

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Nineteenth Legislature**

**Monday, April 13, 1981.**

The Assembly met at 2 p.m.  
Prayers

**ROUTINE PROCEEDINGS**  
**WELCOME TO STUDENTS**

**MR. PICKERING:** — Mr. Speaker, it is indeed a pleasure for me to introduce to you, and through you, a group of 42 students from the Radville School Division. They are seated in the Speaker's gallery. There are 14 students from Lake Alma and 28 from Radville. They are accompanied here today by Mr. Johnston, Mr. Jim McIntosh, Mrs. Judy Van De Sype, Mr. Richard Wick, and Mr. Dale Holland, who is a teacher and also the bus driver. I hope they find their visit to the legislature enjoyable, informative and perhaps educational. I will be meeting with this group right after question period for pictures and drinks and I would like all members to join with me in welcoming them to the Assembly and wishing them a safe journey home.

**HON. MEMBERS:** — Hear, hear!

**INTRODUCTION OF GUESTS**

**HON. MR. ROMANOW:** — Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and to the members of the Legislative Assembly, His Excellency, Yeshayahu Anug, Ambassador of Israel, who is a senior diplomat in the civil service of Israel in the service of his country here in Canada. I believe he should be in the Speaker's gallery. Yes, he is. There is His Excellency, please.

**HON. MEMBERS:** —Hear, hear!

**HON. MR. ROMANOW:** — Mr. Anug is visiting the province of Saskatchewan, the city of Regina, and in the course of his visit is meeting with people in government and getting better acquainted with our province. He has held a variety of very important posts for his government – Ambassador to Uruguay, the assistant director general for the Ministry of Foreign Affairs in charge of divisions for Latin America, Asia, Australia and Africa. He now holds the post of ambassador to Canada. He is married with two children. Mr. Speaker, members of the House, please welcome with me His Excellency to the city of Regina and the province of Saskatchewan.

**HON. MEMBERS:** — Hear, hear!

**MR. KATZMAN:** — On behalf of the opposition, I welcome you to our province. I am glad to see you participating with us. My family has had the privilege of being in Israel many, many times; in fact my sister was married there. I welcome you, shalom.

**HON. MR. SMISHEK:** — Mr. Speaker, I would like to take this opportunity to introduce to the members of the legislature and welcome a special group of people who are with us in the Speaker's gallery. They are members of the Saskatchewan Public Service Commission. There was a new commissioner sworn in this morning and the members of the commission are taking this opportunity to visit the legislature at the moment.

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Dave Bock is the chairman; Her Worship, Isabel Butters from Weyburn, a member of the commission Roland Muir from Saskatoon; and Harold Hoffman is the new commissioner. The other member of the commission is Chief Roland Crowe, but he is not with us this afternoon. On behalf of the members of the legislature, I extend a warm welcome and I'm sure members of the legislature do appreciate that the role of the Public Service Commission is not as easy as it used to be. They have many more difficult assignments, many more chores. On behalf of the government, I extend our thanks to the members of the commission who have undertaken this important and onerous task.

**HON. MEMBERS:** — Hear, hear!

## **QUESTIONS**

### **Lawsuit Against SGI by British Insurance Company**

**MR. ROUSSEAU:** — Mr. Speaker, he's probably going to give me what I am asking for anyway. Mr. Minister, you have had the weekend to reconsider the questions that we put to you on Friday with respect to the documents from SGI. Are you prepared to table those documents today?

**HON. MR. ROBBINS:** — Mr. Speaker, I am willing to table some documents. If I have the permission of the Assembly and of the Speaker, I would like to answer the questions that I took as notice the other day. There are a number of them, so it's fairly lengthy. I would like to know whether the Speaker wishes me to proceed.

Mr. Speaker, one of the questions asked the other day by the member for Regina South was a question related to asking me to give information to the Assembly about the reason for the lawsuit which occurred between the British firm and SGI. Why did this firm in London, England, sue SGI? Mr. Speaker, in answer to the question of the member for Regina South, I think it's worth while to review in some detail the matters giving rise to the action, and I hope you will bear with me for a few moments while I give you some of that background.

First of all, I should mention that some of the members were surprised the other day that I didn't have all the information in this particular treaty. We have over 300 reinsurance treaties, and obviously it would not be possible to answer on that basis.

I want to give you a bit of the background to reinsurance, if I may. Reinsurance is the term given to the process by which insurance companies spread their individual risks among other insurance companies. Reinsurance is utilized throughout the insurance industry when an individual insurance company is faced with the large single risk or a number of risks in a concentrated area, where one loss would have a substantial adverse effect on the insurance company's financial position. The insurance company wishing to reduce its risk will enter into an agreement with other insurers to share both the premiums received and the responsibility to pay claims, should they arise in the future.

Reinsurance is utilized by virtually all insurance companies. SGI . . . (inaudible interjections) . . .

**MR. SPEAKER:** — Order, order! The members thought this was an important issue the other day. The minister is apparently bringing an answer today. I don't know what the answer is. I would ask the minister to restrict the amount of background information he

gives to that which is necessary to answer the question. Then perhaps we could have some supplementaries.

**HON. MR. ROBBINS:** — Thank you, Mr. Speaker. I simply point out that SGI has had contracts with reinsurance companies since 1950. Our contract was with the Reinsurance Management Company (RMC), which is the one the members were asking questions about. One agent which SGI utilized to conclude reinsurance arrangements was Reinsurance Management Company. SGI entered into a contract with this corporation in October 1975, after having a similar contract with a related corporation since June 1974. The earlier contract was, in fact, replaced by the October 6 contract. Pursuant to this contract, RMC agreed to act as the agent of SGI for the purpose of finalizing SGI's participation in insurance contracts within limits outlined in the agreement. RMC also undertook to adjust claims and to report on a quarterly basis.

Arrangements between RMC and SGI proceeded well initially and, in fact, until August 1979, the reports provided by RMC indicated that SGI had made a profit on the reinsurance business arranged through RMC. Results to the end of 1978 indicated a profit to SGI on the RMC contract of \$1.4 million. During August 1979, however, losses on this reinsurance business were reported to SGI. It is not unusual, in reinsurance contracts, to suffer reversals as claims are made under the reinsurance treaties. However, SGI was not satisfied with the information provided by RMC with respect to these losses.

