

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 16, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

QUESTIONS

Direction of Questions in Absence of Premier and Deputy Premier

MR. TAYLOR: — Mr. Speaker, we have a number of questions to be directed to the Premier or the Deputy Premier. I understand the Deputy Premier is in London. I would like to find out, from the House Leader opposite, who will be fielding the questions in view of the absence of the Premier and the Deputy Premier. To whom should we address these questions?

HON. MR. SMISHEK: — There are a dozen or more ministers here. I'm sure that we will take any of the questions the opposition may have and more.

Grasshopper Infestation Warning

MR. THATCHER: — Mr. Speaker, a question to the Minister of Agriculture. Mr. Minister, as I'm sure all of us from rural Saskatchewan are aware, the drought situation, even though this is only the middle of March, is becoming very serious. Crop reports today indicate a very severe outbreak of grasshoppers in southern Saskatchewan if we don't receive some moisture or some cooler, damp weather in the course of this spring. Last year your office received many requests from rural municipality offices, many of them from my constituency, for help in controlling grasshoppers — that is, financial help.

Mr. Minister, because of the weather and because of warnings which are out there, is your department giving active consideration to aiding municipalities in helping to control this grasshopper problem early rather than waiting until the problem is already there, and having to react to it?

HON. MR. MacMURCHY: — Mr. Speaker, in response to the hon. member for Thunder Creek, I, too, heard the report which came from the university. I believe, where the spokesman indicated, not that there would be, but that there could be a serious grasshopper outbreak in the event that the weather continues as it is now, very dry. He indicated that the number of male grasshoppers last August was down, but that they were there in sufficient numbers and given proper weather conditions, we could face a serious outbreak.

I haven't had an opportunity, Mr. Speaker, to find out from the Department of Agriculture the total poison stocks that are on hand, but the hon. member and the news report remind me that I should. I will do that and report back to the hon. member on the situation, so far as agriculture is concerned.

MR. THATCHER: — A supplementary question to the minister. Even more relevant to the point is: are you prepared to give municipalities, particularly those where there would be heavy infestations and heavy outbreaks should they occur, financial help so these

municipalities will be in a position to get onto the problem immediately, and not have to wait until the problem has become serious? So I redirect my question: are you prepared to aid heavily hit municipalities in this area?

HON. MR. MacMURCHY: — Mr. Speaker, the policy has been, as I recall it, on a long-term basis, to provide the spray at cost. The hon. member will recall, and members will recall, that at one time the distribution was through the municipalities. That was changed, I believe, last year because of the concern by many municipalities in terms of handling the spray themselves. Therefore, the distribution system is through the Saskatchewan Wheat Pool, under which there is an agreement between agriculture and the pool for distribution of the chemical.

Pornographic Literature

MR. TAYLOR: — Mr. Speaker, my question is to whichever minister would like to answer in the absence of the Premier. You will remember that last year in the estimates I raised the question of the accessibility of pornographic literature to the young children of this province. I received a reply from the Attorney General and I would like to quote from this, Mr. Speaker. He says in his answer:

There has been a test case which advocates that obscenity should not be a matter for the criminal law, but should be subject to administrative regulation, one of the terms of which could be the sort of control of access (meaning me) which you suggest.

He further goes on to say:

As I am sure you appreciate, whether or not to introduce legislation regulating the sale of and distribution of sexually explicit reading material is a policy decision. However, it is one which will continue to receive serious consideration.

My question is: what consideration has it received from the cabinet opposite?

HON. MR. SMISHEK: — Mr. Speaker, I am not familiar with the letter which the hon. member is referring to. I will take notice, Mr. Speaker, and have the Attorney General deal with it. I don't think it's a particularly urgent matter; it has been there for some time. It is a matter of interest and concern, I am sure. But I will take notice.

MR. TAYLOR: — A supplementary question. You may not think it urgent, but the people of Saskatchewan and I do. When are you on that side of the House going to get off the fence on this question (as you are on many other questions concerning the people of this province) and come back with an answer as to whether or not you are going to make this degrading material inaccessible to the young minds of this province?

HON. MR. SMISHEK: — Mr. Speaker, I did indicate to the hon. member that I will take the question as notice.

Reassessment of Irrigated Land at Diefenbaker Lake

MR. SWAN: — A question to the Minister of Rural Affairs. I have a list of land descriptions here (I will pass a copy to the minister later) which deal with the irrigation area on the west side of Diefenbaker Lake. Many of these people have spent upward of

\$100,000 per quarter to put irrigation equipment on this land. I wish to raise a question with you with regard to the reassessment of that land. I would like to give you a few examples. One parcel of land has 110 acres under cultivation and 30 acres under irrigation — the assessment went from \$850 to \$2,430. The next one has 135 broken and 135 irrigated; it went from \$1,250 to \$3,530, three times the assessment.

The concern they are raising is this: is it the policy of the government to assess the irrigation equipment and the incentive of people to produce more, or is it your policy to assess the actual land?

HON. MR. KAEDING: — Mr. Speaker, I think one has to consider the use to which the land can be put in its various stages. Under non-irrigation the land is likely grazing land which cannot provide any reasonable return. Under irrigation that same land can produce a substantial return. I think under those circumstances, once the superstructure is changed and once there is water on tap (you might say), that land becomes valuable and more useful. I think it is proper to reassess that kind of land. I would suggest that it would be rather absurd to have a piece of land which didn't have irrigation on it assessed at \$600 to \$700 an acre, and then another parcel with irrigation, producing four times as much and having the same assessment. I think it is proper that there should be a separate assessment.

Now, whether the assessment which is being done is fair or not, I can't answer. I would simply have to take it up with the assessor.

MR. SWAN: — A supplementary to the minister. The land which I am listing has been cultivated acres; it is not grassland. So it has been under production for a number of years.

Again, here is the question which I would like you to answer. Is the government assessing the land because it has irrigation equipment on it? These men have paid the price of putting the equipment in. Are you assessing it for that reason or are you assessing the land on the land value?

HON. MR. KAEDING: — I think, Mr. Speaker, you have to look at the potential, and the potential without irrigation is probably the one which the assessment reflected in the first place. The only factor which is degrading it is that there is not sufficient rainfall. If you add the water to it, that land then becomes very productive. And so I think it's a matter of how that land is being used. I don't think we are assessing the equipment; we're not assessing the irrigation potential. It is simply that land is more productive under that set of circumstances.

MR. SPEAKER: — Order, order. The member for Rosetown-Elrose.

MR. SWAN: — Supplementary to the minister. These people are very concerned. Canaan municipality has been reassessed, and the average increase in assessment is running from 18 to 20 per cent on most of the farmland. Here they are experiencing changes of up to 300 per cent. Are you prepared to table before this House the criteria that you are using to establish the new assessment rates?

HON. MR. KAEDING: — Yes, Mr. Speaker, I think that I'd be prepared to speak to the assessors and to determine from them the process which they used to arrive at the assessment.

MR. THATCHER: — Supplementary question to the Minister of Agriculture. Mr. Minister, the answers just given by the minister in charge of rural affairs very clearly indicate this his department is practising a disincentive policy toward irrigation. May I ask you if that is also the position of the Department of Agriculture? Are you in accordance with the philosophy just put forward by the Minister of Rural Affairs, which is very clearly a disincentive to irrigate, or are you in favour of irrigation? If in fact you are, have we another example of one government department not knowing what in blazes another one is doing?

HON. MR. MacMURCHY: — Mr. Speaker, I believe that the hon. member, the Minister of Rural Affairs, indicated to the member for Rosetown-Elrose that he would provide the formula used by the assessment people in the department to assess rural land. I think when hon. members have that then they can consider the merits of the formula. I think the municipality requests a reassessment and the reassessment will have a productivity component in it. With increased productivity as a result of irrigation, it seems that they would face an increase in assessment. I think the base of assessment is to try to bring some equity between farmlands and certainly productivity in farmland would be an important criteria of any assessment policy.

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

Effect of Land Assessment Policy on Irrigation Development

MR. THATCHER: — All right. A new question to the minister. Mr. Minister, in your budget there is hopefully some provision made that will result in increased irrigation. Would the minister not agree that at this particular time, when you are supposedly attempting to encourage some new irrigation, it is absolutely ridiculous for the Department of Rural Affairs to be adding a productivity factor into the reassessment? Obviously you don't need a Ph.D. in agriculture to know that water is going to increase productivity on any land in Saskatchewan. Would the minister agree that the policy, as enunciated by the Department of Rural Affairs, is detrimental and counterproductive to the development of an irrigation program in Saskatchewan?

HON. MR. MacMURCHY: — No, Mr. Speaker, I would not agree. It seems to me that any time there is an increased productivity of farmland, whether it be through breaking of new land to put it into production, whether it be through clearing brush and putting that cleared land into production, or whether it be through an irrigation program, that would indicate an increase in the assessed value of the land and the taxes being paid on that assessed value of the land.

Private Adoption Agencies

MR. LANE: — A question to the Minister of Social Services. The waiting list for adoptions in the province of Saskatchewan is running anywhere from approximately 24 months and upward. The province of Ontario, in 1978, introduced legislation to license and control private adoption agencies. The first one went into effect in October, 1980. That particular agency, licensed and controlled by the government, seems to have tapped a new source of children for adoption. That source is people who feel there is a stigma attached to social services or welfare, and doctors who are now prepared to encourage people to go through that agency. Would the minister be prepared to tell the people of Saskatchewan that he will actively consider the licensing of private adoption agencies in the province of Saskatchewan?

HON. MR. LINGENFELTER: — Mr. Speaker, the member for Qu'Appelle mentions that there is a two-year waiting period for adoptions in Saskatchewan. I think that that is true. The fact is that there are fewer and fewer children available for adoption. I am not sure that licensing third parties to act, or having a third party involved in the adoption process, would make more children available to be adopted. I don't quite see the rationale behind that.

We do let people know when they come in for adoption that they will be waiting two years. We are looking at a process of updating the people who are waiting for children, on a regular basis, so they are more informed as to how long they will have to wait.

He asks whether or not we are thinking about and considering involving agencies in adoption. We are always reviewing our program and, yes, we are looking at it, but there is no definite decision to go ahead with that policy.

MR. LANE: — My supplementary is this. Having checked with the official in your department on Thursday last, as to the government's position, he indicated that, in fact, the government was not considering looking at the private adoption agencies and the licensing thereof.

Mr. Minister, I will give examples of where the Ontario agency seems to have found two sources that don't normally go through the department of welfare. The first is those mothers who are prepared to put their child up for adoption who themselves have been wards of the state and don't want their children to go through the same. They are prepared to contact the private agency when they wouldn't contact the government agency. Secondly, doctors who do not feel confidence . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, order! The member for Qu'Appelle is asking a supplementary. I have traditionally allowed members to set the stage for a question with a few words of introduction, but I think it is carrying it a bit far when members insist on using extensive introduction for a supplementary to a question that has already been asked. I think the members should move directly into their supplementary. If they have a new situation to set up so that the minister can respond properly, then I will allow them some introductions; otherwise I can't.

MR. LANE: — The second example is doctors with mothers who are reluctant to use the government system, but are prepared to recommend the private system.

Will you now either confirm or correct the confusion in either your mind or your officials' minds as to what your policy and position is? Would you in fact be prepared to commit at least to a full and comprehensive study in which the public can participate, as to the advisability of private adoption agencies in the province of Saskatchewan?

HON. MR. LINGENFELTER: — Mr. Speaker, I mentioned in answering the original question that we are always looking at new policies. That is the position of the department and has been and will continue to be. I will not recommend a full and complete study of the matter, because I think it is something that we review on an annual or a usual basis as part of the ongoing process. I think it stems back to the same problem which I mentioned in my original answer. There aren't enough children to meet the demand for adoption in Saskatchewan, and I think that involving more people won't go a long way to solving that problem. I think that we will be reviewing our

program, as it goes along, to see if we can have steps in place to alleviate any problems which are building up for the parents who are waiting for adoption. We will look at a process to ease the strain in their waiting.

