchewan today, guarantee them, that there will be no increase in Sask Tel rates in the upcoming year?

HON. MR. CODY: — Well, Mr. Speaker, I think as the minister in charge of Sask Tel, I would be very foolish to give a guarantee of this nature. I think one has to look at what Sask Tel is doing for the public of Saskatchewan by way of communications and the service it is giving to them. If the hon. member for Wilkie feels that the doesn't want us to continue on through Wilkie, Kindersley and places like that with the fibre optics system (which is a very expensive system), we can accommodate him.

However, we certainly cannot give these kids of services, the important service which we are giving to the people of Saskatchewan, and still at the same time give the assurance that he wants that we will not have a rate increase.

I am not suggesting there is going to be a rate increase. But surely we can't say at this point when we haven't looked at our complete situation with regard to forecasts for next year, whether or not we should or should not have an increase. I believe the first thing that is incumbent upon the Crown corporation, particularly as a utility, is that we look at the kind of service the people deserve. That's exactly what we are doing, Mr. Speaker, in Sask Tel.

SOME HON. MEMBERS: — Hear, hear!

MINISTERIAL STATEMENTS

International Women's Day

HON. MR. SNYDER: — Mr. Speaker, I want to take this opportunity to bring to the attention of this Assembly, the media and the people of Saskatchewan, the fact that the Premier of Saskatchewan has designated March 8, 1981 as International Women's Day in Saskatchewan. I think it will be known by most members of the House that since 1910 various countries around the world have set March 8 as a day which has been designated as International Women's Day. It is a day which is set aside to pay tribute to women. It acknowledges the work and the efforts of women, past and present, to improve the status of women and achieve justice for all women of all nations.

I think it can be said that although many progressive measures have been taken to improve the status of women in our province, efforts are still required if women are to achieve equal opportunities to participate in the economic, the political and the social fabric of the development of our province. I am pleased especially that the government is presently working to implement an affirmative action program for women which will give women access to better employment opportunities and job mobility.

It has only been in this last decade that Canadian women have commemorated this particular day. The Government of Saskatchewan would like to join with the many people of this province who will be paying tribute and celebrating this International Women's Day on March 8, 1981.

HON. MEMBERS: — Hear, hear!

MRS. DUNCAN: — Thank you, Mr. Speaker. I would like to join with the Premier and with the Minister of Labor in recognizing March 8 as International Women's Day. I think women in the past 50 years have made tremendous strides. Those women who initiated the impact which women have on society should be complimented and recognized. I would just like to say that although we have made inroads into business, politics and elsewhere, the fight for equal rights will go on, and eventually I am sure we will have them.

HON. MEMBERS: — Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 11 — An Act to amend The Lloydminster Municipal Amalgamation Act, 1930.

HON. MR. SMISHEK: — Mr. Speaker, this bill to amend the Lloydminster Amalgamation Act is being introduced as a result of a request by the city of Lloydminster. The Lloydminster Amalgamation Act of 1930, for each of the provinces of Saskatchewan and Alberta, established the local government for the composite area of the city of Lloydminster. Each of the Alberta and Saskatchewan acts provides for the creation of a charter, provides for the operation of local government and also provides for amendment or revision to the charter.

Mr. Speaker, as I understand it, a charter was enacted in 1979 by complementary orders in council in both the provinces of Alberta and Saskatchewan. This bill provides for ratification and confirmation of that charter. In addition, this bill provides full judicial notification to be taken of the provisions of the charger. Mr. Speaker, there is agreement that identical legislation will be passed by the province of Alberta.

As I said at the outset, it is a request of the city of Lloydminster. It is a very simple piece of legislation. I hope there will be no controversy over it. I move second reading of the bill.

MR. ANDREW: — Mr. Speaker, I want to pick this matter up. I understand what the Minister of Urban Affairs has said. We would like a chance to go through this in a little bit more detail with the people of Lloydminster. I would ask leave to adjourn debate.

Debate Adjourned.

Bill No. 28 — An Act to amend The Department of Consumer Affairs Act.

HON. MR. KOSKIE: — Mr. Speaker, members have been provided with copies of the proposed amendments to The Department of Consumer Affairs Act.

As members will know, the creation of the new Department of Consumer and Commercial Affairs was announced in the throne speech in the fall part of the session. The creation of the department involves an amalgamation of six separate departments or agencies and consolidation of services presently provided by these agencies.

The departments or agencies which will be brought together to form the Department of Consumer and Commercial Affairs are the former Department of Consumer Affairs, the provincial mediation board, the office of the rentalsman, the rent appeal commission, the securities commission. In addition, the new department will assume the corporation branch and the insurance and real estate branch functions of the Provincial Secretary, also the film classification board, formerly with the Department of Culture and Youth. These amendments bring into reality the formation of the new department. Consumers with a problem have had to go to a number of different agencies, depending on the nature of their problem. Similarly, business people have been faced with the same problem of having to go to one agency to register a corporation and to obtain a licence necessary to operate in the Saskatchewan market place.

The main purpose of the amalgamation into the Department of Consumer and Commercial Affairs is to provide more efficient and more easily accessible service to both consumers and the business community. The experience in other jurisdictions, where consumer and corporate responsibilities have been combined, suggests significant public benefits. A more balanced and informed view of the market place is possible and policy consistency is more readily achieved.