Additional losses were reported by RMC in its next report to SGI. SGI officials continued to review information provided, to request additional information from RMC and to conduct their own investigations with respect to the losses. In 1980, continuing losses on the business written by RMC were reported to SGI. In addition to a review of the business written by RMC, pursuant to the contract, a review by SGI's legal department of the contract was also undertaken. The matter was also reviewed by SGI's board of directors.

In the fall of 1980, the SGI board of directors received a recommendation from SGI management to terminate the arrangement with RMC. Discussions took place with representatives of RMC in London on November 5, 1980, at which time SGI indicated its intent to immediately terminate the contract. RMC indicated at that time that they had given notice of termination to SGI utilizing the provision calling for two years notice of cancellation. RMC refused at that time to accept an immediate severance of the arrangement, and commenced an action against SGI in England. The matter proceeded to a hearing in England in February 1981. The parties continued discussions with a view to settlement of the case and such a settlement was reached prior to conclusion of the court hearing.

Terms of the settlement provide for an orderly termination of the arrangements outstanding between RMC and SGI. Included in the terms of the settlement are the following: RMC agreed not to write further business on behalf of SGI, and served notice of cancellation of all contracts which were at that time continuing, such cancellation to be on the next anniversary date, not to exceed a period of one year after the date of the settlement. SGI was entitled to receive premiums paid under existing reinsurance treaties, and would also assume liability for any claims which may arise under those contracts. RMC would continue to adjust claims and would report to SGI on a quarterly basis. As a part of the settlement, SGI also undertook to pay to RMC the sum of 140,000 pounds (at current exchange rates that works out to \$364,000, not \$4 million).

SGI's experience under the RMC contract: SGI figures indicate that the loss to date, after accounting for claims where SGI has received notice of a loss on the contract to the end of 1980, is approximately \$4 million. This figure is misleading since it does not take into account investment income earned on premiums received by SGI which total more than \$1 million. Those are the results for a 5-year period. Up until the end of 1978, SGI was showing a positive result of \$1.4 million, ignoring investment income. In 1979 and 1980, results deteriorated rapidly and that is the reason SGI took the sound commercial action of terminating the arrangement. It is also important to note the financial statements for SGI include reserves for losses which are anticipated but which have not been reported to SGI. These reserves have been set up using requirements applicable to all companies engaged in the business of reinsurance, and are reviewed in some detail by the SGI auditors.

On Friday, the member for Qu'Appelle raised the question as to why this action was not dealt with in the annual reports of SGI. In answer to that question, Mr. Speaker, I would advise that cancellation of the contract was referred to on page nine of the 1980 annual report. All costs associated with the action are included within the financial statement in accordance with generally accepted accounting principles. SGI's auditors were aware of these facts and, clearly, no attempt has been made to mislead. There was no reference to any legal proceedings since those proceedings had not concluded prior to the finalization of the annual report. The legal action had not commenced until November 1980, and therefore was not reported in the 1979 annual report and obviously could not be.

Mr. Speaker, I have answers to the other questions, as well, if I may be permitted to give them.

**MR. SPEAKER:** — I believe I've been quite generous with the minister in allowing him time to answer the question. I realize that to a large extent the question period on Friday dealt with this particular issue and there was apparently a lot of interest in it. I would caution the minister to be as brief as possible in giving the answers to the questions that he is referring to at this time.

**HON. MR. ROBBINS:** — Mr. Speaker, I will be as brief as possible. The first question was the one that took the longest to answer.

Another question raised by the member for Qu'Appelle on Friday last related to this particular item. Perhaps I should read this question first.

A question to the minister regarding the heretofore secret court action in London, England. Colleagues in the government insurance in other provinces have informed us that, in fact, the settlement is in the range of \$4 million. Would the minister be prepared to table all documents. We have the high court of justice court documents here of an action between Reinsurance Management Company and Saskatchewan Government Insurance. Would the minister be prepared to table by Monday all documents relating to the particular court action — all costs including legal fees and the amounts of the claims as originally set out in that court action?

Mr. Speaker, I would not be prepared to table all documents relating to the particular court action, as much of the information relates to specific reinsurance arrangements between SGI and RMC and deals with such matters as the commission structure payable and the business bordereau maintained by SGI. That kind of information would

be advantageous to our competition in the market place and it would be irresponsible for any member of this legislature to table such a document. I am not, therefore, prepared to disclose it.

As a part of the settlement the parties agreed that no public statements would be made other than a joint statement to the court, which I am prepared to table, as well as a letter from SGI to SGI's counsel confirming the amount of the settlement.

With respect to the costs associated with processing the claim, we would advise that all legal costs have not been billed to SGI. SGI anticipates, however, that legal costs incurred will be approximately \$150,000 for SGI's representation.

Mr. Speaker, the member for Qu'Appelle asked a second question, a supplementary. He asked if:

. . . the minister would be prepared as well to table all instructions given to counsel, in this particular matter counsel for SGI, and what information they were required or authorized to tell the high court of justice, Queen's Bench division, in England?

The hon. member for Qu'Appelle is well aware that instructions given to solicitors and their opinions are simply a part of negotiations and, indeed, are privileged documents in court actions. It would not be appropriate to table such information and I will not, therefore, do so.

Mr. Speaker, the member for Nipawin asked a question. His question was:

The minister responsible for SGI this morning stated that in the first place he didn't know what the legal action was pertaining to them, but that SGI wanted out of a reinsurance contract with a London group. He further stated that there was a settlement made of less than \$400,000 to get out of that contract. So, presumably, SGI is out of that contract. What other reinsurance company are you using to replace the one that you cancelled?

The member for Nipawin wanted to know what other reinsurance company we were dealing with. Since this contract had to do with reinsurance being assumed by SGI and not reinsurance being placed with other companies, it is not necessary to replace the contract.

Mr. Speaker, the member for Nipawin had a second question. He said:

Would you know whether or not SGI was in fact providing over half of its reinsurance business to an organization in Saskatchewan headed up by Mr. Fred Hill?

In answer to that supplementary question, I would point out that the answer is simply no.

Mr. Rousseau, the member for Regina South, asked another question. He said, and I think I am quoting directly from the record:

Mr. Minister, you have indicated that you have settled out of court on this contract that you wanted to break. Are you in fact no longer doing business

with this reinsurance company, or are you still affiliated in some way, shape or form with it?