Access to Elton Marshall's Files

MR. ROUSSEAU: — A question to the Minister of Social Services. Mr. Minister, last week you indicated to this Assembly that Mr. Marshall had received his personal files, and in fact, they had been available to him at all times. For your information I have seen the files that were given to him, and they are only a small portion of the files which he had in his office. Is the minister now prepared to give him the rest of the files, which he considers his personal files, that were in his office when you fired him?

HON. MR. LINGENFELTER: — Mr. Speaker, the member for Regina South states that Mr. Marshall received only part of the papers that were present in his office. I'm not sure how he knows that, but my officials tell me that his private papers and documents have been available and are available to him now. In fact the papers were sent to him last Friday because Mr. Marshall did not avail himself to go to the office to pick them up. On the other hand, if there are papers which Mr. Marshall needs in preparing his case, they are available to him through the normal process, his lawyer working with the department lawyer. He can do that at any time.

MR. ROUSSEAU: — You just indicated that you had sent him the files. I take from that remark, that you mean you sent him all the files which you consider personal. I ask you would you not consider 23 diaries of a personal nature? They have not been returned to him. Could he, based on your comments a few minutes ago, now go to the office or wherever, personally, and pick up all the files which he considers his? Will you give that assurance today?

HON. MR. LINGENFELTER: — Mr. Speaker, there seems to be a big discrepancy in what the member for Regina South would consider to be personal files, and what the department considers to be personal files. The point is: the files in totality are available to Mr. Marshall in preparing his case. Whether they are personal files or not . . . I don't go down there personally and look at papers. I have people hired, namely my deputy minister, who would do that sort of thing. It is asking a little much of me to make that decision about what are personal files while I am standing here in the House today. I think it's incomprehensible that the member for Regina South would be in that position either.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, asking the Minister of Social Services anything may be a little difficult for him based on the answers I'm getting today. You are skirting the question. I ask you once again: will you allow him to go down to determine what he considers to be his personal files, such as 23 diaries which were left behind and have not been returned to him? Will you allow him to go and ask the officials to pick up the balance of what he consider his personal files?

HON. MR. LINGENFELTER: — Mr. Speaker, of course he can go down to the department at any time and consult with my officials on what is his personal file and what isn't. That option has been open to him from the day of his dismissal, February 24. I want to reiterate the point that if there is a discrepancy about what is his personal file and what isn't, he can have available the ones which aren't, as well, in preparing his case, through

the normal process.

Funding for Water Pipeline to City of Lloydminster

MR. ANDREW: — My question is to the Minister of Urban Affairs. Mr. Minister, as you know, for some time the city council of Lloydminster has been pushing your government for funding to construct a water pipeline from the North Saskatchewan River into the city of Lloydminster. Like many projects in the city of Lloydminster, it is funded 50 per cent to 50 per cent by the province of Saskatchewan and the province of Alberta. For a number of years now, the province of Alberta, as I understand, has had its \$15 million or \$17 million on the table, and yet no money is available from Saskatchewan. Can the minister advise the Assembly whether or not, in 1981 that money will be made available to the city of Lloydminster so that they can commence their water project for that city?

HON. MR. SMISHEK: — Mr. Speaker, for the information of the hon. member, the officials from the Department of Urban Affairs, as well as the officials from the Department of the Environment together with officials from the Alberta government, as well as the city of Lloydminster, I believe have the matter well under hand. We have been having ongoing meetings. It is not correct for the hon. member to suggest that the Alberta government has been ready to make grants available to the city of Lloydminster. They are concerned about the system. There is need for an additional water supply. As well, the city's sewage system and lagoon system are inadequate at the present time. We have had consultants. We have had a series of studies. I am hopeful that in 1981 we will be able to come up with a decision with the province of Alberta, the city of Lloydminster, and the Government of Saskatchewan to alleviate both the water and the sewage problem in Lloydminster.

Bus Service from Canora to Hudson Bay

MR. HARDY: — My question is to the minister responsible for STC (Saskatchewan Transportation Company). Would the minister explain to me why the bus service from Canora to Hudson Bay is about to be discontinued? That is the first question.

HON. MR. CODY: — Mr. Speaker, the service from Canora to Hudson Bay has not been discontinued to date. We are not certain whether it will be. The normal process which has to be carried on when a route is discontinued, or new services put on, is to make an application to the highway traffic board. The highway traffic board then will make a decision on whether it will allow us to discontinue the route, or reroute certain schedules. In this particular case, I have received word from the highway traffic board that it is going to have public hearings in Hudson Bay, Preeceville, and Yorkton. It will have them on April 3, 4, and 5 or else on April 6, 7, and 8 or else on April 27, 28, and 29. At that time, I am sure, if the member were interested in the public up there, he would be there to present his case on their behalf.

MR. HARDY: — Supplementary. Would the minister not agree that the main purpose of STC is to provide a service to the people of Saskatchewan, and does the minister agree that the bus service should not be direct from Yorkton to Canora? Would the minister take this into consideration and see that this service is implemented from Hudson Bay direct to Yorkton to connect with the buses coming from the east into Yorkton and via Hudson Bay?

HON. MR. CODY: — Well, Mr. Speaker, STC officials make recommendations to the

board on many types of services. We are constantly looking at routing, rerouting, and so on and so forth. Right at the present time, there isn't a province in Canada which has the kind of service for express and passengers which we have in the province of Saskatchewan, at STC.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. CODY: — Since 1946, Mr. Speaker, we have constantly put on new routes. I can assure all hon. members and the people of Saskatchewan that the service will continue where it is warranted, and we will continue to put new routes on in places where they are warranted.

SOME HON. MEMBERS: — Hear, hear!

MR. HARDY: — Supplementary, Mr. Speaker. Does the minister know that approximately \$40,000 worth of express last year was routed from Yorkton via Regina and then on up to Hudson Bay area when it should have gone directly north, because the bus was too small, and because the bus service was very slow? It had to transfer at Canora, and then again from Yorkton to Canora and then on to Hudson Bay. Would the minister now agree to implement this service (as I asked him a few minutes ago) directly to Yorkton, and to connect with these buses coming from the east to give the people from the northeastern part of the province the only direct transportation they would have going south to Winnipeg or wherever?

SOME HON. MEMBERS: — Hear, hear!

HON. MR. CODY: — Mr. Speaker, as I said a moment ago, we are always considering new routes. We are always considering better service. If this is the kind of service that will be best and to the greatest advantage to the public in the northeast of the province, we'll consider that as well. At the present time, I can assure the people of this House and the people of the province of Saskatchewan that there has been very little by way of passengers and not a lot of express on that particular route. It has not been because the bus is too small. It has not been because the bus is too slow. It is simply not the case. As I told the hon. member before, I would consider anything which makes it more comfortable and better, as far as service is concerned, for the people of the province.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

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

HON. MR. KOSKIE: — Mr. Speaker, in May of 1979 a new Saskatchewan Human Rights Code was assented to by the House; that bill came into force on August 7, 1979. A study of the code and the provisions, by members of the public and by the government personnel, has resulted in suggested amendments to certain sections of the code.

First, section 15(2) of the present code is required to be repealed. Section 15(2) was a House amendment to the code as it was passed in 1979. Upon fully studying the effect of the subsection, it was noted that this restricted definition of sex, limits the protection previously given to women in our human rights legislation and does not conform to the

intention of section 15.

As the section presently reads, a person can discriminate in making available a contract offer to the public on the basis of male or female gender. The only restriction against such discrimination is where the female person is pregnant or suffering from a pregnancy-related illness.

This clearly was not our intent when enacting this legislation. By repealing section 15(2), we restore the meaning of sex as defined in the opening sections of the code, and thereby make discrimination on the basis of gender contrary to section 15, as well as discrimination based on pregnancy or pregnancy-related illnesses.

Second, the amendment proposed to section 16(5) of the code is required to allow certain religious colleges to discriminate in the hiring of staff where a particular religious creed forms part of the training offered by the institution.

Third, the amendment proposed to section 35(1) of the code merely makes non-compliance with an affirmative action order made by the human rights commission, under the authority of section 47(1), an offence. The present code contains no similar provisions. It has been determined that in order to make the commission's authority under section 47(1) effective, it is necessary that the legislation contain this sort of provision.

The bill now before the House does not substantially alter the present code, but merely ensures the effectiveness of the code. The proposed amendments demonstrate the continuing commitment by our government to protect the rights of individuals of this province.

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

SOME HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Mr. Speaker, I listened with interest to the hon. member's words and I would like to give them further study. I think that if we're looking at amending the human rights code in this province, we should amend it so it's as all-encompassing as it possibly can be. In listening to his remarks, I think maybe there are a few areas which have been omitted and I would like to study these further and perhaps come forward with some further suggestions and amendments from this side that would make The Saskatchewan Human Rights Code a more all-encompassing and just piece of legislation. So, in light of that, I beg leave to adjourn the debate.

Debate adjourned.

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

HON. MR. LONG: — Mr. Speaker, on behalf of the Minister of Mineral Resources, I would like to say a few words this afternoon about the amendments to The Saskatchewan Oil and Gas Corporation Act. Mr. Speaker, on behalf of the minister responsible for the Saskatchewan Oil and Gas Corporation, I have the honour to bring before the legislature an Act to Amend The Saskatchewan Oil and Gas Corporation Act.

The bill is not one which contains significant changes for the Saskatchewan Oil and Gas Corporation but, rather, it is one designed to improve the corporation's existing

operations by making the language contained in the legislation consistent with that in legislation applicable to other Saskatchewan Crown corporations. The bill also contains a number of provisions which are generally categorized as housekeeping matters. The provisions contained in the bill are essentially directed in two areas. The first deals with the Board of Directors of SaskOil. This bill will improve the process of making appointments to the board and will also allow the board to operate more efficiently. The second improves or clarifies provisions relating to the corporation's operations.

Returning to the first area mentioned (the SaskOil Board of Directors) section 3 of the bill contains an amendment which makes the appointment of individuals to the board and to the corporation consistent with provisions appearing in other legislation relating to the Crown corporations. In addition, section 4 of the bill will authorize the creation of an executive committee by the board, thus facilitating more efficient operation of the corporation at the board level. This provision is similar to those now appearing in most Crown corporation legislation, for example, The Crown Corporations Act, The Saskatchewan Power Corporation Act, The Saskatchewan Telecommunications Act, The Saskatchewan Government Insurance Act, and others.

In the area of the corporation's operations, the bill includes the following. Section 5 of the bill proposes an amendment to add a specific reference "upgrade," to the existent clause 6(a). Mr. Speaker, as all members of this House are aware, the oil reserves in Saskatchewan contain substantial heavy oil deposits, and heavy oil is an important area of operation for SaskOil. The proposed amendment, rather than broadening the powers of the corporation, will clearly reflect the importance of this area in SaskOil's operations.

Section 6 proposes a new subsection which will allow SaskOil itself to register extra-provincially, as members are aware. SaskOil currently has interests in oil and gas properties in the provinces of Manitoba and Alberta. These interests are held by a wholly owned subsidiary of the corporation, acquired under provisions which currently exist in the act. The amendment will allow the direct registration of SaskOil in these jurisdictions, if desirable. The form of the amendment proposed is similar to that found in the legislation applicable to the province's other Crown corporation having interests in oil and gas, the Saskatchewan Power Corporation, and power conveyed is also similar to that found in other resource corporation legislation, as for example, in The Potash Corporation of Saskatchewan Act.

The amendment proposed in section 7 of the bill will authorize the Lieutenant-Governor in Council to guarantee payments due under lease agreements, which may be entered into by SaskOil in the future. This amendment is similar to that approved by the legislature in The Power Corporation Act. As members will appreciate, leasing is a method sometimes used to acquire large equipment without the necessity of purchasing. That eliminates the need to borrow funds to finance the acquisition. This provision will simply allow the option, when appropriate, for the province to guarantee lease payments, thereby reducing lease rates.

Finally, section 9 of the bill will allow the Lieutenant-Governor in Council to designate an auditor for the corporation other than the provincial auditor.

The amendment proposed is similar to provisions appearing in most Crown corporation legislation, including legislation applicable to the Saskatchewan Power Corporation, the Potash Corporation of Saskatchewan, the Saskatchewan Mining

Development Corporation, Saskatchewan Government Insurance, the Saskatchewan Grain Car Corporation, and the Saskatchewan Water Supply Board, to name a few.