In commercial transactions, where money changes hands, it is safe to assume that there will be two, three or more sides to every story should a problem arise. Improving communications between consumers and the business community may be an important and immediate result of the amalgamation.

Mr. Speaker, the amendments, which this bill proposes, reflect the changing

Saskatchewan economy and the market place. In the 1960s and early 1970s we saw here, as elsewhere in North America, a rise in the consumerism — the advocacy of consumer rights by individuals and organizations. In response to those needs, the Government of Saskatchewan established the Department of Consumer Affairs in 1972.

The late 1970s saw, in my view, a maturing process. Business leaders and consumer advocates alike came to understand one another more clearly and appreciate their mutual concerns and interests. A good deal of the adversary relationship between the buyers and sellers has diminished in importance. Many businesses and industries have for instance, taken greater responsibility for handling and settling complaints from their consumers. Consumer on the other hand, have become more knowledgeable about the market place and how to get the best from it for their money.

Notwithstanding the maturing of the relationship between business and consumer, it is fair to say that we are still some way from the ideal market place. Consumer protection laws continue to be required and to be enforced. The laws which protect consumers, however, cannot be isolated from the laws which regulate business and commercial transactions.

Mr. Speaker, the new Department of Consumer and Commercial Affairs acknowledges the changes in the Saskatchewan market place and the economic realities of the 1980s. The department will achieve greater economies and organizational efficiencies. It will be more flexible and responsible to the needs of the consumers and the business community, and programs will be delivered in the most effective manner.

Maintaining and promoting the integrity of the market place will be the essential business of the Saskatchewan Department of Consumer and Commercial Affairs.

The purpose of the amendment, Mr. Speaker, is to bring into reality, by this amendment, the new Department of Consumer and Commercial Affairs. At this time I recommend that this bill be moved a second time.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — A comment. It's rather a surprising about-face by the government opposite because when The Department of Consumer Affairs Act was established, it was the recommendation of the opposition at that time that it be a combined department of consumer and corporate affairs, or commercial affairs. That was the suggestion made at that time. Let me tell you what the government said. The now Deputy Premier said, "Oh no, you can't combine them. They're conflicting interests. You can't have the consumer on one side and the businessman on the other, all in the same department."

That was the justification for establishing the Department of Consumer Affairs and not combining it at that time. That was precisely it. So it is surprising, very surprising to see this about-face by the government opposite. The present Deputy Premier said: "All the consumer groups don't want it combined because the interest conflict; they're at odds. There's a natural tension (was I think the phrase used) between the consumer and the businessman, and so they should be kept separate."

That was the justification at that time for having solely a Department of Consumer Affairs, and I call it to the hon. member's attention. What was argued by the opposition

at that time was that problems are, in fact, interrelated; the present minister is quite correct. The problems are interrelated and a single agency is what it should have been at the outset. I'm not sure about the program to date, but I can make some suggestions to the hon. member that have been made in the past about resolving disputes. An active small claims court, as in Quebec, is one example.

I've suggested to this House on numerous occasions in the past that we use the Swedish practice where disputes of a minor level, say \$100, are dealt with by mail. What happens in Sweden is the following: in disputes of small amounts, one single arbitrator is appointed. Those initiating the dispute or having the claim write to him; he writes to the other party and asks for his reply and gets it back. It's all done by simple mail. As of about two or three years ago (I'm not sure of the exact year), it had been in operation for 10 years and in all that time there had only been one appeal from that procedure. In fact, it was an outlet of a grievance; it was dealt with summarily; it was dealt with cheaply; and it was dealt with to nearly everyone's satisfaction. I've urged in this Assembly that the department consider that practice because I think it has a great deal of merit.

Again, I say, it's an interesting about-face from one minister to another. I'm sure that what the hon. member says now is that the first statements are no longer operative. That's the phrase that had some political use a couple of years ago. I just want to advise the member that I am glad that this minister has seen that the opposition was correct all along.

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

Bill No. 31 — An Act to amend The Saskatchewan Insurance Act

HON. MR. KOSKIE: — Mr. Speaker, the amendments to The Saskatchewan Insurance Act re consequential amendments. They are straightforward and as a result of the amendments which have been proposed by the hon. member in charge of SGI (Saskatchewan government Insurance) to The Automobile Accident Insurance Act.

The amendments to The Automobile Accident Insurance Act raise the minimum automobile insurance liabilities for Saskatchewan residents. The proposed amendments to The Saskatchewan Insurance Act places the same minimum insurance requirements on non-resident motorists. All auto insurance policies in this province will provide the same minimum liability coverage.

Mr. Speaker, the real costs of automobile accidents in terms of liability resulting from bodily injury, death and property damage or loss, have increased substantially. This reality is reflected in the proposed amendment. Accordingly, Mr. Speaker, I recommend this bill for approval of the members of the House. I therefore move second reading of the bill to amend The Saskatchewan Insurance Act.

MR. GARNER: — Mr. Speaker, this bill does tie in with the other two. This, I believe, is going to be a good piece of legislation. However, it only hit our desks on Wednesday. When we have the whole package together, when one aspect of it goes the whole works of it goes . . . I beg leave to adjourn debate.

Debate adjourned.

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

HON. MR. KOSKIE: — Mr. Speaker, again the proposed amendments of The Non-profit Corporations Act have been provided to the members. This act was passed in 1979 and proclaimed in force on October 1 of that year.