Mr. Speaker, as I have already indicated in response to another question, SGI is continuing a modified relationship with Reinsurance Management Company in order to facilitate an orderly withdrawal from all reinsurance arrangements involving RMC.

The member for Regina South asked another question. He said:

Mr. Minister, you indicated earlier that SGI attempted to break the contract and that was the reason for the lawsuit. Would you advise this Assembly as to the reason you wanted that contract broken with the Reinsurance Management Company, which you previously had signed some two to four years ago?

My answer to that is, as previously indicated, SGI concluded that a termination of the contract was appropriate based on the loss experience and other reasons which I have given to this legislature.

I think there was one more question. This question, Mr. Speaker, was asked by the member for Qu'Appelle:

Would you advise whether all the events giving rise to this act took place during the time you have been the minister of SGI?

The answer to that, is that, with respect to that question, I believe I have provided the hon. members with the relevant dates. The original contract was signed in June of 1974. The problems first arose late in 1979. Action was taken to terminate the contract in November 1980. The matter was settled in February 1981. The simple answer to the question is no, I was not the minister at that time.

**MR. ROUSSEAU:** — A question to the minister. Again I would ask you if you will reconsider tabling the original document which you signed with RMC in 1975. You indicated a minute ago that the contract called for RMC to act as agent for SGI within certain limits. Are you prepared to advise this Assembly what limits they were authorized to act within?

**HON. MR. ROBBINS:** — Mr. Speaker, it would be more appropriate if the member raised that question in Crown corporations when we could provide the details.

**MR. ROUSSEAU:** — Mr. Speaker, I may have a lot of questions to ask the minister in Crown corporations. This one I am asking in this Assembly during question period. What limits were they authorized to act within? Mr. Speaker, to make it easier for the minister, I will accept a document as evidence of what those limits are.

**HON. MR. ROBBINS:** — Mr. Speaker, I have already informed the Assembly which documents I am prepared to table. They will be tabled. I want to check in my own mind in relation to the limits. I think, and I am not positive of this, the additional limited was \$50,000 for any one arrangement, and when it was changed later, it was changed to \$100,000.

**MR. ROUSSEAU:** — Would the minister be prepared to tell this Assembly what classes of insurance they were authorized to act on and to cover?

**HON. MR. ROBBINS:** — I may stand to be corrected on this, but I think that it was just general property and casualty lines.

**MR. SPEAKER:** — Order! Perhaps there are other supplementaries. The member has had three supplementaries now.

**MR. THATCHER:** — New question to the minister. Would you indicate, within the confines of those limits which you have just enunciated in this Assembly, whether, in your European dealings, kidnapping was within those limits?

**HON. MR. ROBBINS:** — The answer is no.

**MR. THATCHER:** — Supplementary question to the minister. Would the minister inform this Assembly, in the business that RMC is continuing to carry on for SGI in its present capacity (in other words, business which has already been written), exactly what sort of ventures and contingency liabilities are presently being covered by SGI through its existing contract which has now just been terminated?

**HON. MR. ROBBINS:** — Mr. Speaker, I will have to get that information for the member.

**MR. THATCHER:** — Supplementary question to the minister. Isn't it true that many of the contracts that are presently being carried under the present business with RMC, which SGI is still liable for should there be a claim, pertain to marine navigation?

**HON. MR. ROBBINS:** — Mr. Speaker, I will have to get that and get an answer for the member.

**MR. LANE:** — You indicated that the limits were \$50,000. Is it not accurate that the limits were, in fact, \$100,000?

**HON. MR. ROBBINS:** — Mr. Speaker, I indicated that initially it was \$50,000. I think it was later raised to \$100,000.

**MR. LANE:** — I apologize to the minister. What was the limit to the extent of the reinsurance that this company could place?

**HON. MR. ROBBINS:** — Mr. Speaker, I will have to check to get that figure for the member.

**MR. LANE:** — Would the minister not now reconsider and be prepared to table the actual contract between SGI and the reinsurance corporation, and lay all this information before this Assembly?

**HON. MR. ROBBINS:** — Mr. Speaker, I have already indicated I am willing to table two documents and they will be tabled.

**MR. LANE:** — Would you repeat again why you are not prepared to table the contract between SGI and Reinsurance Management?

**HON. MR. ROBBINS:** — Mr. Speaker, I think the member interpreted that correctly.

**MR. LANE:** — Would the minister say it is not in the public interest to have the contract between SGI and Reinsurance Management?

**HON. MR. ROBBINS:** — Mr. Speaker, I simply informed the member I was not willing to table it.

**MR. SPEAKER:** — Order, order! I will take a new question. The member for Qu'Appelle.

**MR. LANE:** — I am asking a new question. Would you detail again for this Assembly your reasons for not tabling the contract between Reinsurance Management and SGI?

**HON. MR. ROBBINS:** — Mr. Speaker, we terminated the contract because we were not satisfied with the services we were receiving from the Reinsurance Management Company. That is as far as it goes.

**MR. ROUSSEAU:** — Mr. Minister, I asked you a question earlier about the limits within which RMC was authorized to act as agent for SGI. You indicated that it was fire and general (I believe you said). What classes of insurance would they not be authorized to represent SGI on?

**HON. MR. ROBBINS:** — Mr. Speaker, obviously, I would not know that answer offhand.

**MR. ROUSSEAU:** — Supplementary, Mr. Speaker. Were there any classes as far as you are concerned that they were not authorized to act as agents in?

**HON. MR. ROBBINS:** — Mr. Speaker, I will check and get the answer for the member.

**MR. ROUSSEAU:** — Mr. Speaker, I am finding difficulty with the minister on this question. A minute ago you said they were only allowed to act as your agent within certain limits. Surely, you must have checked what those limits were. Then on a supplementary question, you answered that it was only general and fire. Now you are not sure. Would you be prepared to table tomorrow or today all classes of insurance that they were not authorized to act on?

**HON. MR. ROBBINS:** — Mr. Speaker, I inform the member that I will check and get the answer for him.

**MR. LANE:** — I ask the minister for the detail right now. You have had ample opportunity over the weekend. You have reviewed the contract.