Mr. Speaker, a member opposite raised a question regarding this section during question period on March 11, 1981. I will reiterate what I said in response to the question raised. This amendment does not in any way imply that the auditing services provided by the provincial auditor have been inadequate. The amendment simply allows the Lieutenant-Governor in Council, if appropriate in the future, to choose an auditing firm for the corporation which will allow access to special industry experience which can be used by the corporation in the process of receiving auditing services from auditing firms.

A number of auditing firms in Canada have a broad range of experience in the oil and gas industry and it may, at some point in the future, be an advantage to SaskOil to be able to draw upon this experience and expertise in the course of the audit. It will, in addition, allow the corporation access to other services provided by private auditing firms, including for example, consulting and recruiting services.

In summary, Mr. Speaker, this bill does not represent any major new thrust in legislation. It is designed simply to improve the operations of the corporation within existing directions. This bill, in my opinion, is a bill which may, and indeed should be, supported by all members of this Assembly. I, therefore, move second reading of An Act to amend The Saskatchewan Oil and Gas Corporation Act, 1981.

MR. ANDREW: — Mr. Speaker, the suggestion by the Minister of Highways that the members of this Assembly should accept this legislation . . . Prior to getting into the foolishness of such a statement, I would like to give the House a brief rundown as to what is developing in Canada, as it relates to auditing, in the field of government in the public sector.

Since the appointment of J.J. Macdonell perhaps six years ago in the federal government, a completely new concept of public sector auditing has not only had an impact on Canada but is now starting to have an impact throughout the entire western world — that is, the concept of comprehensive auditing or auditing based on value for money spent. In other words, rather than simply looking at the question of whether or not the various government agencies or Crown corporations had the proper legislative authority to spend the money, they also look at the material question of whether or not the money was spent well. In other words, did the government get value for its money?

I think the other important parallel with the particular approach brought forth by Mr. Macdonell is that that concept coincided with the proposition 13 concept in the United States, and was Canada's answer (and I think a much more reasonable and rational answer) to the question of government spending — that is to say, the comprehensive audit, rather than the taxpayer revolts we saw in the United States.

This concept of looking at not just the attest audit, or whether or not there was authority to spend the money, but also the economies, efficiencies, and effectiveness of the whole program — that type of auditing has been brought into place in Ottawa with J.J. Macdonell. It has also been brought into place in the provinces of British Columbia, Alberta, Ontario and most of the maritime provinces. It has not been brought in, in the province of Manitoba. It was proposed by the Lyon government in Manitoba but was objected to for some strange reason by the opposition in Manitoba.

That concept of auditing is not only now recognized in Canada, but it is also the main thrust of the changes with regard to the auditor, or comparable to that auditor, in the Parliament of Great Britain. As well, as some perhaps do not know, the Canadian auditors are among the three auditors in the international audit company of the United Nations. That same concept is now being introduced into the United Nations audit function, as well as the European Economic Community. So it's not simply a new idea that is localized. It is encompassing the entire western world. That is the movement that has to come not only to Saskatchewan but to all of Canada.

Having said that, the new thrust accepted in Ottawa (and I think the most recent report brought down by the public accounts committee in Ottawa, the parliament in Ottawa) calls for the extension of comprehensive audit into the field of Crown corporations. The parliament of Westminster in Great Britain has also tried, at this point in time, to address the question of audit of the nationalized industry or the Crown corporations of Great Britain. So as we see this trend developing: (1) with regard to audit, comprehensive audit, in government as a total, and (2) in extending that audit into the field of Crown corporations.

Here the Government of Saskatchewan is saying, "Well, we will not only not accept comprehensive audit, but also we are going to eliminate or move the provincial auditor out of the field of Crown corporations." I say to you, what exactly does that mean? It seems to me the fundamental point is that a provincial auditor or a federal auditor is a servant of this legislature, not a servant of the government. And the function of that audit is to do a post audit as to how they spent their money — did they spend it properly? — and if they did not, then to report that directly back to the legislature and not to the government. But here we see the government shifting away from that. They are going into the field of the private auditor and they say, "Well, that won't make any difference. There's going to be no difference whether it's a provincial audit or the private auditor." I say there's a lot of difference.

The difference is this. Anybody who has been in the private sector as a professional, whether a lawyer, an accountant, a doctor, is guided by different rules. That is not to say that the private auditor is going to give bad advice or do something contrary to the ethics of that profession. But by the same token, he is making his money (and in the case of the Potash Corporation of Saskatchewan — a sizable amount of money) and that auditor is not very likely to embarrass the government. And yet, that's precisely the power of the auditor general of Canada, to bring embarrassment to the government, whether it was through Maxwell Henderson when he held that position, or hopefully, through the new federal auditor coming, subject to appointment, in the very near future.

The fundamental question is this: Crown corporations are supposed to belong to the people of this province. The people are the taxpayers; the people are the shareholders; and the people jolly well have the right to know where the money is being wasted, where dollars are not returning the proper value that they should. That is the fundamental question, and we are not going to get it when the auditor goes out into the private sector. It is wrong; the whole concept is wrong. It is against the trend, not only in this country but around the world, and yet you move to get a private sector auditor, in which case it would cost \$50,000 or \$100,000, or more. And the problem is that that person will not bring up the embarrassing material that is needed. Without that embarrassment of wasted expenditures, how does the government come to account?

The second point I wish to make, Mr. Speaker, is this: the provincial auditor has on many occasions objected to his power being curtailed. His independence is being reduced. Many of the things that he is auditing or controlling are being taken from him and placed in the hands of government. The problem with the government is this: they become confused; they don't understand the difference between a legislature and the government. And that is the incredible thing. They fly in the face of it at every step of the way. It is so fundamental to a parliamentary system of government that you separate, first, the legislative form, and second, the executive or government form. But not you — you want everything to be controlled in cabinet; nothing should come to the legislature; no information is going to be advanced. It is the same thing when you deal with the question of freedom of information. The only people who have this right to know of the shortcomings are the people within the cabinet. It is fundamental to a parliamentary system of government that you address that question. So, when the Minister of Highways indicates that everyone in this House should support that legislation, I can guarantee and assure you, Mr. Minister, that everyone in this House will not support that piece of legislation.

I have other things to say with regard to this bill, Mr. Speaker, and at this point I beg leave to adjourn debate.

Debate adjourned.

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

HON. MR. BOWERMAN: — Mr. Speaker, the amendments proposed in this bill involve the additions of two subsections after section 16. Section 16 is the section of this act which outlines the areas in which regulations can be made with regard to The Water Power Act.

For dealing with the specific amendments, it may be useful to give a brief explanation of The Water Power Act in general terms. The Water Power Act was established on April 1, 1931, and before that date licences for water power projects were obtained from the federal minister of the interior, under the Dominion Water Power Act.

The Water Power Act is now administered, of course, by the Department of the Environment. The Saskatchewan Water Power Act invests in the Crown the right to use provincial water resources for the purposes of developing electrical power. Also the property related to the use of water for the developing and operating of those electrical power generating facilities is similarly included, Mr. Speaker, within the purview of the act.

Approval by the legislature is required before the Crown can grant licences under this act, or its regulations, for water power projects capable of delivering 12,5000 continuous horsepower or more. For the purpose of developing our water power resources most efficiently, the act also gives the Lieutenant-Governor in Council the authority to require that where two or more water power sources are situated in such a way that they can be more economically, feasibly and satisfactorily utilized by being developed and operated jointly, then it gives the minister the authority, in that case, to offer that suggestion. In connection with this, the Lieutenant-Governor in Council is also authorized to reserve any remaining water power sources if it will assist in bringing about joint development and single control, thereby best serving the public interest.

The minister is also authorized, in the act, to order surveys of lands necessary for water power projects, as well as surveys of water bodies to determine available water resources for electrical power generation.

The act empowers and orders the investigation (or may order the investigation) of water quantities being used and the quantity of energy produced. This can include requiring the installation of metering services, keeping of records for the purposes of conserving water supplies, as well as to ensure that the provisions of the licences are observed.

Present section 16, to which the amendments are being offered, give the Lieutenant-Governor in Council the wide power to make regulations and orders governing a variety of situations which are contemplated or may be contemplated in the exercise of the authority of the act. These include such things as:

Storage, diversion and utilization of water for power in order to protect water supplies — there is authority there, within section 16, for the regulating and development of transmission lines, distribution and sales, disposal and use of water power, for construction and maintenance and operation of works and the regulation or control of the flow of water through these in the interest of all water users — the case of the Coteau Creek power project or the Diefenbaker Lake-Gardiner Dam project, which is a multi-use development project — irrigation, domestic and rural water supplies, industrial water supplies, as well as recreational facilities;

The use and occupancy of lands for the purposes set out in the act — for example, the water power basins such as Tobin Lake and Diefenbaker Lake;

Prescribing conditions upon which works and lands and properties held under this act may be taken over after the expiry date of an agreement — we are in the process of that now and arrangements for those provisions are made within the act or after the termination of the agreement because of non-compliance with it;

Construction and regulation of the water storage reports, providing the cost of construction, maintaining and operating such works among all persons — again in the case of the Saskatchewan Water Supply Board, where it charges for uses of water to the Department of Tourism and Renewable Resources for recreational purposes and the Department of Agriculture for use in agricultural purposes;

Regulations requiring any site to supply the public demand for electricity securing the maximum power resources of all streams;

Regulating the passage of debris through and the containment of that;

The construction of fishways and the compliance with acts regarding fisheries — these are always matter of concern when water streams or water courses are blocked by dam purposes for the use of water power;

Regulating stock and bond issues;

Regulating and controlling the service given to the public by water power supplies;

Regulating the rates and charges for such services;

Setting up a board with the provinces and federal government to control interprovin-

cial boundary waters, as well, is provided under the regulations or provisions provided therefore.

Mr. Speaker, these are the main areas in which section 16 empowers the Lieutenant-Governor in Council to make regulations under this act, except for subsection (j) which reads in detail as follows:

For fixing the rentals, royalties, fees, dues or charges to be paid for the diversion, use or storage of water for the use or occupancy of lands or for any other privilege granted in pursuance of the act, including charges for any additional flowage created by storage or regulation works constructed by, or at the instance of, the Crown.

Now the principal objective of this bill then, Mr. Speaker, in adding the two subsections after section 1 of section 16, is firstly to allow for the Executive Council to alter the rates than can be collected by the Department of the Environment from the power being generated.

For example, the specific wording of the amendment says:

Notwithstanding any terms or conditions upon which any rentals, royalties, fees, dues or charges, are fixed pursuant to clause 1(j), the Lieutenant-Governor in Council may change any rentals, royalties, fees, dues or charges that are fixed, pursuant to that clause, by rescinding, revoking, amending or varying any regulations made under the clause or by making other regulations under that clause.

The effect of this, Mr. Speaker, will be to allow for changes from time to time in the rates paid to the Department of the Environment by operators of water power works per horsepower year of generation. These rates have remained set for many years, in fact, they are set in the agreements or in the licences that are granted in the initial stages. The licences, which are usually very long-term (20 to 50 years), now require updating for revenue increases into the department.

The second subsection and added amendment, Mr. Speaker, provides, with the incorporation of the first amendment, that notwithstanding any other provision of this act or any provisions of any other act, no action lies against the Crown, any member of the Executive Council or offices. It prevents liability of the Crown in the case where there may be changes to the water rates that are being charged in agreements that have been signed and have been agreed to in previous years. In other words, subsection 16(1.2) relieves the Crown from liability for making changes in water rental rates from the provisions of the long-term licences.

The addition of these two subsections only affects water rentals and not rates that are charged by the producers of power to their consumers.

Mr. Speaker, in the past, licences were granted with fixed rates for long period of time, with provisions for renegotiation after the first 20 years and then every 10 years thereafter. Because of this, revenues from water power resources rentals have been inadequate and have not kept up with the rising costs and expenses of administering the act. These rates have also not kept up water-use cost, generating electricity by the burning of fossil fuels.

A review which we made of water-use rentals charged in other provinces shows, on a whole, that we are far behind the rates and the revenues being generated from them in other provinces of Canada. We, in Saskatchewan, in the Department of the Environment, receive (as will show in the estimates if one wants to refer to them), slightly over \$0.5 million annually with respect to the water-use charges that are met under the provisions of the act.