Essentially the present act replaced and addressed the inadequacies of The Societies Act. The act is the essential corporate law governing non-profit corporations in Saskatchewan. The first amendment proposed will clarify the definition of membership corporations and charitable corporations to ensure that a given corporation is clearly one or the other. There was a basic discrepancy. A membership corporation is a non-profit corporation which carries on activities primarily for the benefit of its members. Most hon. member would be familiar with such membership corporations in recreation or in sport — curling clubs, for example, are involved. A charitable corporation within the act is one that carries on activities primarily for the benefit of the public — special care home for the elderly, the Red Cross and various other agencies serving the handicapped are some examples of charitable corporations which come to mind.

The amendment provides that any corporation that is not a membership corporation is a charitable corporation by definition.

Mr. Speaker, a further amendment relates to the special rules which apply to charitable corporations, particularly in the event of a dissolution of the corporation. Its assets may not, for example, be distributed to its members upon dissolution. Instead the present act provides that the assets of a charitable corporation must be distributed to other charitable corporations. The proposed amendment provide for the distribution of assets of a charitable corporation to municipalities and to governments, whether provincial or federal, as well as other charitable corporations. Using an example to illustrate that particular change, a senior citizens' drop-in centre, for instance, in a small community, which has been funded by local, provincial or federal agencies would be able to distribute any assets at dissolution to the municipalities or to the government. In the example I have given, the assets which might be included are building, furnishings, or land. These kinds of charitable corporations have been providing for distribution of their assets in just this way in their articles of incorporation. This amendment, will enable them to continue and I think it's evident using the activity centre for instance, that a small town may donate a building and a prime piece of land. Should the senior citizens no longer want to use that, that parcel of land which could be of prime value, they can give it back to the town if they so desire.

Another amendment, Mr. Speaker, will require all non-profit corporations to file financial statements in keeping with the past practice. The present act differs from its predecessors in that only charitable corporation are required to file financial statements. The amendment recognizes the significant economic impact of all non-profit corporations and a need for a public record of their financial activities.

Mr. Speaker, the remaining amendments may be properly described as housekeeping. For example, one amendment will clarify and facilitate the process of certification of documents for legal purposes. I would be pleased to go into more detail if desired in committee of the whole. No part of this bill gives powers which interfere with civil rights of Saskatchewan citizens and, as I said, many of them will facilitate the operation of the charitable organization. No additional administration is entailed and more effective

administration of the act will result from these amendments. Mr. Speaker, I'd like to move second reading of the bill to amend The Non-profit Corporation Act.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — Just a couple of comments. I raised, when the act was introduced last year, my concerns about the act itself and that it is a very complex piece of legislation. An administration system is being set up for people who are basically innocent volunteers and the original Societies Act for their purposes is much superior to the present act. I think it introduces a degree of complexity, on a group of people who are normally innocent volunteers, that in my view is simply unnecessary.

I'll give you an example of the complexities that arose because of the imposition of the act. A charitable organization may be defined in this act, but the operative charitable organization is that which is defined in the Income Tax Act of Canada. In order to get a charitable tax number (it doesn't matter whether this act calls you a charity or not), you still have to meet the criteria established by the Department of National Revenue. If you don't meet that criteria it doesn't matter whether you are incorporated here or not, you are not a charitable organization for the purposes of getting a tax number.

Here's what happens. The Societies Act allowed the charitable organization to set out its own objectives which could be put in line with the criteria established by the Income Tax Act of Canada. but under The Non-profit Corporations Act, any non-profit corporation established under that act can carry on any operation. In other words, it does not need to set out any objectives. So what happens is that people come before they incorporate under the new Non-profit Corporations act, then apply to the Department of National Revenue to get a tax number and they're being turned down. They are being turned down because they don't set out their objectives which they are required to do under the federal act. So you then have to come back and do articles of amendment. And in the articles of amendment you set out your objectives as required by the Income Tax Act of Canada. And that's the only way to do it. Unfortunately, the way it's administered, that's the only way to do it . . . (inaudible interjection) . . . I'll tell you why you can't do it. The requirements of The Non-profit Corporation Act prohibit you from putting in limiting objectives. They do and I tried to tell this to the members opposite last time, and that's precisely what's happening. There should be provision. It can be handled. It can be done by setting out in the application form limiting objectives along with a notice that they should, if they're going to apply for the charitable tax number, comply with the Department of National Revenue.

I'm saying that it is an unnecessary confusion for people who are volunteers, by and large, who are doing it for a social, cultural or a charitable purpose and it's just a complexity that is unnecessary. So I would hope that the minister would go back to the officials and find out some way to do it when they are going to go for the tax number. Only those going for the tax number are whom I am talking about. In fact our application form can be in line with the requirements of the department of National Revenue. I think you'll solve some problems that way and ease problems being run into by the charitable organizations.

What the minister stated in section 7 about dissolution, I don't think is necessary. The reasons it's not necessary is that, concerning a charitable organization (and I'm assuming in this case, it's one with a tax number), that is the very requirements of the Income Tax Act of Canada. In other words, if they want to dissolve a charitable organization with a tax number, that's precisely what they are allowed to do. In other

words, that's all they can turn over their moneys to. They never could give it back to individual members. If they had a tax number that's all they were allowed to do. So perhaps it is in fact unnecessary because it's already a requirement of law.