**MR. SPEAKER:** — Order, order! Whether it is a new question or not is not the point I am rising on. The rules are quite clear with regard to the question period.

A question, oral or written, must not multiply with slight variation a similar question on the same point.

Now, if the member has a new point, fine. The member for Thunder Creek.

**MR. THATCHER:** — Mr. Speaker, a question to the minister in charge of SGI. Mr. Minister, on Friday, on page 2036, the member for Regina South suggested to you that the amount of the settlement was \$4 million. If I could briefly read your answer to him, it

was:

The information I have is that it was a settlement out of court. It was a long way from \$4 million. In fact, it was less than \$400,000.

Mr. Minister, in your opening statement of this question period, you have confirmed that the loss is a continuing liability and is far in excess of \$4 million. You have admitted it is at least \$4 million. The fact that it is a continuing liability means that it can go on and on. In light of this discrepancy (by taking the weekend, your officials have had an opportunity to inform you of the facts) and because, obviously, there is considerably more than what we have in here today, I will repeat the question to the minister. Will you table the original contract that SGI signed with RMC in 1975? Will you also table all documents related to the out-of-court settlement and these continuing liabilities as they now exist as the cost to the driving public in Saskatchewan?

**HON. MR. ROBBINS:** — Mr. Speaker, I should perhaps briefly comment on the 140,000 pounds. I was asked: what was the out-of-court settlement? It was indicated from the members opposite that it was around \$4 million; 140,000 pounds at \$4 million would call for an exchange rate of one pound being equal to \$26 Canadian, but one pound is worth \$2.60, which works out to \$364,000. I am not going to table anything more than I have informed the members I would already table.

**MR. LANE:** — Well, perhaps, Mr. Speaker, we could inform this Assembly and table the documents, because I have here a copy of the agreement.

**MR. SPEAKER:** — Order, order! The purpose of the question period is for members to ask members of the Executive Council questions and receive answers from them. It is not the purpose for private members to give information to the Assembly.

**MR. LANE:** — Will the minister not admit that the contract with Reinsurance Management Company authorized Reinsurance Management to accept on behalf of the underwriters all classes of reinsurance business, secondly, that this agreement shall apply to reinsurance throughout the world.

Now, why were you so reluctant to give us that information, and why were you so hesitant to tell us the geographical limits of this reinsurance contract?

**HON. MR. ROBBINS:** — Mr. Chairman, I wasn't asked in the first place, and I wasn't reluctant. I said we have 300 reinsurance treaties. Now, the members might know whether the treaties are called pro rata excess facultative, pro rata excess treaty, surplus reinsurance, second facultative obligatory, excess treaty insurance; I don't know whether they do or do not.

The fact of the matter is that I have given answers as I have been requested to give answers, and when I couldn't give an answer I have given notice that I would take notice and would get the answer for you.

**MR. THATCHER:** — A question to the minister in charge of SGI. Mr. Minister, in light of the fact that information has now been drawn to your attention, information which you have refused to divulge — information which is very valid — my question to the minister is very simple: since subsequent events have proven that SGI's foray into Europe, into the big league, has clearly shown that the management of SGI was playing with a class of people . . .

**MR. SPEAKER:** — Order, order! The member is debating an issue. What the member is saying is subject to debate if the members want to debate it. I suggest that there is an opportunity elsewhere to debate an issue. If the member has a question, I'll take it. This will be the final question.

**MR. THATCHER:** — The minister has acknowledged that he is not doing business with people in Saskatchewan and western Canada who are in the reinsurance business. In light of that fact, will the minister inform this Assembly and the people of Saskatchewan what he is doing, over his head, in Europe among the sharks?

**HON. MR. ROBBINS:** — Mr. Speaker, obviously the member for Thunder Creek knows nothing about the insurance business. SGI is the largest insurer in Saskatchewan. It is the seventh largest insurer in Canada, and when an insurance company grows, as SGI has very rapidly grown (it has increased its business by 77 per cent since 1976 – in the last five years), it obviously has to have more coverage in the reinsurance field. It is not uncommon for insurance companies to gain profit and suffer losses through reinsurance. That is natural, and it happens right across the board all the time. The member for Thunder Creek should know that.

## **MINISTERIAL STATEMENTS**

### **Unemployment Rate for March 1981**

**HON. MR. SNYDER:** — Mr. Speaker, I rise to briefly report to the House that recently released statistics from Statistics Canada indicate that the unemployment rate for March 1981, in Saskatchewan, stood at 5.9 per cent – a decrease of 0.8 of a percentage point from February 1981.

I mention this in particular, Mr. Speaker, because members opposite, during labor estimates a week ago, were rubbing their hands with elfish delight because Statistics Canada seemed to indicate at that time that Saskatchewan had slipped into third place, behind Alberta and British Columbia, in unemployment statistics for the month of February. So it's pleasing to me, Mr. Speaker, to see that Saskatchewan has again assumed second place, behind Alberta, with British Columbia showing an unemployment rate of 6.8 per cent – almost a full percentage point more than Saskatchewan's rate – and Canada's unemployment rate for March 1981, standing at 8.5 per cent.

This statistical summary, Mr. Speaker, shows also that the number of employed persons in Saskatchewan was 414,000 in March, 1981 – an increase of 11,000 from February 1981, a month earlier, and an increase of 10,000 from a period a year earlier.

Statistics Canada also indicated, Mr. Speaker, that the number of unemployed workers in Saskatchewan in March 1981, had decreased by 3,000 from February 1981 – one month earlier. I know that members opposite react most happily to bad news, but I hope that they . . .

**MR. SPEAKER:** — Order, order! I think the Minister of Labor is bending the rules a bit about the statements which can be made under ministerial statements. The statements must be brief, factual and specific. I suggest to the minister that I found some of his statements to be argumentative and provocative. I think the minister should take the opportunity to review his ministerial statements before he arrives in the House, so that those kinds of things don't appear in the statement.

**MR. KATZMAN:** — Mr. Speaker, it is interesting to note that the government is pleased to see a 5.9 per cent unemployment record in this province. It is unfortunate to see that they are pleased to see this kind of unemployment instead of taking affirmative action to cause lower unemployment in this province for the betterment of the people in this province. It is disappointing to hear the member.