Mr. Speaker, we are presently generating about 396,000 horsepower at Squaw Rapids, about 252,000 at Coteau Dam. Privately owned operators are presently producing about 157,000 horsepower from Saskatchewan water power. There is, in addition, the Island Falls Dam, which is presently under negotiation and agreement — the closing of the 50-year agreement.

In addition to this, the water power production of Eldorado Nuclear has two plants which are supplying power to the people of Uranium City, as well as to its own operations. They are adding a third plant, the Charlot River plant, which is the latest development in the province and will add another 15,200 horsepower of generating capacity from water power. A licence is presently being prepared for this particular plant.

The generation of electricity from water power is much more desirable than the generation of electricity from the combustion of coal and other fossil fuels. These are not only non-renewable, but they are expensive in terms of required energy to mine the resources necessary to establish the steam for the turning of turbines. They obviously add to the pollution of the atmosphere.

Therefore, we must encourage further harnessing of water power to generate electricity in our province; we must do this in an environmentally as well as a socially acceptable manner. The extra funds which this amendment to The Water Power Act will enable us to obtain in the future will provide for the opportunity, Mr. Speaker, to consider in some more depth the water resource benefits which will accrue to our province from the development of hydro power developments in the province.

As I have already said, the addition of these two minor amendments permits us to move to increase the revenue we now derive from the use of water power by the various sources that are using water in the province for the generating of hydro-electricity. On this basis, Mr. Speaker, I am pleased to move second reading of the bill.

MR. TAYLOR: — Mr. Speaker, we would like to look into this bill a little further. I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

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. McLEOD: — Yes, Mr. Speaker, I have a couple of things I would like to say about

this. We will deal with it more fully in committee of the whole. As for the new section 10 of this bill, I would like to point out to the minister that I have some reservations about this. I would hope other people in the province, including members across the way, would have some reservations about the powers given to a minister to give grants for any amount up to \$10,000 without any kind of scrutiny, except the minister's word on it. Where it says in the new section 10, that certain grants to handicapped and the disadvantaged may be commendable, I believe those are commendable grants. Where I have a problem with it is in considering this minister and his track record and so on. I have a concern about whom he might deem to be disadvantaged. The way they handed out money in his former post in the Department of Northern Saskatchewan, up to \$10,000, I certainly have reservations. I can't support that aspect of it.

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. 12 — **An Act to amend The Student Assistance and Student Aid Fund Act** be now read a second time.

MR. TAYLOR: — Mr. Speaker, I have been looking over the amendments which the minister has brought in and his explanatory notes. It seems that the basis upon which he wants to change the act is to broaden the decision-making base as to whom would be able to receive these loans. It looks like he wants to take into account the members of the student representative councils at the universities and the community colleges. This seems to be the area which he wants to broaden. I would say that I support that, I think this is a step in the right direction when it's loans pertaining to student bursaries and to student assistance. I think it is wise to have the elected officials of the students at the institutes have some input.

However, Mr. Minister, I think in amending this bill you have failed to touch on what is really the crux of the problem. As I understand it, it isn't so much in the administration but in the criteria for being eligible for such loans. These are the kinds of complaints that I get — that certain students, because of their fathers' net worth, are not eligible for loans, whereas other ones, who may, through various arrangements, have left home, are eligible for these loans. I think that some students in my constituency and throughout the province are being penalized because of the fact that their fathers have some considerable land holdings or investments. And, as we all know (those who come from rural areas) in the last year or so, especially last year, things haven't been so good and it doesn't look too bright right now. We are certainly not prophets of the future, but the economic conditions are just a bit worrisome out there, with the lack of moisture and so on. Here is a man with one section of land or so with an assessed value that makes his child ineligible for student assistance. So I think, Mr. Minister, we would look at taking that kind of a situation into consideration, so that people whose parents have some assets are not required to sell farmland, or sell cattle, or whatever their means of generating money may be, in order that their child can qualify for a loan, whereas others, who maybe leave that home environment and go out and set up their own situations (I won't go into that any further as to what kind of situations these can be, but some of them are a bit questionable) become eligible for the maximum loans. I think that is wrong. I think that is what we should be addressing, Mr. Minister, as well as what you've attempted to do in here.

I would say I'm in agreement with enlarging the base of who makes the decisions on loans and bursaries, but I am vehemently opposed to restricting the assistance to many

worthy individuals who require help, especially because of the depressed agricultural situation in the province. Furthermore, I've had examples of students who were not able to take the training they wanted within Saskatchewan. They've had to go out of Saskatchewan and into Alberta, and they are not eligible for a loan either. So, in two ways they are being penalized, Mr. Minister: number one, they cannot get the training here in the province of Saskatchewan, the type of training they need; number two, they are forced out of the province, and it is probably costing them more to get their education but they are not eligible for any type of loan or assistance. Now, those are the kind of changes that I think would address the real problem out there in the field of student loans and bursaries. I think that is the way we should be moving instead of just having a bit of administrative change.

MR. ROUSSEAU: — Thank you, Mr. Speaker. I just want to add a few comments to those of my colleague for Indian Head-Wolseley. Mr. Minister, you were asking for names and examples, and I will provide you with a name later today. I want to indicate to you . . . (inaudible interjection) . . . No, I'm not referring to the Alberta situation; I'm referring to another one. Well, he was talking about that. Do you want to hear my case or don't you?

I am referring to the same problems my colleague referred to earlier. That is: who gets these loans? I have a case situation which I will speak about later on. My concern is for an individual who left school some years ago, three or four year ago, has been out in the workforce and has acquired some assets. He has moved away from his family and worked. Under normal conditions, this individual should qualify, based, as I understand it, on whether you have been away for a certain period of time and are going back to further your education. This individual was turned down because of his assets.

Whom are we trying to encourage to further their education, the individual who doesn't want to work for a living, the individual who wants to live off the welfare of the state, or the individual who perhaps has a bit of initiative and ambition and shows it by going out and earning his living? This individual was turned down while others who have been on your welfare program or live off welfare . . .

AN HON. MEMBER: — You're against welfare people now, aye? Shame.

AN HON. MEMBER: — He's said nothing. He doesn't know what the truth is.

MR. ROUSSEAU: — Mr. Speaker, I'm just tempted to let the Minister of Health have a few comments but I think I'll pass considering where the comments are coming from.

My concern is to change the attitude about who is deserving of assistance in programs such as the student aid program. To further my comments, I will bring this case to you later today or tomorrow.

HON. MR. McARTHUR: — Mr. Speaker, I would like to close debate on this bill by indicating, as the hon. member for Indian Head-Wolseley mentioned, that the thrust of this bill is to provide for a broader base of participation by students in the province who are eligible to participate in this program in terms of both providing advice on the program, as well as in making certain decisions with respect to the program.

I think this program is a model of joint participation. It certainly has been in the past, in terms of participation from the federal government, the provincial government, the universities, the technical institutes, and the students of those institutes. This provision will provide a greater opportunity for those students, who are studying in the

technical and vocational programs, to participate in the activities of this program.

I might mention, Mr. Speaker, that as a result of some recent proposals now originating in the federal government with respect to radically altering the form and method of providing financial assistance to students in Canada, I think it is even more important that we have a broad-based committee such as this, with full participation by students as well as others, in order to provide advice.

What the federal government appears to essentially be saying is that even though we have built up a system over the years for providing student assistance, that provides for financial input from the federal government, financial input from the provincial government, and participation by all of these interested parties — even though that has been working successfully, the federal government now appears to be by-passing this whole structure, and moving toward pulling back money that goes to our universities and providing other (what they call) more direct means of financial assistance to students. It means that not only will tuition fees go up very substantially but, in addition, only those students who fit into the federal plan will receive assistance. I believe that this is a retrograde step, Mr. Speaker, and I certainly hope that this committee will be given the opportunity by the federal government to provide advice on that program before any changes are made. It is my intent to insist that this new restructured committee, which is a participatory committee, has the opportunity to speak and to study that federal plan.

Mr. Speaker, I want to just comment briefly on some observations and comments made by the members opposite. They indicate that they do not agree with the student assistance program which is needs based and which considers the financial needs and commitments of the students. They say they do not support such a program as that.

I ask: what is the policy of the Conservative Party when it comes to financial assistance for students? It is impossible, from what I have heard, to understand what they really stand for. I went to the previous short-lived (thank goodness), Tory government in Ottawa, and suggested to them that there should be certain changes made in the program. They said, "But this is a program that should consider the net worth, the net assets, and the income" — with which I basically agree. But I suggested to them that the federal government was being a little too restrictive in its application of those criteria. It was squeezing the students a little too hard. That is what I suggested.

What was the response from the federal Tory government? They said, "No, we disagree." In fact, from what they did, it looked like they wanted to make the restrictions tighter. They wanted to make it more difficult for students to receive financial assistance.

Now, Mr. Speaker, I suggest to you that there is a very large gap between the words and rhetoric of the Tory party, as represented by these members opposite, and the actual action of the Tory party when it gets responsibility. It was certainly proven by actions when they were governing in Ottawa. We could get absolutely no action whatsoever.

I point out to you, Mr. Speaker, something the hon. members don't seem to understand — the student assistance program, in this country, is a federal-provincial program. The federal government refuses (and this was true of the Tories as well as the Liberals, even though we asked) to put any bursary money into this program. It will put in only loan money — loading students with the burden of debt. We, in the province, put bursary money (totally bursary money) into this program for our matching money. We received

no response from the federal Tories to do something about that. This showed once again, Mr. Speaker, the difference between the words and the actions of the Tory government.

In addition to that, Mr. Speaker, over the past two years we have successfully fought for some opening up of the criteria, stating that we do believe in a needs-based program that takes into account both the financial needs and resources that students have. While agreeing to the principle of that program, we have suggested some opening up of the criteria. We've had to fight and struggle all along the way. Saskatchewan is the only province, as a result of that fight and struggle, over the past two years to have increased financial assistance. I think last year the amount of student financial assistance granted increased something like 35 per cent and something like 20 per cent is proposed for this year. This we have done as a result of changes in some of the net worth criteria as they apply to farmers and in some of the income criteria that we saw as being unjustified. We had to fight and struggle all the way with the federal government.

About a year ago I was able to convince the other ministers of education in Canada and the federal minister to set up a task force to review financial assistance in this country. There seems to be no indication of commitment on the part of the federal government to respond to the basic proposals of that task force. Indeed, I am very fearful, although we do not have a final answer, that what it is doing now indicates that it is going to even further restrict the availability of financial assistance under this program.

I think, Mr. Speaker, the record shows that here, in Saskatchewan, we have been making a very concerted effort to ensure that those students who have financial needs have their needs met. That, Mr. Speaker, is basic to the philosophy of this government and this party. And we will continue to struggle for that. I'll bet we will have to struggle against both Tory and Liberal governments in Ottawa, which are not responsive to that at all and, essentially, do not believe that the financial needs of the students should be met in a generous and substantive way.

Mr. Speaker, with those remarks, I close on this bill.

Motion agreed to nemine contradicente on the following recorded division, bill read a second time and referred to a committee of the whole at the next sitting.

YEAS — 46

Pepper
Snyder
Tchorzewski
Skoberg
Vickar
MacAuley
Koskie
Poniatowski
Solomon
Thatcher
Taylor
Hardy

Allen
Smishek
Robbins
McArthur
Kowalchuk
Engel
Shillington
Prebble
Chapman
Birkbeck
Rousseau
Pickering

Kaeding
Bowerman
Baker
Gross
Thompson
Cody
Lusney
Johnson
Miner
Lane
Swan
Garner

Rolfes
Banda
White
Ham

MacMurchy
Lingenfelter
Andrew

Mostoway
Long
McLeod

NAYS — 00

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins that Bill No. 29 — **An Act to amend The Automobile Accident Insurance Act** be now read a second time.

MR. GARNER: — Mr. Speaker, after having viewed this bill, I see that it is basically what the Progressive Conservative Party of Saskatchewan has been calling for over the past few years. The NDP government is finally trying to catch up with the times. In going over the minister's comments in second readings, it was very hard for me to stay on the high road because he was taking the low road most of the time. Since he is such a master of figures in manipulations of everything, I would like to take up one section. It is on page 582, for the minister's own information, where he states:

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 had to add a \$15 charge on the driver's licence. 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.