I have a concern about section 230 (and I would hope the minister would take it up with his officials), which allows a director or an officer of a corporation to sign a certificate setting out any fact therein. Unfortunately, and I know the minister has had it brought to his attention, in charitable organizations there are sometimes disputes between members. I'm sure it has been brought to your attention and I know it's been brought to mine and other members, that sometimes what happens, by the phraseology of this, is that a minority director or officer could set out the certificate and not have it approved by the executive, say. So what I suggest on that, if the minister would raise it with his officials, is that it be a properly authorized officer or director. I think that would solve the problem. Otherwise, I can see situations where there are disputes and certificates will go out that are being made legal by this provision and probably causing problems for duly elected executives. So I would suggest to the minister that he take that up with his officials and perhaps change the wording in order to facilitate that and be prepared to report back. I beg leave to adjourn debate.

Debate adjourned.

Bill No. 27 — An Act to amend The Change of Name Act.

HON. MR. ROLFES: — Mr. Speaker . . . (inaudible interjection) . . . Well, that comes with maturity . . . (inaudible interjection) . . . I'll tell you, the Creator made two types of heads, some were perfect and He didn't cover them and others weren't quite so perfect and they were covered up.

Mr. Speaker, it is my pleasure this morning to give a few words of explanation of the amendments to The Change of Name act. Essentially these amendments are intended to clarify some of the sections in the present legislation which have caused some administrative problems.

Under the existing legislation, married people cannot change their surname or the surname of their children without the consent of the spouse. In most cases this is appropriate. However, in special circumstances, when husbands and wives are having marital difficulties or are separated, problems can arise in obtaining consent.

Since becoming the Minister of Health, several people who are experiencing marital difficulties have written or phoned to tell me that they simply cannot get consent of their spouse to change the names of their children or they are not able to locate the spouse. Therefore, I think it is appropriate that we accommodate these people in those rare circumstances.

Now we are proposing an amendment to create an avenue for dispensing with consent. Only in these special circumstances will the amendment permit persons unable to obtain consent to apply too the courts to have the consent requirement waived.

Another amendment, Mr. Speaker, deals with the consent as it relates to children. At present the consent of a child 14 years of age or older is required for the parents to change the child's name. Now this requirement is stated in section 11(3). But its exclusion from section 6 has led some to conclude erroneously that the child's consent

was not required under this section. Under the new amendment this conflict will be corrected.

Mr. Speaker, the proposed amendment to section 19 simplifies the existing provisions. Under existing legislation a married woman who wishes to retain her maiden name is required to give notice of her wishes within six months of the marriage. Now sometimes people forget, or simply do not know, that there are time limits in this particular act and they apply after the six months. The new amendment deletes any reference to the time limit.

Another important change to section 19 removes the requirement for vital statistics records, including birth records, to be changed to reflect changes made under the authority of section 19 of The Change of Name Act. Women's birth records are not changed when they are married and it is therefore believed that the various name changes a married woman might choose under section 19 should not alter in any way the original birth record. The proposed amendment is based on this premise.

Mr. Speaker, the other proposed amendments to The Change of Name Act are of a housekeeping nature. There is, however, one last issue which I would like to raise at this particular time.

Since the amendments to The Change of Name Act were introduced in the House last fall, I have received a fair amount of correspondence from people who, because of changes in their marital status, or maybe because of the societal changes we have undergone, are getting themselves into some difficulties as it pertains to hyphenated names. I suppose the increase in the number of legal separations, the increase in divorces and probably the increase in the different statuses for women have brought some pressure on us to have a look at hyphenated names.

Therefore, Mr. Speaker, I simply want to inform the House today that I will be carefully examining The Vital Statistics Act over the next few months to see whether or not we should permit, through legislation, parents to give hyphenated names to their children at birth. It is my understanding that it is now being done in some other provinces. We would like to bring in possible legislation to amend The Vital Statistics Act next fall.

To clarify a little bit, these parents are asking that their children have a surname made up of the surname of the mother and the father. What I am saying is that under the present legislation this is not possible. I think I will need to have some time, from now until possibly next fall or next spring, to bring in changes to The Vital Statistics Act. Furthermore, Mr. Speaker, it has been the practice across Canada to try to keep all provinces somewhat on the same basis. I intend to have consultation with other provincial ministers to see in what direction they are going, so that we will not have different standards throughout Canada. We will try to keep them as close as we can with other province, yet at the same time, accommodate those people who wish, at birth, to have hyphenated names for their children.

I will give you one example. A gentleman wrote me the other day . . .

AN HON. MEMBER: — How long can you stretch is out, Herman?

HON. MR. ROLFES: — This is very important to certain people. The member opposite may not recognize that. I had a call the other day from a gentleman who had moved in from Quebec. His first child was born in Quebec; they gave that child a hyphenated

name of the surnames of the mother and father. In coming to Saskatchewan, he found out it was not possible at birth to give his second child the same hyphenated name. He can apply later on and have the name changes. They would like to give the same name to their second child. I have some empathy for that position and consequently, I have given notice to the House that I intend to move an amendment, possibly next fall or next spring.

With those few words, Mr. Speaker, I move second reading of this bill.