## **INTRODUCTION OF BILLS**

### **Bill No. 57 – An Act respecting the Urban Municipal Administrators' Association of Saskatchewan**

**HON. MR. ROMANOW:** — Mr. Speaker, on behalf of Hon. Mr. Smishek, I move that a bill respecting the Urban Municipal Administrators' Association of Saskatchewan Act be now introduced and read a first time. Motion agreed to and ordered to be read a second time at the next sitting.

### **Bill No. 58 – An Act to amend The Air Pollution Control Act**

**HON. MR. BOWERMAN:** — Mr. Speaker, I move first reading of a bill to amend The Air Pollution Control Act.

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

### **Bill No. 59 – An Act to amend The Provincial Lands Act**

**HON. MR. MacMURCHY:** — Mr. Speaker, I move that a bill to amend The Provincial Lands Act be now introduced and read a first time.

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

### **Bill No. 60 – An Act to amend The Department of Agriculture Act**

**HON. MR. MacMURCHY:** — Mr. Speaker, I move that a bill to amend The Department of Agriculture Act be now introduced and read a first time.

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

### **Bill No. 61 – An Act respecting a bill to prohibit advertising of Tobacco and Tobacco Products in Saskatchewan.**

**MR. PREBBLE:** — Mr. Speaker, I move first reading of a bill to prohibit advertising of Tobacco and Tobacco Products in Saskatchewan.

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

## **ANNOUNCEMENT**

### **Birthday Greetings to Sergeant at Arms**

**MR. SPEAKER:** — Before orders of the day I would like to take this opportunity to mention a birthday in this House. The Sergeant at Arms has received his double hooks

today. He's 77 years old. I know all members will join me in wishing the Sergeant at Arms a happy birthday and many happy returns of the day.

**HON. MEMBERS:** — Hear, hear!

**HON. MR. BLAKENEY:** — May I, on behalf of those sitting to your right, Mr. Speaker, join in your felicitations to the Sergeant at Arms. We wish him many happy returns and trust that many years hence he will be as hale and hearty as he appears to be today.

**HON. MEMBERS:** — Hear, hear!

**MR. TAYLOR:** — Mr. Speaker, I would like to join with the Premier in congratulating Mr. Ponto, the Sergeant at Arms, on his 77th birthday. Congratulations from the opposition.

**HON. MEMBERS:** — Hear, hear!

### **Birthday Greetings to the Member for Kindersley**

**MR. GARNER:** — Mr. Speaker, I would also like to bring to the Assembly's attention the birthday of my hon. colleague on this side of the House, Mr. Andrew from Kindersley. He's not as fortunate as the Sergeant at Arms. He has only received one hook, but it is his birthday today.

**HON. MEMBERS:** — Hear, hear!

### **CONDOLENCES**

**HON. MR. BLAKENEY:** — Mr. Speaker, I have been advised of the death of a former member of this Assembly. I would like to take this opportunity to move a condolence motion. I would move the formal condolence motion in the following terms. I move, seconded by Mr. Taylor, the hon. member for Indian Head-Wolseley:

That this Assembly records with sorrow and regret the passing of a former member of this Assembly, and expresses its grateful appreciation of the contribution he made to his community, his constituency and to this province:

**James Edward Phipps Snedker**, who died on March 31, 1981, was a member of this legislature for the constituency of Saltcoats from 1960 to 1971 and served as speaker from 1965 to 1971. He was born in England in 1911 and came to Canada and Saskatchewan with his parents as a very young boy. He returned to England to attend a British public school for much of his education. In the late 1920s he returned to Saskatchewan where he took up farming near Saltcoats and also operated the Saltcoats Seed Company Ltd. In community affairs he served at various times as a school trustee and a member of hospital boards in Saltcoats and Yorkton. He was active in the Saltcoats Agricultural Society, the Bredenbury Board United Grain Growers Ltd., the Saltcoats Board of Trade, Curling Club and Elks Lodge. He had a lifelong interest in horses and harness racing, and served as presiding judge of the Canadian Trotting Association from 1956 to 1964. During his term as a member, he served as chairman of the 1969 special committee on rules

and procedures, and took great interest in the development of the Speakership. He was a very active and dedicated supporter of the Commonwealth Parliamentary Association at all levels, and was also a member of the Royal Commonwealth Society.

In recording its own deep sense of loss and bereavement, this Assembly expresses its most sincere sympathy with members of the bereaved family.

Mr. Speaker, if I may, I'd like to add a few less formal comments. I served in this legislature with Jim Snedker for 11 years. We were on opposite sides of the House so I didn't come to know him as well as one does some members in one's own caucus, but over the years I came to know him pretty well, particularly during the period when he served in the speaker's chair, 1965 to 1971. I was opposition financial critic. I tried to be an active member of the opposition. As all members will know, when you attempt to be an active member of the opposition, you get to know the speaker fairly well.

I have a number of colorful recollections of Mr. Jim Snedker, the member (as he was) for Saltcoats, debating when he was in opposition. He was most forthright in the manner of the presentation of his views, and sometimes gave little credence to the views of those who opposed him. None the less, he was an interesting person to listen to since he always couched his remarks in clear, forthright prose. He had a good command of the English language and he knew how to use it in debate.

When he was speaker, he was certainly a speaker who retained command of the Assembly. He would express his displeasure with members on both sides of the House in no uncertain terms. I can remember a number of those occasions. At that time, the Speaker's chair did not have in front of it the massive built-in desk which it now has; it had a removable table. It seemed sometimes not enough to contain Mr. Speaker when he leaped from his chair and was about, it seemed, to pounce upon some erring member. It mattered not which side you were on. I remember one occasion when the then premier, Mr. Thatcher, earned his displeasure and Mr. Snedker almost came out fighting. He certainly made it very clear that he was displeased with the manner in which the premier was dealing with the rules.

I will not mention names, but on another occasion I can remember his being displeased with the manner in which another member referred to a three-cornered hat. I can remember a further occasion when he leaped from his chair and took off his glasses (they were half glasses) and put them down the table, as he frequently did. This time he did not aim them properly and they skidded off the table and onto the floor, over where the clerk was. All of us, I think, got the idea that he was not pleased at that moment with one of the hon. members.