Mr. Speaker, in very simple mathematical terms, you take that same car being driven in a city in Manitoba at \$282, add \$30, and you come up with a total of \$312. You take that same car in a city in Saskatchewan at \$248, and add the \$15 —but now we have to add some charges which they don't like to talk about.

AN HON. MEMBER: — I added it in.

MR. GARNER: — You didn't add it in. We're going to add 3 cents a gallon of gas and 750 gallons per year, on an average, for an average driver. We're going to add \$22.50 on that, and I think that's a very conservative figure for the minister opposite. One other figure: we have to add the \$30 million grant from CIC (Crown Investments Corporation of Saskatchewan) to SGI, which is interest-free and has no repayment schedule set, times the number of drivers, which brings us to \$50.73. So then, Mr. Speaker, we have to add \$73.23 to the total package which brings us, adding \$73, plus the \$15, plus the \$248, to \$336. And then, he stands up in the Chamber and says, "We have the cheapest insurance in Canada." That's just garbage and you know it. But you can make the figures read whatever you want.

Now, we go to the individual living in rural Saskatchewan, Mr. Speaker. I'm going to stay on the highroad; I'm not going to get into the gutter with him. Mr. Speaker, in Manitoba,

living in rural Saskatchewan, by the minister's own figures, \$241, and adding the \$30 licence fee, gives us \$270. By the minister's own figures!

Now, we go to Saskatchewan, \$248 . . . (inaudible interjection) . . . Well okay, \$271. I'm not quite as perfect as you are, but for a dollar I'll keep you happy. We come back to Saskatchewan. With that \$248 package, add \$15, add our \$73 which I stated before has to be added into it; and we come up with \$336. Now, \$30 and \$36 is \$66 (I think I'm close enough there, Mr. Minister); \$66 — the same thing is cheaper in Manitoba than in Saskatchewan. Those are the figures, the facts and the truth. I know it shoots over most of your boys' heads but that's the way it is . . . (inaudible interjection) . . .

Oh, and we have the minister of truth talking himself — he was the minister of truth. Sorry, I'm going to stay on the highroad.

Mr. Speaker, now I would like to turn to another little aspect about the advertising in Saskatchewan with SGI. Approximately \$800,000 (and I'm not going to go into all of the exact figures of it) . . . The minister says how good this advertising program is.

Well, Mr. Speaker, I would just like to tell you that during the past summer, I spent a lot of time with my family. I have a little eight-year-old son at home. We saw this commercial on television with this gentleman looking like some gentleman who, I guess, could be in this Chamber, driving a little car into the back of a truck. There's an old lady standing there, say, "Oh, my goodness. There goes all of my furniture." . . . (inaudible interjection) . . . And it has Ontario plates on.

Now, Mr. Speaker, is this going to prevent accidents in Saskatchewan? Do you know what this did? This was entertainment, Mr. Speaker, for my eight-year-old son. He said, "Boy, Dad, that guy's a good driver. He can drive that car right into that van." That's the kind of good advertising program carried out by SGI? To prevent accidents? It'll be eight more years before he's driving a car.

I remember during the past summer thinking the past minister of highways didn't want the children watching — what was that show? . . . (inaudible interjection) . . . *The Dukes of Hazzard*. Well, we don't have to watch *The Dukes of Hazzard*. We can just watch SGI commercials, for goodness sake. That's the fact; that's the truth, Mr. Speaker.

Now, regarding this bill directly, it's about time. It's overdue. It should have been implemented five years ago. There are many people suffering today because of the high cost of inflation and they are not keeping up with it. But now what does concern me is that SGI, as we all know, is in a total mess and total chaos. We know there must be someone in there with maybe his finger in the cookie jar. Who knows? It's going to come out. We've many more questions coming up in Crown corporations committee. But, Mr. Speaker, I have a news release dated January 14, 1981, and headlined "Senior Appointments Approved":

Effective February 16 the changes are: Mr. Harold Jones, currently deputy minister of social services, will become senior vice-president of Saskatchewan Government Insurance . . .

Further on down the page,

Mr. D. M. Wallace, SGI president, announced Jones's appointment, stating Jones's considerable skills in special projects and extensive administration

experience are a welcome addition to the corporation.

Now, I think it's quite evident from Mr. Jones's past record in setting up the program, which was brought to your attention last week by the member for Regina South, as to how efficient and effective that program is. It concerns me, Mr. Minister and Mr. Speaker, that someone like this, the deputy minister of social services, who has already bungled, partly, in the SGI program, now gets advanced a step up the ladder. It seems to me in order to get a better job in this government, you have to waste \$400,000 or \$500,000. "The heads roll up," my colleague for Indian Head-Wolseley says, and that's true, Mr. Minister. That concerns me because of the \$28 million loss last year and projected \$20 million loss this year. With someone like this as senior vice-president, are you shooting for \$40 million or a \$50 million loss next year? I'm concerned, Mr. Minister, and I think you should be very concerned as well.

The minister has stated one thing many times, Mr. Speaker . . . (inaudible interjection) . . . Well, you know he was taking a low road, the member for Wilkie. I personally happen to think the member for Wilkie is a pretty good guy. The minister stated, when I was asking for something for the accident-free drivers in Saskatchewan, "No, we can't do anything." There is just no way, because the socialist philosophy is that everyone pays the same, regardless.

Here's just a little clipping. I don't know whether it was the *Leader-Post* or the *Star-Phoenix*, of January 31, 1981. It's headlined "SGI's Problem."

SGI's 28 per cent average rate hike is unfair to responsible, accident-free drivers who are being forced to ease the bad drivers' financial responsibility. Responsible accident-free drivers do not cause insurance losses, due to the make, model, type, or year of vehicle they drive. Irresponsible, careless drivers do. SGI's action is contrary and counterproductive to the objectives of an energy conservation policy. Why own a compact, energy saving car when operation and ownership of that car becomes as high or higher than the gas guzzler?

SGI's new discriminating rate structure may solve its financial management problems, but it fails to fairly and honestly address the real issue of bad drivers and their accidents. There are many reasons why we have mediocre and bad drivers with attitudes and habits that lead to accidents and insurance losses. The facts need to be faced. There is no singular, simple answer or cure.

The Saskatchewan Driver Educators' Association believes the realistic way to reduce accident rates will be found only by a concentrated, co-operative effort by all people and agencies concerned. Driver education is a very important part of the answer and cure, as are good traffic legislation, enforcement, safety education, and programs such as Driving Without Impairment. Penalizing good drivers is not any part of the answer or cure. It only temporarily answers SGI's present financial embarrassment, and becomes part of the problem.

This is from Mr. N. B. Hall, secretary of the Saskatchewan Driver Education Committee.

Before, Mr. Speaker, I have read letters from different people around Saskatchewan who were concerned — concerned about why they should have to pay for the individual

who is costing us \$10,000, \$20,000, or \$30,000 a year. I think I could go one step further — why should they also have to pay for mismanagement of SGI? And that is the minister's own responsibility. I put myself in that position, Mr. Speaker, and it goes on the record. If and when (it could be very soon) we become the government of this province and I were the minister of SGI, I would not hire someone from the Department of Social Services to go in there and try to clean up a mess. What you are simply doing is causing the snowball to become bigger and bigger, and consequently the rates to all drivers in Saskatchewan are going to be higher.

Now, this bill with the minister has brought forward (there are two or three bills in the package, I believe) is good legislation. It's overdue but it's finally here.

Mr. Speaker, I have a few other comments and a few other questions, but we will bring them up in committee of the whole. I think another one of my colleagues has a comment on this, so I will sit down and ask the rest of my questions when we get into committee of the whole.

HON. MR. CODY: — Mr. Speaker, I had not intended to enter into debate on Bill No. 29, An Act to amend The Automobile Accident Insurance Act, but I just decided to do so in the last moment. In fact, I did not make any notes. But perhaps I should enter into the debate because, on looking through this bill, I think it's a very good piece of legislation for the people of Saskatchewan — the driving public of this province. The reason I got to my feet was because of some of the things that the member for Wilkie was mentioning.

He talks about the Progressive Conservative Party's advocating for some time — for the past couple of years — having increased indemnities. At no time did the member even mention what the increased indemnities were, so that the people of Saskatchewan would know, and readily be able to tell from the debate what these increases were. Incidentally, for the member's own information, the weekly indemnity will go from \$ \$60 to \$150, which will be one of the highest benefits in the Dominion of Canada. And it is on a no-fault basis. One does not have to be at fault, or anything else. One doesn't have to sue or do anything. It is just automatically paid to an individual when he has been totally disabled.

Also, he didn't go on to mention that there are public liability and property damage improvements, from \$35,000 to \$100,000. He failed to mention those figures, and, Mr. Speaker, he failed to mention them intentionally, because, first, I don't believe the member for Wilkie read the bill, and secondly, I don't think he wants the people of Saskatchewan to know what this great increase is. That, again, will be one of the highest in the Dominion of Canada, if not in all of North America.

Mr. Speaker, he also went on to talk about rates — the exorbitant rates which the people of Saskatchewan pay. First of all, I don't know where he sees a rate in this bill, because there is nothing to do with rates in it. But now he mentions the rates. I think I should take the opportunity to rebut. I'm going to do that on another occasion, because I'm going to look and find out exactly what the rates are throughout this country.

I can tell you, Mr. Speaker, and the hon. member for Wilkie, if he had done his homework (and he never does), and looked in Saturday night's *Leader-Post*, would have seen a small article in there from Royal Insurance. What did Royal say about automobile insurance rates in Canada? What did Royal say about accidents in Canada? I will tell you what they said. I don't have the clipping with me, but I vividly remember what they said. They said that the Royal Insurance Company this year has a deficit of

\$64 million. Mr. Speaker, that is a private corporation which is obviously so well-run I can't understand why, when it is so well-run (and the accident frequency is no different in other provinces than it is here, according to the members), it would lose so much money. They also lost something like \$20 million to \$30 million last year. They are supposed to be so well-run.

SGI is supposed to have incompetent people and mismanagement and there is supposed to be a mess. The members opposite are saying all of these things. But are they also saying that Royal Insurance is a mess, that it is mismanaged and that it has incompetent people? Are they saying that? They don't say that and do you know why, Mr. Speaker? It's because the Tories of this province, like the Liberals before them, have set out in this debate, and the prior one, to destroy SGI. There is just no question about that. That is exactly what they have been doing.

Mr. Speaker, I know the hon. member for Qu'Appelle is an authority because he was the very executive assistant under the minister in charge of SGI at the very time that they made a report to do away with SGI.

MR. SPEAKER: — Order, order! I wonder if the member for Qu'Appelle could cease his bleating while other members are speaking. Not only does the member for Qu'Appelle do it from his own seat, but he does it from other members' seats. I wish that the member for Qu'Appelle would observe the decorum which is supposed to be observed in this House.

Order, order! If the member for Qu'Appelle wishes to change the rules of this Assembly, he has access to, and has members on, the rules committee. If wants to change the rules, let him do it that way, which is recognized.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. CODY: — Mr. Speaker, as I was saying when I was interrupted by the member, while the Liberals were in power (I am not sure if he is a Liberal or a Tory today), he was the very person who was an executive assistant to a minister who had been the minister in charge of SGI. I haven't recently looked at the reports, but I am sure a person could dig through them, and I wouldn't be surprised if a person would find that some of the friends of the Tories opposite were some of the people who had something to do with that report. That would be very interesting to look at to make sure that some of those gentlemen over there did not have a hand in preparing it — particularly looking at the highlights of that report. That report, incidentally, Mr. Speaker, spoke quite a lot about the fact that it wasn't possibly the best idea to have a compulsory automobile insurance program in the province of Saskatchewan.

I know the reason that the Tories opposite, for the past month or so, have been talking about SGI and have not been giving SGI any help is not because we have had such tremendous increases in accidents. It's not for that reason at all. Mr. Speaker, that's what an opposition is supposed to do. They are supposed to criticize legislation so that the legislation can be made better, so that the people of Saskatchewan benefit from their viewpoint. But they are not doing that. They are dragging down this corporation just because they feel that if they can drag it down to a low ebb, maybe some of their friends will decide that they should purchase this great corporation of ours at a fire-sale price.