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

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

HON. MR. CODY: — Mr. Speaker, it is a pleasure today to have the opportunity to give second reading to The Credit Union Act. As you know since this act was first passed, credit unions in Saskatchewan have, as a result of development and growth, requested amendments to the act. These amendments over the years have contributed to an act, which is now I believe, second to none, and one which has been followed to some degree by many other provinces in Canada. the legislation has applied guidelines for the credit union movement in the province that has, in less than 50 years, grown from zero to a financial co-operatives that has assets of over \$2.5 billion.

Mr. Speaker, I think it goes without saying that this province's credit union system has grown faster than any other system in the Dominion of Canada. The reason for that is that the economy in Saskatchewan has been booming for many years. It goes without saying that the credit union movement has taken part in that booming economy.

Not only as the credit union movement grown in terms of dollars, it has grown in terms of members — to where we now have 596,419 people in Saskatchewan that belong to a credit union. that is over 50 per cent of Saskatchewan's population that belong to a credit union, whether that be in Regina, Saskatoon, or in some very small rural community. I think that augurs well for the growing economy in Saskatchewan, and the fact that people in this province believe in the co-operative movement.

The original legislation, when written, was possibly considered complex. It was a new field with few, if any, guidelines to follow. Today the legislation is reflecting the complexities of the modern credit union system, and so it is that we are now looking at further amendments to The Credit Union Act. There is no doubt that even by the time this House sits in another session, changes will be required, as we are in an ever-changing society and if progress is to be accomplished, changes must be made.

Our goal is to provide the people of Saskatchewan, and in particular those who are members of credit union, a form of legislation that will ensure the protection of funds deposited by members. I am certain that we all, without too much difficulty, can foresee the effects that would occur to the Saskatchewan economy if the credit union movement were to suffer failure. And, incidentally, in this world of ours there have been failures in financial institutions having considerable assets.

The amendments are, therefore, bringing up to date The Credit Union Act. These changes are required to meet the everyday needs of credit union members. An example of this change is that at present credit unions can receive deposits from members only or from the Government of Saskatchewan or any department, bureau or agency, any

board or commission, or Crown corporation, established under an act of the Parliament of Canada, or of the legislature of Saskatchewan. The amendment that we are proposing will provide that organizations such as co-operative trust companies, Canfarm Co-operative Services, the National Farmer's Union, or Co-operative Implements, who are members of the Saskatchewan Co-operative Credit Society, are eligible for membership in accordance with section 42. They now, under this new amendment, may deposit funds in a credit union.

The amendment would further provide that a credit union may establish a schedule of fees, commissions, or other charges for any service, and that a credit union may make a charitable donation or contribute moneys for benevolent, public, or general useful objects.

An amendment is being considered to section 28, whereby a clarification is made that an employee of a credit union is not permitted to become a director of the credit union that employs him or her.

Credit unions, as I have indicated earlier, continue to grow in assets and membership. There are, however, some credit unions in certain areas of the province for which survival was a serious question. For other communities, no credit facility was available, and to organize a new credit union with full services was not practical. Thus, we have amalgamations of credit unions with larger credit unions, this larger credit union continuing to provide a service through a branch operation. Likewise, where facilities were lacking, the large credit union established new branches. Each credit union has until now, had only one credit committee that would be responsible for loan approvals throughout.

In the early days, the members of the credit committee were in a position to know practically everyone in the area which was served by the credit union. But with branches, this common understanding and knowledge of members in the community became more difficult. To ease the problem, the legislation is being amended to provide that the directors of the credit union may appoint a credit committee at the branches and may restrict the powers of the credit committee as to the approval of loans.

While credit unions were originally considered to be voluntary organizations (and a great deal of respect is due and should be paid to those early credit union members who gave so much of their time, effort and knowledge) it was found that with numerous calls on a director or committee member's time, some means of compensation was necessary. The membership with the approval of the registrar, the deputy minister, would authorize a per diem payment. The directors then determined the per diem payment, subject to the approval of the registrar.

We now feel that credit unions are sufficiently capable of setting a per diem for officials with no approval necessary by the registrar. This, in substance, is the proposed amendments to section 36(2) of The Credit Union Act.

I think that indicates the credit union movement has come of age in this province. We have recognized that in the Government of Saskatchewan and have now given them full authority to set the kinds of per diem and expenses they want, according to the director's wishes.

Earlier, I alluded to the fact that the Government of Saskatchewan or any agency, board, commission, or Crown corporation could deposit funds in a credit union. We are proposing under the amendment to section 42 of the act that such government agencies, boards, commissions, or Crown corporations be capable of becoming members of a credit union, and thus, if deemed necessary, may borrow from a credit union. This has not been possible in the present legislation.

Credit unions have a strong voice in the economy of this province, and it is only proper that the government be able to call on a credit union for certain credit if it is so desired. I am sure that would not be the case if there were a Conservative government in Saskatchewan because they simply do not believe that credit unions should be dealt with regard to government funds. We know the kind of attention that was given to Crown corporations some years ago by the private enterprise government of the day when it tried to completely destroy the fact that we, on this side of the House, were trying to deal with credit unions rather than with chartered banks.

This is not to suggest that we shouldn't deal with chartered banks. I think we should, but I certainly think there is a role for the credit union movement to play and particularly the credit union system.