I can recall on one occasion, I had a difference of view with him as to how he was interpreting the rules. Following a small discussion here in the Chamber, I went around to his office in the back, which was then just behind the door which is to your right, Mr. Speaker, and had a long discussion. It was not very fruitful, from my point of view, but it was necessary, as it seemed to me, to terminate it on a note less abrasive than that on which it commenced. We then took to talking about harness racing and about the record of a fair number of the horses which had raced in my boyhood days around the Maritimes, all of which he knew and whose records he could very nearly recall to mind.

He took a great deal of interest in the House. I served with him on the rules committee when the rules were revamped in a major way (perhaps the greatest revamping of the

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rules that has been done since 1905, I would suspect), and I think much of it was because Mr. Speaker Snedker had done a good deal of research on the project and had brought to the rules committee his thoughts and his research on how we could improve the operations of the House.

I think it's fair to say that during his years in the House, Mr. Speaker Snedker and Mr. Snedker, as a member prior to that, contributed a great deal to the vitality of the House and to the whole political process. He brought energy, dedication, and high principle to his work in this Assembly. He was a man with clearly defined ideals and goals, who pursued them with intelligence, honesty and sincerity.

I know that all members would wish to extend to Mrs. Snedker, the family and to all others who knew him, our sincere condolences on the occasion of his passing.

**MR. LANE:** — I'd like to join with the Premier and other members of the Assembly in extending condolences to Mrs. Snedker and the former speaker's family. I did not have the pleasure, and I'm sure it was that, of serving in the Assembly when Jim Snedker was the speaker. I remember after the 1971 election (he was defeated at that election) being invited out to Saltcoats to speak, at which point I was thoroughly briefed on the role of the speaker and how much he loved not only the role of the speaker, but the office of the speaker. He made it quite clear to me at that time how much he loved and respected parliament.

I had been told many stories prior to becoming elected, about Mr. Snedker, and the Premier has struck on one of them in recounting when he took great umbrage at statements being made by the then Premier, the Hon. Ross Thatcher, and in no uncertain terms let it be known as to who was running the Assembly here. The premier might be running the government but when he was in here this was Mr. Snedker's jurisdiction and there was no mistake about that. And it was made clear. There were some comments made considering reassessing the position after that, but those died very, very quickly.

Mr. Speaker, he loved as I say, the office, the Chair, the position and the role of speaker. And he brought credit to each of those functions. I think, as well, to those that participated in the Assembly, he ruled with a fair hand, a reasonable hand, and allowed very free participation and debate, and allowed vigor of debate for which those that served thank him. I thank him very much again on behalf of the opposition. We extend condolences to Mrs. Snedker and the family.

**HON. MR. KAEDING:** — Mr. Speaker, I'm honored as well to join with the Premier and members of the opposition in paying tribute to the late James Snedker who died on March 31. As has already been stated, James, or Jimmy Snedker, as he was called by those who knew him well, held the distinguished position of speaker of the legislature from 1964 to '71, and was a member for the constituency of Saltcoats, which I now represent, from 1960 to 1971.

Jimmy spent the better part of his lifetime as a farmer in the Pelly district south of Saltcoats in my constituency, and I made his acquaintance fairly early in life during the mid-1930s when I was still a teenager.

My father was one of the old tough CCFers of the early days and because of his involvement in that, our home often became a meeting place for people of all ages who were prepared to do battle with what was seen then as the free enterprise economy and

the old line parties.

One of the people who showed up at these meetings, more and more frequently in the late 1930s, was James E. Snedker. Many people will not know of his socialist background. He was a very dynamic young man and he had very strong opinions. He was very aggressive; he had a no-nonsense approach; he saw inequity and injustice in society and he wanted to be part of the radical change which was being proposed at that time. Few people really knew very much about Jimmy in his earlier years because he had returned to England for his education in the public school system there. While there, he obviously absorbed much of the radicalism which was a part of that period of British history, and when he returned to Canada to start farming, he brought with him a strong socialist commitment.

During the early years of the CCF, he became very interested in the movement and spent many hours organizing and campaigning for such people as Louise Lucas and Joe Phelps. I often wondered how he and Joe Phelps got along in the same room, but they managed to. On many occasions he shared the platform at school house and town hall meetings with my father, and they had a very deep respect for one another. Jimmy was very outspoken as has been mentioned. I can assure you that as a young man sitting at some of those meetings, the atmosphere crackled substantially when he was responding to some of the criticisms which he received.

I suppose I remember him best for those years which he spent with us in the youth movement of the party, the CCYM (Canadian Commonwealth Youth Movement), as we called it at that time. During his years at school in England, he had obviously been an ardent student of agrarian reform and he had many books on the development of the socialist movement in Europe. He started the series of meetings with us in this group of which I was a part (and usually these meetings were in our home) by reading from these books. After, we would have a very interesting and challenging discussion. He certainly left his mark on all those of us who dared to challenge what he had to say. He was a rather dour young man at that time, not given much to small talk or compliments and his responses were often abrasive and sarcastic.

He used to drive all the way from Saltcoats with a team and cutter, a distance of about 20 miles, to come to these meetings. I guess most of all, I remember seeing him in the kitchen of our home. He would sit there with his feet up in the oven. He always wore felt socks and a pair of bib overalls and his old jumbo knit sweater; it was a huge sweater with pockets sagging a long way down. He was very much at home in that kind of an atmosphere.

I recall a time during the Joe Phelps era, when Joe was running. There was an urgent need for an executive meeting and it was called at our place. My mother had to prepare a meal for them and she cooked some steaks. Since she cooked them in a hurry, they obviously weren't done in the best possible manner. Mrs. Lena Phelps, who was then campaigning with Joe, tried to soothe my mother a bit and said, "Well, Mrs. Kaeding, you know those steaks were really lovely, they were really good." And Jimmy got up and he said, "Mrs. Phelps, you know they were tough and they were damn tough!" He never minced his words; he called a spade a spade and that's the way he was.

Following the war years, Jimmy disappeared from the CCF executive without much explanation and much to our surprise he turned up later as the Liberal candidate in the 1960 election. I never knew why he made the change although I tried to find out from him. I think at first it was because the people in our own party did not recognize his

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ambition in the political field. I recall my father saying on a number of occasions that Jimmy would make a good candidate if he wasn't so damn radical.