That's exactly what they're trying to do. Mr. Speaker, I don't think the people of Saskatchewan are going to listen to that kind of thing, because that's not what the people of Saskatchewan are asking for. The people of Saskatchewan are asking for more from an opposition than that. They're asking for some help to get this corporation out from its deficit position because of the high frequency of accidents, because of inflation in the costs of repairs, and what have you. That's exactly what they're asking of this opposition, but they're not getting that.

They talk about the employees and they talk about every one of the employees. I heard them, the other day, talking about the salvage division. I heard them, the other day, talking about the security staff. I heard them talking about the adjusting people. Mr. Speaker, I don't think there is any better employer anywhere in the Dominion of Canada than there is at SGI.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. CODY: — I know a lot of SGI people personally. They are diligent, hardworking, and honest. I can assure you of that.

Mr. Speaker, the member went on about his 8-year-old son looking at an advertisement. I think it is incumbent upon Crown corporations, like every corporation, to do some institutional advertising or some advertising about the various programs it has. SGI has done that and I think it's only right. After all, if you are changing a system of some kind, like SGI was doing in the rating, you certainly owe it to the public to tell them what the changes are going to be. But not the members opposite; they just criticize because they feel the criticism may well do something for their image in the country.

Mr. Speaker, I can assure you this is simply not the case. I have been throughout my constituency on numerous occasions since the time that the rate increases were on, and I get very little by way of criticism with regard to the SGI rates.

The people of Saskatchewan know that inflation is serious; they know that prices are high; they know that accident frequency is high. As a result of that, they realize that not only this corporation raises rates, but more corporations raise rates.

Mr. Speaker, he also went on to talk about energy-saving cars, and asked why a person would buy a little vehicle which is saving energy and should cost less for insurance, when now it costs more for insurance. Mr. Speaker, the facts are very simple. The facts are that a lot of the smaller cars are foreign. In fact all of them are, I suppose, if you look at the U.S.A. for the manufacturing. It does, Mr. Speaker, go without saying that when you have a devalued dollar you're going to pay more. At the same time, the accident frequency in little vehicles has been higher. There's just no question about that. As a result, the rating was changed and it was changed, in my view, for the betterment of all of the driving public.

Mr. Speaker, I have a lot more that I want to say. I think it is incumbent upon me to say a few more words about this act. I think it is a good one. It gives the people some benefits which they are looking for, and, as a result of that, I am going to put together a few more notes. At this time I beg leave to adjourn debate.

Debate adjourned.

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

Smishek that Bill No. 11 — **An Act to amend The Lloydminster Municipal Amalgamation Act, 1930** 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. Koskie that Bill No. 31 — **An Act to amend The Saskatchewan Insurance Act** be now read a second time.

MR. GARNER: — Well, Mr. Speaker, it's too bad I couldn't have done this bill before Bill No. 29; then maybe the minister from Dallas wouldn't have had to get up and adjourn debate on the other bill that we would like to see get through this Chamber. It has become quite apparent that the government doesn't want it to.

This bill is quite simply put, Mr. Speaker: Section 204 is amended by: (a) striking out "\$35,000" and bringing the liability up to "\$100,000"; (b) by striking out "\$30,000" and substituting "\$95,000" on the same liability package, pretty well; and by striking out in (c) "\$35,000" and substituting "\$100,000" on this side of the House.

We are in favour of this. We would like to see this legislation go through the House, Mr. Speaker. After all, it is the opposition's job to scrutinize what this government brings forward. We are quite willing to get these bills through the House, but it is very evident and very clear to me that the government members opposite, who have brought this legislation in to increase it, do not want to. So, I have no other further comment until we get into committee of the whole.

MR. THATCHER: — Mr. Speaker, I have some very brief comments that I would like to make on this bill. Mr. Speaker, we in this Assembly, on this side of the House, fully approve of changes that SGI is making in some areas. We concede and we note that SGI has had some problems. Many of those problems, Mr. Speaker, were typified by one of the members who spoke in this Assembly a few moments ago. Now, Mr. Speaker, I don't intend to quote him, but if I may make an observation from this side of the House, one of the problems that SGI has had is that the past few years it has become relatively a company that has had not enough insurance expertise. In other words, far too many of the insurance people who have been calling the shots at SGI are typified by the Minister of Telephones. Far too many of the decisions that had been made in SGI were made by people like the member for Quill Lakes, people whom we like to refer to on this side of the House as hacks — political hacks.

AN HON. MEMBER: — Mr. Speaker, a point of order.

MR. SPEAKER: — What is the point of order?

HON. MR. CODY: — Mr. Speaker, I just wonder what hacks at SGI or what problems SGI is having has to do with the bill before us? All the bill before us does is change several numbers (one from \$35,000 to \$100,000 in two different places) and that's the only thing the bill does. In my view, Mr. Speaker, the member is clearly out of order.

MR. SPEAKER: — Order! I believe the point of order raised by the Minister of Co-operation and Co-operative Development is not necessarily valid. The question before the House is the amendments to The Saskatchewan Insurance Act. The very fact that this bill is before the House allows a member to discuss the concept of The

Saskatchewan Insurance Act, and in particular, any of the amendments relating to the sections of that act. The members will note there are a number of figures contained in the bill. In fact, the coming into force of the bill is in some way related to The Automobile Accident Insurance Act, 1981, coming into force. I think as long as the member's remarks are related to the principle of The Saskatchewan Insurance Act in general, and that his specific remarks are related to the amendments which we see before us to The Saskatchewan Insurance Act, his comments would be in order.

MR. THATCHER: — Thank you very much, Mr. Speaker. I think this has demonstrated conclusively that the member for Kinistino knows as much about the rules in this Assembly as he knew when he was in the insurance business. In other words, most of his things were wrong. Incidentally, Mr. Speaker, I apologize for referring to him as the member for Quill Lakes. I am sure the people from Quill Lake will never forgive me; I apologize to them profusely.

Mr. Speaker, many of the problems which SGI experienced were simply because too many people making key decisions were not insurance people. I want to concur with the remarks made by the member for Kinistino, when he indicated that SGI has some very astute, capable people working in that corporation. We agree fully. We think it was a disgusting, shameful act when SGI chose to hang the \$28 million mess on the backs of 13 middle-level employees. We think that was a shameful, disgusting slur on every member, on every employee, of SGI. It has been our contention, all the way through, that far too many decisions in SGI in the past couple of years have been made by people like the member for Kinistino, namely hacks, people who just simply knew nothing about the insurance business.

AN HON. MEMBER: — He doesn't know anything about Sask Tel either.

MR. THATCHER: — Well that is a fair comment, but I don't think I am allowed to talk about Sask Tel. We'll do that one on another day. Regrettably, Sask Tel may very well be following in a similar fashion to where people like the member for Kinistino took SGI.

Mr. Speaker, SGI suffered losses last year of \$28 million. It is projecting this year losses of \$20 million. That is a disgraceful, deplorable situation. Any government corporation that had the gall to put up a palace like the C. M. Fines Building, and then finds itself in a financial mess like this, should hang its head in shame. It was a disgusting thing. Any company that could put forward an increase in rates of 28 per cent in one year, after coming up with a Taj Mahal like the C. M. Fines Building, is almost a basis for public inquiry.

SGI has had a lot of things going for it. You have had seatbelts which have reduced the accidents. You've had lower speed limits, which have reduced the accidents.

Mr. Speaker, SGI rates have gone up 48 per cent in 14 months. I challenge somebody over there to get up and deny that — 48 per cent in 14 months. The fact of the matter is that you've had a lot of things going for you, and SGI has just been a very poorly run company.

Mr. Speaker, we want to serve notice on the government that when we get to SGI in the Crown corporations committee, we hope that you will bring along the details of your investment fund. We hope that you will tell the Crown corporations committee exactly how you invested the taxpayers' money and we want you to tell us whether or not you

have played the commodities market. We want you to tell us where you placed that money. In fact, we want you to tell us where that \$28 million is.

Mr. Speaker, we strongly suspect, in fact we believe, that a goodly portion of the \$28 million that you are asking Saskatchewan residents to pick up through licences, insurance premiums, and whatever, was lost by horribly decrepit management of your investment portfolio. We are going to stick to that contention until we have a look at that investment portfolio. We want to find out whether you played things like the silver market, the gold market, or the stock market. In short, Mr. Minister, I challenge you publicly in Crown corporations to produce your investment portfolio.

Mr. Minister, when you get that question put to you in Crown corporations, do you know what I think you are going to say? You are going to say, "It's not in the public interest." Well, let me tell you, I don't know about the public interest but it's sure not in the interest of the NDP. That interest it's certainly not in, because you know very well where that \$28 million is. You blew it right on your investment portfolio. You played the commodities market; you played the stock market; and you had people making those decisions who didn't know how to do it. They were out of their league. You made decisions internally that were not good corporate decisions.

Mr. Minister, we say to you categorically that if you want to do SGI a favour, and if you want to do the taxpayers of this province (the ratepayers, the drivers) a favour, get rid of the hacks in SGI (like the member for Kinistino) who are making too many of the decisions. They don't know a blasted thing about the insurance business. They weren't even particularly good politicians or they wouldn't have been defeated.

Mr. Minister, respectfully, as we've made the comments earlier, the corrective measures that you've made in SGI are not the proper ones. What SGI should very clearly have done when the extent of this mess became apparent was go to the private sector and recruit the best insurance men that you could possibly buy. That was clearly the route to go. As I've indicated in this Assembly earlier, Mr. Wallace is a capable individual. Certainly, he has a future in the public service in this country — probably even in Saskatchewan. Harold Jones doesn't need anybody to speak for him. He has served two administrations very admirably. But respectfully to these two gentlemen, they are not corporation people. They are public servants and in a public service certainly they have a significant role. But, Mr. Speaker, categorically they are not the answer to SGI's problems. You need people that know how to run a corporation, and more specifically, how to run an insurance business.

Mr. Speaker, on this side of the House we contend very clearly that it is people with the expertise of the member for Kinistino who have led not only SGI to this problem, but also other Crown corporations whose difficulties are not apparent. Furthermore, Mr. Speaker, we say that this entire mess in SGI points up a weakness of the Crown corporations committee. Mr. Speaker, we in opposition are elected as a watchdog on the public purse. The questions which should be asked in Crown corporations about SGI are going to be stonewalled by your saying that it is not in the public interest. If there were ever a Crown corporation that really needs a working over, in the interests of the corporation, it's SGI.

Mr. Speaker, I can only say that if we were in government and a mess like this were uncovered in a Crown corporation, we would say to you, "Here are some lawyers; here are some accountants; go into it; show us what's wrong." I predict, Mr. Speaker, when the appropriate questions are asked on the annual report on SGI, that that minister over

there, the minister who we have suggested might appropriately call it a day (tomorrow would not be too soon), will spend most of the morning saying, "It's not in the public interest."

Mr. Minister, there has been some controversy as to whether television should be allowed in the Crown corporations committee. When we're asking you questions about SGI, I wonder if you would allow the TV cameras in there to hear you say over and over again, "It's not in the public interest"?

MR. SPEAKER: — Order, order. I've tried to be very fair with the member and I hope the member is going to try to be fair with me and not push this beyond the point of talking about the bill which is under consideration. I think he is getting into an all together different subject here.

MR. THATCHER: — A point well taken, Mr. Speaker. We say very clearly that any Crown corporation which has had to increase its rates 48 per cent in 14 months is in very serious trouble. The specifics of the bill in front of us we agree with and we will support it.

Mr. Speaker, we have to serve notice and say that we think SGI itself is in a terrible mess. We do not believe the government across the way is doing the appropriate things to correct that mess since it is talking about a projected \$20 million deficit in the coming year. That corporation has very significant problems. I have a great deal more to say on this bill but time is moving on and I beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Koskie that Bill No. 37 — **An Act to amend The Non-profit Corporations Act** be now read a second time.