Mr. Speaker, provision is made in section 42 for certain organizations and corporations to join a credit union, but restrictions are included that would limit the ability of extra provincial corporations to become members. Sections 50 and 51 of the act are being amended at this time to more clearly define the responsibilities a credit union where a member dies and leaves certain accounts that would then be properly due and payable to another party or claimant. That has been a problem for some time. There were very small accounts, dormant and it was necessary to put some legislation in place so that these accounts could be done away with.

Again, the existing legislation needed revision due to the fact that reference was made in The Succession Duty Act (1972) which, as everyone in this House and the people of Saskatchewan know, is no longer in effect in the province.

We have all noticed at one time or another that large of small dormant accounts are transferred by chartered bank to the Bank of Canada. In the credit union system, the legislation provided that these so-called unclaimed balances would be transferred to the credit union mutual aid board. This would occur after the account had been inactive for 10 years. This, we felt, was a bit long. The period of time proposed is a reduction to six years. As well, small accounts under \$100 may be transferred to the statutory reserve account of the credit union, but all accounts in excess of \$100 will still be transferred to the credit union mutual aid board. Provision is made whereby such funds as may have been transferred, upon due claim may be paid to the claimant.

The board of directors, when elected at an annual meeting of a credit union, is responsible for the direction of the credit union and certain powers and duties are detailed in section 58 of The Credit Union Act. While these duties are onerous, as credit unions grow and the operations become more complex, certain decisions are necessary and must be made more frequently than is possible by having a board of directors meeting on a monthly basis.

Credit unions are now, by regulation as set out in the standard by-law, permitted to have only nine meetings in a calendar year. Therefore, to have a degree of flexibility and to be able to make decisions quickly, it is proposed that the board of directors be

authorized to set up a committee, or committees, and may delegate some of their authority and powers to that committee. This is not much of a change to the structure and is now in some of the Crown corporations.

In such cases, Mr. Speaker, where the committee has been delegated certain powers of the board, the committee must consist of not less than three directors and all members must be directors. This again is an indication of changing times and a desire by the credit unions to keep pace with change.

With the proposal that a credit union may appoint more than one credit committee, it was necessary to amend section 60 to provide for a more clear definition of the duties of the credit union committee in setting out the terms and conditions of a loan where approved.

Under the present legislation, Mr. Speaker, a majority of the members of the credit committee and the board of directors could authorize the treasurer or loans officer responsible to grant loans for provident or productive purposes. With credit unions capable of appointing more than one credit committee, the approval of the treasurer or loans officer responsible for them, granting certain loans would be vested with the board of directors only.

In addition, provision is now being made that the treasurer shall report to the credit committee such loans as have been granted.

Section 66 of the act is revised to provide with more clarity by the information that should be noted on the loan application forms. Each loan which is granted requires that a proper loan application be completed. While certain information is necessary, a credit committee may, if it so desires, require any other information necessary to properly assess the loan application.

One of the most controversial sections of The Credit Union Act, as I see it and as I have heard over the years, and possibly the one section that has been violated repeatedly by all credit unions at one time or another, is section 81, which prohibits the overdrawing of deposit accounts. Overdrafting is, in effect, an unauthorized form of credit, and one that is not controlled will result in serious losses. Credit unions have to some degree suffered loss by way of overdrafts and in some instances these overdrafts have caused serious problems for a credit union.

The amendment to section 81 will provide for those credit unions that have received the approval of the registrar (and the registrars in all provinces in Canada who have a credit union act is the deputy minister), and have set up certain policies as may be set out by the credit union mutual aid board to allow the granting of overdrafts.

Stringent policies, however, Mr. Speaker, will be required by the registrar before approval is given, with certain forms of reporting being in place to facilitate monitoring by the directors, registrar and the credit union mutual aid board. The credit union mutual aid board may, if the requirements of the policies and legislation are not being adhered to by a credit union granting overdrafts recommended by the registrar, revoke approval of the resolution authorizing the granting of overdrafts.

The final section of The Credit Union Act, Mr. Speaker, being considered for amendment, relates to the use of statutory reserve accounts, section 84 of the act. This section will be amended, when this legislation is approved and the credit union will be

allowed to place unclaimed balances of members' accounts of less than \$100 in the statutory reserve account.

These, Mr. Speaker, are the amendments being placed before you for consideration. These amendments will, I feel, enable credit unions to continue their expanding pace in the financial community and will provide a notable service to more than one-half of the population in the province of Saskatchewan. I think that, once again, is a tremendous record for the credit union movement in this province. As you possibly know, we have within the credit union movement and the Department of Co-operation and Co-operative Development a committee which studies legislation, and all of these amendments have been agreed to by the credit union movement, by the Credit Union Central, the mutual aid board, and by the Department of Co-operation and Co-operative Development. So none of the amendments which I am placing before you this morning come as a surprise to any of the people who are on these committees, and they act on behalf of the board of directors of the Credit Union Central, or the credit union league.

So, Mr. Speaker, with that I am pleased this morning to move second reading of Bill No. 38, a bill to amend The Credit Union Act.

SOME HON. MEMBERS: — Hear, hear!

MR. PICKERING: — Mr. Speaker, I listened very carefully to the minister's comments with regard to Bill No. 38, An Act to amend The Credit Union Act, and I haven't really had time to completely scrutinize the bill so I would beg leave to adjourn debate.