He won the election in 1960 for the Liberals and when Ross Thatcher took over the government in 1964, he was appointed speaker of the House. I was never privileged to see him operate as a speaker. But the Premier has outlined, and I am sure that Gordon Snyder and some of these other fellows can tell, some great stories about those years. I understand that he had lost none of his abrasive wit during that period of time.

It is rather ironic that Jimmy's political career should come to an end when he and I met as opponents in the 1971 election. I can assure you that Jimmy was a formidable opponent but he fought a clean and a fair campaign, never believing that he could possibly lose. However, as so many other Liberals in that 1971 campaign, he fell victim to the determination of the people for change. He was deeply hurt, I believe, by his defeat in 1971. He did love the House and he did love the job of speaker. After the defeat he retired from any effective activity in politics and we didn't see very much of him in the political arena after that.

Jimmy was a very aggressive farmer who could never be mediocre at anything. He raised registered seed and beef cattle but his first love was always his race horses. He was known far and wide on the racing circuit as a very strong competitor. He was recognized for this by being appointed as presiding judge of the Canadian Trotting Association for many years. He maintained his interest in the horse-racing field right to the end. I am told that even at the time of his death he still had a number of brood mares in stables in Ontario and down in Kentucky where he used to wander during his later years.

Mr. and Mrs. Snedker sold their large farm shortly after 1971 but they continued to live in the town of Saltcoats. Mr. Snedker spent considerable time with his horses in Ontario and other places but retained his home base in Saltcoats. He also continued his interests in his beef cattle operation and I understand was an ardent gardener as well.

During the years that he served the constituency of Saltcoats, he was well respected by all of us who knew him. Even now, as I meet with some of my constituents, particularly the older ones, I hear stories of the help which they received as a result of his work. He will be long remembered by many of those people with whom he came in touch. I was proud to call him a friend. Even as our paths diverged in the later years, we retained, I think, a mutual respect for each other. I have often wondered, Mr. Speaker, what the future would have held for both of us had the majority of 69 votes in 1979, which I received, been reversed. I want to express on behalf of me and my constituents, and on behalf of the Clerk of the legislature, because they were close friends, the Barnhart and the Snedker families, our sympathies to Mrs. Snedker and to their daughter Margaret. I am certainly pleased to have had this opportunity to say a few words to his memory. Thank you, Mr. Speaker.

**MR. PEPPER:** — Mr. Speaker, may I add my words of condolence to those who have spoken before me regarding the passing of the late Mr. Snedker, the former speaker of this Assembly. When I was first elected to this House in 1964, the speaker chosen was James Snedker. There are many things that one could say regarding Mr. Snedker. His statesmanlike qualities and the manner in which he performed his duties certainly will never be forgotten by we who had the privilege of being in the House at that time. Never did he hesitate in explaining his reasons, sometimes in no uncertain terms, for making each decision which he was called on to make. And his manner, I suppose you could

say, always left you with the feeling that he was in total command. His fairness to all members was seldom questioned. Sometimes his decisions were delivered in a rather abrupt manner, but always in a manner which commanded respect from all members. He was available to meet any member to explain the rules and the regulations governing his position, and this he did in his private office. This was greatly appreciated and I remember attending two or three times myself.

Mr. Speaker, I certainly join with other members of the Assembly in extending my sincere sympathy to his family. I commend them and thank them for the contribution which their loved one made to this Assembly and to the government of this province. His contribution will always be remembered. I would say that this Assembly is better because Speaker James Snedker once served here, and during that period of time served well.

**MR. ALLEN:** — Mr. Speaker, I just want to say a few brief words about Mr. Speaker Snedker, for who I had the honor to work as a page in this legislature back in the mid-60s. I am sure I speak for Gordon, Bev Koester, Vivian Doan, Mr. Huckerby (who used to carry the mail around), the sergeant at arms at that time, Donald George Scott Calder, and all of us who had the opportunity to work closely with Mr. Speaker in the Legislative Assembly office. I am sure we speak for all of them when we express our sorrow at his passing.

Speaker Snedker was a big man or he seemed big to me at the time. He had a big spirit as well, as has been attested by other members of the House. He was a person who commanded respect from everyone he encountered. But for many of us and for me in particular, he commanded a lot of affection and love. Behind his gruff facade, as the member for Saltcoats put it, there was a very warm and thoughtful person.

At that time, I was a university student and had taken off a semester to learn something about the House as a page. I can recall vividly many times being in Mr. Snedker's office, when I was delivering something or getting his lunch. He would sit me down and talk to me at length (something he didn't have to do) about my future, about my studies and about history, particularly parliamentary history, in which he was very interested. He was an undisputed expert on the subject of parliamentary history. He also encouraged me as an individual person to take an active part in public life, which I thought was kind of interesting because, as everyone knows, he was an ardent Liberal at that time and I was an ardent young CCFer. I used to have long conversations with him about that, as well as with Donald George Scott Calder, who was anything but a CCFer. Both of them encouraged me to take a part in public life.

I can also recall at the end of that session getting a really nice letter from Mr. Snedker, thanking me for serving as a page and recommending me, if I had gone somewhere else for a job, as being a totally trustworthy person. It shows how you can fool some people.

Mr. Speaker Snedker was a great parliamentarian and a great speaker. The Premier has alluded to the fact, as has the member for Saltcoats. I can remember as well, many times Mr. Snedker jumping to his feet, glasses flying, books crashing down on the desk bringing some errant member back to order. I was here on one occasion when he got into a bit of a kafuffle with the member for Thunder Creek's father, who also was a very strong-willed individual. I can tell you the atmosphere in this place was absolutely electric.

I think the reason Mr. Snedker was so respected by everyone was that it didn't make any

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difference whether the person who was the premier or the lowliest member on the opposition back bench. He treated both with the same rough justice and he meted it out in the same gruff way. I can recall an altercation with Bill Berezowsky when I was a member here as well. There was no difference in the way he treated Mr. Berezowsky than the way he treated the premier. I think, for this, he was respected by everyone.

One of the truly great figures in the history of this institution, Mr. Speaker, has passed on, and I want to join with other members in expressing my sincere sympathy to his family and his many friends.

Motion agreed.

**HON. MR. BLAKENEY:** — Mr. Speaker, with leave, may I move, seconded by the hon. member for Indian Head-Wolseley:

That the resolution just passed, together with the transcripts of oral tributes to the memory of the deceased member, be communicated to the bereaved family on behalf of this Assembly by Mr. Speaker.