MR. LANE: — The minister has advised me on the questions I had raised on second reading, and I am particularly pleased that the department will be preparing a kit on the differences on the provincial non-profit corporations, charitable applications and the confusion that has arisen because of conflicting criteria from the Department of National Revenue. For that reason and with that assurance from the minister, we are going to support the bill.

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. Cody that Bill No. 38 — **An Act to amend The Credit Union Act** be now read a second time.

MR. THATCHER: — Mr. Speaker, there are certain aspects about this bill which do make us, on this side, a little nervous. We wonder just how wise it is that a government agency or a Crown corporation be allowed to borrow from the credit unions.

Mr. Speaker, from the point of view of the credit unions, to give them fairly solid customers, such as a government or a Crown corporation, may be advantageous. From the point of view of the ordinary person, I mean a farmer or a small businessman, I wonder if that is really in his interest.

Mr. Speaker, I think it's a fair assessment to say that in the past 10 years probably the best friend of small businesses or farmers who couldn't get farm credit corporation loans has been the credit union movement.

Mr. Speaker, the member for Saskatoon continually wishes to chirp in sounds like an individual who's a trifle on the bitter side. If I had been passed over as many times for a cabinet post as he has been, I would probably be a trifle bitter too, particularly when . . .

MR. SPEAKER: — Order. I don't know what this has to do with the principle of the bill before us. If the member could stick to the principles of The Credit Union Act.

MR. THATCHER: — That's certainly a very valid point, Mr. Speaker. But when I hear such ignorance coming from that side, sometimes I do react in that fashion, and I apologize.

Mr. Speaker, we are wondering (and I say, wonder) whether it is advisable for the government to be in competition for the loan funds of the credit union with the smaller individual. Now, that smaller individual can be anybody. The credit unions have done an excellent job in picking up that slack in land purchases and in small businesses. They have done a far better job, I might add, than the majority of the chartered banks. I don't mean that as a slur on the chartered banks, but the credit unions find themselves much more readily jumping into smaller loans which are sometimes a trifle more difficult to come by from a chartered bank. It's interesting to see the heckling I'm getting from some of the members over there when I'm talking about the merits of the credit union. Frankly, I make no apology for saying the credit unions have done a good job for smaller farmers, medium-sized businessmen, home-owners and the average person. If you people on that side of the House want to heckle me and make stupid remarks which are an aspersion on the credit union movement, by all means go right ahead. I hope the people up there will record it appropriately. But for goodness' sakes don't thump your desks. I just can't stand you guys being on the same side.

Mr. Speaker, that is our concern on this bill. The credit unions have a limited amount of funds available for loan. The moment they can lend money to Crown corporations or to governments, the competition for these funds will be restricted among the smaller people. For that reason, we are wondering about the advisability of allowing the government or the Crown corporations to move into these funds, which basically have been left to the smaller businessmen, farmers, and just ordinary people.

Obviously, the credit unions have been doing reasonably well lending money to these people. The assets of the credit unions in this province, I think, are getting close to \$3 billion. So, all right, they may have lost the odd one, but obviously they're doing pretty well lending to these people.

Gentlemen, I am really appalled that when nice things are being said about the credit union movement certain people in the New Democratic Party simply have to heckle and catcall at an institution which, I think, has been very instrumental in helping Saskatchewan grow. I'm appalled at the Minister of the Environment, who has had a great many derogatory things to say about the credit union movement. If your priorities are so misguided, maybe that's why the Department of the Environment does such a lousy job in this province.

Mr. Speaker, we are wondering about the advisability of the government competing with private individuals — middle-sized farmers who can't get a farm credit corporation loan. In fact, actually, nobody can get that. We are wondering about the advisability, and for that reason we wish to reflect on this bill a little bit longer. This is one of our primary concerns. Therefore, I am going to beg leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

HIGHWAYS AND TRANSPORTATION

Ordinary Expenditure — Vote 16

MR. CHAIRMAN: — I would ask the minister to introduce his officials.

HON. MR. LONG: — Mr. Chairman, I am pleased to introduce to you, and to the other members of this legislature, officials of the Saskatchewan Department of Highways and Transportation who are with me today. They include, Tom Gentles, deputy minister; Jack Sutherland, associate deputy minister; Al Schwartz, director of support services division; Paul Fitzel, director of financial services branch, and Myron Herasymuik, operations manager.

Mr. Chairman, these are senior people in the Department of Highways and Transportation, and they represent an accumulation of 128 years of service in this department. I am proud to be associated with them.

I also welcome the examination of this department's spending and planning for 1981-82. This examination, I am sure, will provide conclusively that the Saskatchewan taxpayers are getting a good return for public expenditures for transportation services. Department strategies have contributed immensely to the development of our province.

Item 1

MR. BIRKBECK: — Mr. Chairman, I want, first of all, again to congratulate the member for Cut Knife-Lloydminster for his new portfolio as Minister of Highways and Transportation. I believe it also includes responsibility for the highway traffic board. I would like, as well, to congratulate his officials for the work they have done in the past year. I would, of course, welcome them to the Assembly. I expect, in all probability, they will be able to provide the minister with some of the more detailed questions which he is not expected (as tradition has had in this Assembly at least) to answer.

It would be my hope that we would be able to get the answers to the questions which we ask in the Assembly on estimates under highways and transportation. It would also be my hope that for any of the answers which weren't forthcoming immediately, we could expect that your word, Mr. Minister, would suffice in providing the answer within a reasonable length of time. A reasonable length of time being about a couple of weeks, as far as I'm concerned, given the past record of government and its movement, it is not, at times, as quick as maybe some people would like it, but I understand it does take some time to dig out the kinds of answers for which we ask in estimates. I would be quite

pleased, for that matter, if I were able to get the answers to some of the more detailed questions inside a two-week period. So that's what I consider to be a reasonable length of time.

Now, with those opening remarks past the board, I would want to just make some general comments again, as has been the tradition in estimates on the Department of Highways and Transportation, and to state what some of my concerns are. The primary concern which I have right now is basically the policy of the Department of Highways in terms of new road construction. Now, I am not clear as to how you arrive at that policy. I am not clear as to how you set out the criteria for new road construction programs, in particular, your project array which was tabled just last week in the legislature. Those kinds of decisions are very important decisions. I feel it would be very beneficial to this committee to establish very clearly what the criteria are for setting the policy for new road construction. I often hear the minister state that highway safety is going to be one of his priorities. Certainly, we heard the former minister of highways state that highway safety was one of the priorities.

Now, when I thought about how I wanted to approach the cross-examination of the Department of Highways and Transportation, I reflected on other members in the Assembly who had asked questions, in particular on their opening remarks whereby they ran by too many questions and too many subjects to be answered by the Minister of Highways when he replied. We, therefore, did not gain any answers to the questions which we had asked, except for maybe the first one or two, or the last one or two, or those which seemed to strike the minister as being important questions to answer.

I want to advise the committee now, and the Minister of Highways, and his staff in particular, that all the questions which I have to ask are important questions and I ask them for a reason. We, on this side of the House, are looking to move as efficiently and as quickly through the examination of the estimates for spending for the Department of Highways and other departments as is possible.

We, on this side of the House, are preparing ourselves, and rightfully so, for government in the province of Saskatchewan. We want to exhibit to you, and through you to the people of Saskatchewan, that we are capable of doing that. When we get some of the answers to the questions which we have, we will be in a better position yet to assess how we would handle, in this particular case, the Department of Highways and Transportation.

Now, that has to be the first question. I want you to record very accurately that I want to know what the criteria are for establishing policy for new road construction, given your statements and the former minister's statements that highway safety is a priority, that that seems to be one of your main concerns.

At this point, I might as well suggest to you what seems, to me at least, to be the policy in terms of road construction. Wherever there seems to be a major problem, a major disaster, a major fatality or a number of fatalities, you will apply your new road starts. You may do that because there is a great public outcry at that time and it is politically sound to move on that particular stretch of road, notwithstanding the fact that other stretches of highway, which are identical in terms of traffic flow and in terms of accident frequencies (whether they be fatal or otherwise), exist in other parts of the province. That seems to be on the criteria.

If that is not the criterion, then I should think that the minister would respond. I will take

my place and await a reply from the minister as to the criteria for establishing policy for new road starts.

HON. MR. LONG: — Thank you very much, Mr. Chairman. In reply to the hon. member, I appreciate very much that he mentioned safety and recognizes that the Department of Highways and Transportation in Saskatchewan does indeed put safety as a very high priority in terms of road construction. I think that all across the province, when you look at our road construction program, you can see that we are indeed building safer and safer highways and attempting to serve the public in better ways.

The other criterion we have to look at is the existing quality of a road. What kind of condition is the road in? What is the ability of the road to handle the traffic flow? What is the traffic count out there, when you are considering the construction of a road? Maintenance costs come into play. Certainly the cost of maintaining a road has much to do with the decision on the economics of building a new road.

In many parts of the province, there is industrial development where you need a higher quality road, or new road construction. Some parts of the province, unfortunately, were experiencing more grain movement on our highways and, therefore, we have to adjust accordingly, and construct and rebuild roads.

Another priority in the province of Saskatchewan is our northern development. Highway No. 155 and Highway No. 106 are examples of this — highways we are building in the North to serve northern needs and develop the resources in the North.

The member suggested that perhaps our policy is only to react to major disasters on the highways. I don't think that is quite a fair statement. I am sure he is referring to some of the four-laning we are doing this year in the province. It has been mentioned before in the House. If you look at that situation west of Swift Current, you will find that the traffic count is quite high, but more importantly, the ability of the road to handle that traffic is much less than it should be. We see a situation where the opportunity to pass is not all that great.

If you look at the location of the four-laning west of North Battleford and Highway 16, you will find it is similar to that west of Swift Current.

MR. BIRKBECK: — Mr. Chairman, I would reply to the minister right now, but my seatmate would like to ask a few questions at this time. I will just pass to him until such time as I can get back to the minister. I will respond to your answer to my initial line of questioning.

MR. THATCHER: — Mr. Minister, I have some constituency questions I would like to ask you. I thank my seatmate for letting me get in here, because I will not be here tonight. I am going to the Hereford Show at the Regina Winter Fair. My seatmate tells me he hopes to rush things through, to get the information quickly and concisely. I do have some questions I would like to ask you for the Thunder Creek constituency.

Mr. Minister, I have one comment I would like to make for your consideration. When you are talking about making decisions on the basis of safety, I ask you to take a look at 9th Avenue in Moose Jaw where it crosses the No. 1 Highway. That intersection is probably the most heavily travelled intersection in Saskatchewan which crosses the Trans-Canada Highway without an overpass. I suggest to you that intersection is a ticking time bomb which will have a major tragedy in the very near future. I ask your

officials to take note of the fact that there is a roller rink, which the city of Moose Jaw allowed to be built on the other side of the Trans-Canada Highway. Consequently, teenagers and others are crossing the Trans-Canada Highway to get to this roller rink. I know these overpasses are expensive. I suggest to you there is a tragedy which is inevitable in the very near future. I hope you will consider it. I am surprised the member for Moose Jaw North or the member for Moose Jaw South are not here proposing it.

Mr. Minister, on your project array I see nothing for Highway No. 42. This is a highway which is being used increasingly by the motoring public. This is the highway which starts at Tuxford and angles up toward the Diefenbaker Dam and Riverhurst. Your department started upgrading that highway two or three years ago. I think they have gone to Keeler. I see nothing on this project array for Highway No. 42, which surprises me. I think your department people will bear out the fact that it is being used more and more often. It is a very narrow highway farther up. Therefore, Mr. Minister, may I ask you why work is not proceeding on Highway No. 42? I realize we are all strapped for funds.

HON. MR. LONG: — For the hon. member who, Mr. Chairman, mentioned the Moose Jaw intersection, I am informed there have been some improvements there. As a result the accident rate has gone down in the past while. There has recently been new lighting installed at that intersection. We feel as a result of these improvements that things will indeed be much better.

You mentioned Highway No. 42. This year, it has not come through as one of our priorities. I think it is fair to say we will be looking at it in the future and dealing with it accordingly. As I mentioned earlier, we have to make some tough decisions when it comes to highway construction. When you look at the total province, the \$110 million capital budget slips away rather quickly while making these kinds of decisions.