Debate adjourned.

Bill No. 26 — An Act to amend The Mechanics' Lien Act.

HON. MR. KOSKIE: — Mr. Speaker, this bill contains three substantial amendments and two housekeeping amendments. The Mechanics' Lien Act deals with a very complicated and technical area of the law. This act is under constant review by the officials of the Department of the Attorney General in an effort to ensure that we take quick action to clean up any problem areas. Specifically amendments proposed are:

Section 3. The amendment to this section will mean that board created under The Housing and Special-Care Homes Act, and The Public Health Act will be dealt with under The Mechanics' Lien Act in the same manner as other entities which are considered to be Crown entities. These two acts have recently been amended to provide for the establishment of boards to operate hospitals and special-care homes.

Sections 4 and 5. The reason for these two amendments is to remove the time limitation on instituting claims to trust moneys under the act. There have been complaints that the present time limitation in subsection 18 forces people to commence legal proceedings to maintain their right to claim trust moneys when they would not otherwise have done so. The only instance where the time limitation would remain would be the case of a lending institution which has lent money to a person upon whom a trust is imposed, and where an assignment of accounts receivable has been taken as security for the loan. The reason for maintaining the limitations for lenders is to relieve them of having to maintain for long periods of time reserves for amounts received under the assignment and arriving out of contracts carried out by the borrower.

Section 6. This amendment will facilitate removal of a lien where the action has been dismissed prior to its proceeding to trial. The lien will only be able to be removed when the action has been dismissed prior to proceeding to trial, when no appeal has been entered, and when the time limit for the appeal has expired.

Sections 7 and 8. The amendments in these two sections are essentially housekeeping amendments which will clarify the applicability of sections 62 and 63 of the act.

Mr. Speaker, it's my pleasure to move second reading of The Mechanics' Lien Amendment Act.

MR. LANE: — Just a comment, and I would hope that the minister could check with his officials, every study and ever review of The Mechanics' Lien Act, and particularly the study by the British Columbia government some 10 years ago, I believe, and also the complete revision we had in this Assembly approximately six years ago, recommended against changing the statutory deadlines or limitation periods. In fact, the 120-day period was designed so that people would get their claims in so the material and subtrades could be paid expeditiously so that at some time it was closed off. That deadline has been in existence since the time The Mechanics' Lien Act was established in Saskatchewan. by and large it has worked very well. I certainly agree with the minister that on occasion it has put pressure on subtrades to get claims in when there was a possibility of a settlement. Your amendment goes much further than that, however. It is going to take the pressure from the lien holders or potential lien holders to act expeditiously. They will always then be able to apply to the court, and say, "Well, for various reasons . . ." And I think the minister knows that in the construction industry you could have a thousand valid reasons for not moving expeditiously. That deadline was there for the protection of the public. That deadline was there for the protection of the subtrades as well.

I'm not satisfied from the remarks that the proper course of action is being taken. I would like to know from the minister, if he wouldn't mind responding to me informally or otherwise, which organizations were in fact asking for that change. I did not get any representations and normally the construction association, for example, when it want technical amendments, notifies the opposition. That is not always the case, but normally when they want to expedite things through the House they do give that courtesy and I have had no representations on that. I am going to beg leave to adjourn debate and ask the minister to respond in due course to the matter that I have raised.

Debate adjourned.

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

HON. MR. KOSKIE: — Mr. Speaker. At the present time section 28 of The Small Claims Enforcement Act provides for a new trial before the appeal court where any party requests an appeal. This is an anomalous situation; in criminal matters all appeals are on the record. It is proposed to amend The Small Claims Enforcement Act to provide for an appeal on the record from the decision of the provincial court judge in small claims matters. This amendment should make the appeal process more efficient and should prevent vexatious appeals where a non-appearing party requests an appeal from a decision of a provincial court judge.

At the present time it is possible for a provincial court judge to proceed with a trial ex

parte where the defendant has been properly served. The defendant can ignore the decision of the provincial court judge and appeal to the district court receiving a complete new trial. Given the calibre of the provincial court judges, it has been decided to rectify this situation by providing for appeals on the record.

Mr. Speaker, those represent the changes in The act to amend The Small Claims Enforcement Act. I move second reading.

MR. LANE: — My concern with the proposed changes (and I am going to support the bill because there has, in my view, been too many frivolous appeals from small claims decisions), is cost. The objective of the court is to minimize the costs for the parties appearing before it and to have an expeditious manner of dealing with the claims. There is no mention in the bill as to the fees for the transcripts for appeals, service of the transcripts, etc. I am assuming, although it is not clear (and I don't think it is clear with the amendments integrated in the act), that the same manner of service is to apply. Or how is it to be done?

We will be supporting the bill. I would hope that the minister in second reading will respond to what the estimate of the costs will be and how the costs are to be paid. Are we going to have minimum costs for this as we have for small claims procedure generally, for the technical matters? I am sympathetic with the objectives to eliminate the frivolous appeals.

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

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

HON. MR. KOSKIE: — Mr. Speaker, the amendments to The Land Titles Act are basically of three types: housekeeping amendments, amendments to facilitate improved delivery of service to clients in the land titles system and amendments to provide a more rational and equitable assurance fee scheme. I will deal with the particular amendments under these categories.

Housekeeping amendments: the proposed amendments to section 11 and 178 are both of a housekeeping nature. Section 11 as amended will facilitate recruitment and appointment for the position of deputy master of titles by reducing the required qualifications for the position. I assure the House this measure will not reduce the quality of legal services for the land titles system because the position of deputy master is only intended to provide backup to the master of titles.

The amendment to section 178 will simply allow land titles' registrars to dispense with certain documents which have long ago lost their purpose due to the repeal of other legislation.

The amendments aimed at improved service to clients of the land titles: sections 95 and 208 are both designed to facilitate an improved level of service to clients of the land titles system for certain types of transactions. The amendments to section 95 will eliminate the currently awkward and cumbersome process where a land developer or other land owner, in dividing land into lots and in putting on easements or restrictive covenants, must transfer titles and register easements in stages. After the section is amended the process will be simplified to allow the owner to grant himself the easement for each parcel of land. This will be of significant impact for developers who

are dealing with maintenance and encroachment easements in planned unit developments.

Section 208 as amended will expedite the process of registering two or more consecutive transfers of the same interest and minerals on the same day. The impact will be positive for clients such as estate executors who will be able to sign a transmission transferring the interests of the deceased to the executor's name, and subsequently process a transfer to the beneficiary on the same day.

The amendments to provide for and facilitate a more rational and equitable land titles assurance fund is dealt with in the subsequent amendments.

The amendments to sections 35, 233 and 234 should be read as a package, the purpose of which is to provide the framework for a more rational and equitable land titles assurance fund fee scheme. One of the foundations of the Torrens system of land registration is that the title to real property is conclusive proof of ownership and of encumbrances. The purpose of the assurance fund is to provide a mechanism by which persons who suffer financial loss through an error by land titles system can be compensated for such a loss. The members of this House may recall that during last year's committee of finance and public accounts committee proceedings, the assurance fund fee structure was criticised because of the fact that the fees received were substantially greater than the claims paid out of the assurance fund. The department has taken those criticisms seriously. In fact, even before last year's criticisms were raised, work was under way within the department to access the problem and to seek out alternatives.

Mr. Speaker, there are basically two problems with the current assurance fund fee scheme. First of all, fees for the assurance fund are charged on transfers of land and are based on the increase in value of property since the last time the ownership was transferred. Due to large increases in the value of property in recent years, assurance fund fee revenue has increased generally and substantially. At the same time, and I might add as evidence of the high degree of accuracy of our land titles system, the level of claims against the assurance fund has, in fact, been very low. In short, the fee scheme brings in much more revenue than is paid out in claims.

The second problem with the fee structure is that the assurance fund fees are charged only against transfers and not against the many other services and functions provided by the land titles system even though errors by the land titles system in providing such services can and do provide a basis for claims against the assurance fund. In short, not all those clients who can claim against the fund pay into it.

Mr. Speaker, the solution to both of these problems lies in the amendments to sections 35, 233 and 234. Basically, the amendments will provide for the elimination of assurance fund fees in their current structure and, instead, allocate to the assurance fund a percentage of all land title fees collected. This will keep the concept of the assurance fund in tact, but will resolve the problems which I have just discussed, first, by bringing the assurance fund revenues more in line with the claims against them and, second, by having all those who claim against the fund pay into it.

However, Mr. Speaker, as was indicated to the House last year; our considerations of the problems associated with the assurance fee scheme realistically had to take into account the significant level of revenues which are generated by the fee scheme and which flow into the consolidate fund. In this regard, a new land titles fee tariff is

currently being developed and will be implemented in due course. Although the tariff has not been finalized, it is safe to say that there will be an increase in levels of the fees for some transactions. This increase is somewhat overdue since the fees have remained virtually unchanged since 1967.

Those, basically, are the amendments. Mr. Speaker, with those words, I'd like to move second reading of An Act to amend The Land Titles Act.

MR. LANE: — Mr. Speaker, I think that we have just been told that there will be a dramatic increase in land titles fees in the province of Saskatchewan. The minister is a little reluctant to give details to this Assembly. I'm sure the minister wouldn't expect the opposition to support such a dramatic increase.

I'm going to ask the minister, before we consider the proposed amendments, if he wouldn't mind submitting to the Assembly the proposed tariff. I'm sure that the tariff is very close to being ready, if it's not already. I see the smile on the minister's face. We could, of course, get through the bill in very quick time if we had a chance to consider the tariff. Should the tariff indicate a reduction, which no one expects, I can assure the minister that there would be speedy passage of the legislation. I would just hope that the minister, as a courtesy, would be prepared not only to tell me but also to tell the Law Society of Saskatchewan what these proposed increases will be and what the proposed increase will be on the amount of a claim that can be made under The Land Titles Act. I am sure that if we have been studying it for a couple of years, we must be very close to having a decision.

I will caution the minister that one of the reasons for the low number of claims (and I grant fully the statement of the minister that the system is working extremely well and that will account for a major party of the low number of claims) is that people have not proceeded with them because of the low amount. I am sure the minister is aware of this and that the increase will, I think, cause people perhaps to reconsider.

Mr. Speaker, I await with a great deal of interest, as do most people buying and selling homes in this province (the home-owners of this province, the farmers who are transferring land or acquiring land) the proposed increase in land titles fees. I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 11:45 a.m.