MR. THATCHER: — Mr. Minister, before I go any further, I would like to say I am aware of the lighting. I just hope to goodness that the next time we have some estimates, I am not saying, "I told you so." The fact which I point out to you — it doesn't show up in the statistics which you may have right now — is the new roller rink which is there. Why the city of Moose Jaw ever allowed them to put it across that highway, I'll never understand. But it is there. There are always kids going across. I hope to God I don't have to say, "I told you so." On that basis, I ask you to have your department people take another look at it. An accident is inevitable.

Mr. Minister, if I may go back to Highway 42 — the fact that you have already widened it (and I suppose roughly you have widened it maybe 15 to 18 miles), and the fact that it suddenly narrows off, I suggest, makes it even more dangerous than it was before, because the area up around Diefenbaker Lake is becoming more and more of a resort area. There are cottage owners there — a variety of them from Moose Jaw, many of them from Regina, and even some from Saskatoon. Many of them use Highway 42, and the traffic is much more than local traffic. Now, I have to ask you what criteria was used so that you went so far and then suddenly you stopped? Because, very respectfully, I suggest that you have real hazard there right now, even more so than you had.

Mr. Minister, while you are consulting with your officials, may I ask you what the long-term plan is for the upgrading of Highway 42? How soon can the people in these towns expect a reasonable highway of 1980 standards? I know the minister is not familiar with that area, but there are several towns in that area which are typical of many other towns in rural Saskatchewan. They are fighting for survival. There is Riverhurst right up at the

river. Now, Riverhurst is a town that is doing pretty well. It is far enough away from Moose Jaw. Central Butte is another town which has the same problems any other town has. You get down to Brownlee and Eyebrow; there are towns that seem to be hanging on. Mr. Minister, I think we all want to keep people out in rural Saskatchewan. May I suggest to you that good roads to the arterial centres is one of the means. Therefore, I would like to get you on record as to when these people can expect Highway 42 to be up to 1980 standards?

HON. MR. LONG: — Well, first of all, Mr. Chairman, I misled the member on the Moose Jaw intersection. The lights have not yet been installed, but they are to be installed this year.

If you look at Highway 42, and its average daily traffic counts, they drop rather dramatically beyond the new construction. So I suppose that is one of the reasons that we have cut back on it. In terms of new construction and when it can happen, I am not prepared to give the member a hard and fixed date. I am looking forward very much this year to making some of those decisions and starting with a highway program from scratch, being in on the ground floor throughout this year and presenting a highway program which I have been involved with right from the beginning of the year. I will make those decisions as the year goes by.

MR. THATCHER: — Well, Mr. Minister, I hoped that you were going to announce that you had changed your mind and you were going to upgrade Highway 42 this year. But, regretfully, I will have to accept your answer.

Mr. Minister, the other area which I wanted to ask you about concerns the brief which you have received from two R.M.s jointly, their being R.M. of Shamrock and the R.M. of Chaplin (and I don't have the numbers). But basically the situation is that a road between Chaplin and Shamrock carries an inordinate volume of traffic for a municipal road. Now, this grid road, which the two R.M.s have asked for several years to be incorporated into the highway system, joins up Highway 363, Highway No. 1, and, to a certain extent, Highway 19. Now, Mr. Minister, you have done traffic counts there, or your predecessor has done traffic counts there, and they are reasonably high. The R.M.s have asked your department for the past three to five years if you would incorporate this road into the highway system.

My understanding is that the meetings which have been held with your department generally receive a favourable response. Regrettably, the road never gets taken into the highway system.

May I ask you what you plans are? I don't see any plans for it in this project array. May I ask you to go on record, indicating when these two R.M.s may expect (or if they can expect) this road to be taken into the highway system?

HON. MR. LONG: — In answer to the hon. member, I'd like to indicate to him that I believe it was the R.M. of Shamrock with which I met at the SUMA (Saskatchewan Urban Municipalities Association) convention in Saskatoon the other day and considered this request. The only response I could give to them, at this time at least, was that we are not planning on taking any grid roads into the system at this time. I would have to question the member as to how high the traffic count was; I don't recall. It doesn't seem to me that it was terribly high. When I talk about high traffic counts on grid road systems, I'm talking about grid roads that have counts of 500 to 600 per day. That's what I call a high traffic count on a grid road.

MR. THATCHER: — Mr. Minister, I don't think it was that high. I have seen the figures. Had I known your estimates were up today, I would have had them in front of me — that's my fault. Mr. Minister, could I ask you if they are requested by the R.M.? Since they are not going to be incorporating the road this year, may I ask if you would consider having your department do in 1981 traffic counts on it this spring and give very serious consideration, if the counts justify, to incorporating this into the highway system in 1982?

HON. MR. LONG: — Yes, I will assure the member that we will get a traffic count on that road. The Department of Rural Affairs, in fact, is responsible for the traffic count and we can probably get the information from it.

MR. BIRKBECK: — Mr. Chairman, I would like to go back to the minister's reply to my first two questions. You have stated that some of the criteria for your new road construction projects are safety (which I had outlined as certainly having to be one of the foremost and which should take a priority), maintenance costs and development projects. You mentioned northern development. Could you tell me if the budgetary estimates under the Department of Highways cover the northern highway improvements, or is it heritage fund money? I refer you to page 58 of the budget speech, where you have northern Highway 106, Highway 155, forestry development roads, Key Lake development road, Beauval, extension of northern Highway 105, Buffalo Narrows causeway, Buffalo Narrows northern development airport and northern Highway No. 2 — there are a number of them there. Is money taken directly out of the heritage fund to pay for those road improvements, or are they being paid for through the Department of Highways estimates? Would you answer that please?

HON. MR. LONG: — Mr. Chairman, the money indeed is heritage fund money. For Highway 106, \$8,790,000 is budgeted; \$2.5 million is budgeted for Highway 155; and \$3.3 million for timber arterial access roads — a total of \$14.8 million from the heritage fund.

MR. BIRKBECK: — Okay, I want you to calculate a total for me. Rather than my doing it right now, some of your officials could do that. Calculate the total amount of money you have received for the Department of Highways improvements from heritage fund money. Then could you tell me if there is any other source of money you have for highway improvements which is not listed under the Department of Highways estimates for the upcoming 1981-82 fiscal year?

HON. MR. LONG: — The moneys which are available to the Department of Highways are from the heritage fund or from the consolidated fund. Those are the two sources.

MR. BIRKBECK: — That having been said and established, could you give me a breakdown, first of all, of capital and maintenance, and their source? Let's put it simply. Is the money from the heritage fund all used for capital expenditures, or is some of that money used for maintenance as well? Then, I would assume that in the Department of Highways, you have a certain amount of money that is used for capital expenditures, and that there is going to be a certain amount of money used for maintenance. So there are the two categories — maintenance and capital expenditures. How much is from the heritage fund, and how much is from the Department of Highways? And further, what percentage does the heritage fund allocation to your department make of the total Department of Highways budget?

HON. MR. LONG: — We will work out the percentage for you, but the total of \$14.8 million that is allocated from the heritage fund is all for capital construction. None of it is used for maintenance.

MR. BIRKBECK: — The other question I have, since you raised it, is about the twinning of the Trans-Canada Highway to Webb. You say that your road improvement projects are undertaken because of safety. That is one of the primary, motivating factors for making road improvements, whether it's twinning or otherwise, but let's use the twinning west of Swift Current to Webb. You say safety on the one hand, and yet on the other you say, "Well, we didn't twin it there just because there was an accident." It either has to be one or the other or a combination of both. Maybe you could explain to me and to this committee just why you are twinning the Trans-Canada from Swift Current to Webb?

HON. MR. LONG: — For the member's information, in response to the question he asked earlier, the Department of Highway's allocation of the heritage fund is 8 per cent of the total department budget.

Dealing with the twinning of Highway No. 1 west of Swift Current, if you look at that road in terms of safety (and I appreciate your comments about safety, this is something that is very important as far as we're concerned), on that stretch of 45 kilometres 37 per cent or over a third cannot be passed on safely. All I'm saying to you is that a similar kind of situation exists west of North Battleford on Highway No. 16, where we are twinning. So to say that it's a precedent on No. 1 Highway west of Swift Current is not necessarily the case because we are doing the same sort of thing west of North Battleford where there are similar conditions.

MR. BIRKBECK: — All right. Now, given the statement that 30 per cent of that particular stretch of highway is not a stretch which you could safely pass on, then the logical question to follow is: is 30 per cent of that stretch of highway double-lined, indicating that you cannot, in fact, pass on it?

HON. MR. LONG: — Yes, that is the case.

MR. BIRKBECK: — Thank you, Mr. Minister. Mr. Chairman, I want to ask the minister what the traffic flow is on that particular stretch of highway. Do you know what the traffic count is there?

HON. MR. LONG: — According to our map here, its 2,650; I knew it was in the 2,500 range.

MR. BIRKBECK: — Okay. You're in the 2,500 range per day, is that correct?

HON. MR. LONG: — That's right.

MR. BIRKBECK: — All right. If you take the Trans-Canada Highway east of Regina, where it's four-laned to approximately Indian Head, on to Moosomin or the Manitoba border, for that matter — in particular the first half — you will find the traffic count there is just about as high as 2,500 or 2,550 or 2,600. Give or take a few hundred cars, it's almost identical. As well, if you take into account the so-called winding and twisting of these roads from Swift Current to Webb, and take a look at the same geographical layout of the double-lane highway from the end of the four-laning east of Regina to the Manitoba border — particularly the first half stretch — then what is your reason for not proposing,

at this time, to four-lane it as well? In other words, if we are so fortunate to get these folks in from Alberta right up to east of Regina, how do we get them the rest of the way to Manitoba without them perhaps having the misfortune to find their way to a cemetery?

HON. MR. LONG: — I would just like to point out to the hon. member that I mentioned earlier that we look at traffic flow. That's an important criteria to consider when you're constructing and four-laning a road, but we also look at the ability of the road to handle the traffic. I talked about the stretch from the junction at No. 32 to Gull Lake, where for 37 per cent, or over one-third of that road, you are unable to pass because of solid lines. If you look at the stretch from Qu'Appelle to Indian Head, you are not able to pass on only about 5 per cent of that road. As far as handling traffic is concerned, the situation is much better in terms of safety and ability to pass.

MR. BIRKBECK: — Yes. Before we get into some concluding statements and our particular views on the twinning of the Trans-Canada, I want to get some more details. We have the traffic counts, and we've found they are relatively the same. I think we agree that the layout of the highways is not all that much different, in a general way — it's winding and twisting. Now, you shake your head, but by your own admittance, you haven't been down to Moosomin for a while. Take that first half; that's what I'm talking about. It's very similar. Have you taken into consideration, as well, the fatality count between Swift Current and Webb as compared to the fatality count on the stretch between the eastern extremity of the Trans-Canada here in the province and the Manitoba border, in particular that first half in the Indian Head-Wolseley riding?

HON. MR. LONG: — Mr. Chairman, I think a fair way to compare the two roads is in fatalities per kilometre. If you look at the stretch by Gull Lake, it's 0.09 fatalities per kilometres; the Qu'Appelle to Indian Head stretch is 0.07 fatalities per kilometre.

MR. BIRKBECK: — Mr. Minister, there are just a couple of questions we would like to ask before 5:00 p.m. I have two, and I'll ask them both at the same time. Your answer will put us to approximately 5:00 p.m. First, does that 0.9 take into consideration the fatal accident just west of Webb? Secondly, the fatality count that you have for east of the Trans-Canada — could you give us some indication as to how you calculated and arrived at that, and for that matter, the balance of the highway?

HON. MR. LONG: — The figures I quoted to you don't include the tragedy at Webb. I will consult with my officials. Simply put, it is the number of fatalities divided by the number of kilometres in the section.

MR. BIRKBECK: — Mr. Chairman, let's say a fatality on the Trans-Canada Highway occurs at a main access road from a town or village as it intersects with the Trans-Canada. Let's say you have a town over here and there is an access road coming to the Trans-Canada. Now, if there is a fatality at that intersection is it deemed to be a fatality on the Trans-Canada Highway?

HON. MR. LONG: — I am informed that, yes, that is the case.

The Assembly recessed until 7 p.m.