Motion agreed.

## **ORDERS OF THE DAY**

### **GOVERNMENT ORDERS**

#### **THIRD READINGS**

#### **Bill No. 29 – An Act to amend The Automobile Accident Insurance Act**

**HON. MR. ROMANOW:** — Mr. Speaker, I move, on behalf of the hon. minister, that Bill No. 29 – An Act to amend The Automobile Accident Insurance Act, be now read a third time and passed under its title.

**MR. THATCHER:** — Mr. Speaker, I think it is very unusual in this Assembly that comments are made during third reading of a bill. I can only recall it on two other occasions, and they go back to the infamous potash debate: Bill No. 1 and Bill No. 2. The only other one I can recall was Bill No. 105, last year, when the government across the way overreacted to the nebulous threat of a couple of members in the corner, and in some quarters martyred them as a result of their action.

Mr. Speaker, what has precipitated the brief comments today is not so much what is in the bill, but what the events of Friday and today, as they pertain to SGI, mean to the people of Saskatchewan.

The changes contained in Bill No. 29 are welcome additions for the people in Saskatchewan who would choose to use SGI's services in this field. Certainly when you increase the limits upward, this is welcome news to all consumers. I think it's fair comment, also, in light of the financial statement that has come down from SGI which shows pretty conclusively that the taxpayers in the province of Saskatchewan have been charged \$100 million for SGI in the past two years. Now \$100 million is an awful lot of money for the taxpayers to hoist in a 24-month period.

Mr. Speaker, we have seen where SGI has had direct losses over the past two years of over \$50 million – \$50 million right down the tube. We have seen where they have had advances in their annual report from Crown investments corporation of about \$68 million. You throw in the other subsidies, the additional funds that go to SGI in the form of gasoline tax, direct grants from the consolidated fund, and it becomes very clear it has cost the taxpayers \$100 million for the luxury of having SGI. What these figures bring home very clearly in this bill is how can SGI afford these changes? Certainly nobody is going to say that they are wrong or they are terrible, because they are not. Any consumer who is using SGI services certainly has to look forward to the revision of these limits upward. But then as a responsible opposition we have to ask the question, how are you going to pay for it? Are you going to pay for it again in the form of red ink?

Mr. Speaker, I was amused just before I got on my feet as I read some of the comments from the new president of SGI, Mr. Wallace. In his opening paragraph, Mr. Wallace made what I thought was a gem of a comment?

Although our performance improved in 1980, the universal auto insurance program continued to sustain a high level of claims paid to or on behalf of the insured public.

Mr. Speaker, we have listened for so long about how the number of claims has gone up. Yet when one goes through this annual report and looks at the increase in claims from one year to the other, one would expect a doubling or a tripling or a quadrupling, but there is a very minute increase, a very small increase. Mr. Speaker, the trouble with SGI is simply bad management . . . (inaudible interjection) . . . Now the member for Saskatoon knows very well that it is precisely true. You can get as excited as you want over this. You can say it's rubbish. I say to the member for Saskatoon that even he must understand that \$100 million is a lot of money. Even the Minister of Health must surely realize that SGI has cost the taxpayers of Saskatchewan \$100 million. If the Minister of Health is going to get excited when he hears the truth, I suggest he look at a little mathematics. The member for Saskatoon is getting upset because the horrible, incompetent management at SGI has had direct losses of well over \$50 million the past two fiscal years.

For the sake of the minister who apparently hasn't taken the time to look at the report, I invite one of the pages to please get him one and let him look for himself. I invite the minister to look further in there at the \$68 million that's come from Crown investments corporation. Where has that come from? There is only one place Crown investments corporation gets its money. They get it simply, directly or indirectly, from the taxpayers. I asked the member to look at the revenue which has had to come in the form of gasoline tax which every driver of a car has had to pay. The minister (the member for Saskatoon), after he has looked at these, no doubt is going to calm down. I sincerely hope that he is going to have some pointed questions for his colleague (his fellow member for Saskatoon) in caucus.

Mr. Speaker, therein lies the question in this particular bill: where is the money going to come from in order to increase this coverage? In the past couple of days, we have had an opportunity to see the tip of an iceberg of a potential horror story. We have seen a situation where SGI, with this fantastic expertise (that we have had referred to by a variety of members on the other side), has shunned normal insurance procedures, shunned British companies which normally would reinsure in Saskatchewan, and shunned a local company which specializes in reinsurance, which does reinsurance for

the insurance company in Manitoba, and a variety of reinsurance work for private companies throughout North America. But SGI, in its infinite wisdom, has shunned this company. Now, there may very well have been reasons for doing so, and I see no point in going into them today.

But, for the life of me, I don't know what GI is doing in Europe, what SGI is doing across the water playing in the big leagues with the Arabs, the Swiss, and goodness knows who else – people who know high finance like the back of their hands – and obviously dealing with them in a fashion that simply does not indicate any level of expertise on SGI's part. I believe this has to be one of the very basic questions. Why, in goodness sakes, didn't we simply stick to being what exactly we set out to be in this province, and that is an insurance company – a source of reasonably economical insurance to the drivers in Saskatchewan? That was the basic precept of SGI. An interesting question is: how did we get across the water, way, way over our head, way out of our league, and in hock for millions of dollars to, goodness knows, who else?

The minister in charge of SGI under questioning has taken the oldest out in the world (the oldest out to members of this government and this side of the Assembly). He has referred us to the Crown corporations committee. When we get to the Crown corporations committee, better known as the not-in-the-year-under-review committee, we are going to get those same phrases.

Mr. Speaker, it would appear, by the terms of the settlement of SGI with RMC, that SGI is still potentially on the hook for almost any form of reinsurance RMC has decided to go into. SGI, as the minister had indicated, is still receiving the premiums which were sold previously to the termination of the contract by RMC. The minister, under very intense questioning, has also indicated that SGI is also on the hook for any potential claims. It is interesting to speculate on what those potential claims can be.

Mr. Minister, I asked you in the Assembly today whether one of those could be kidnapping. Kidnapping, as you know, is a daily fact of life in some parts of Europe. Off the top of your head, you said, "No, they couldn't be." Mr. Minister, when the terms of the contract become public (the contract with which you entered into RMC) it will show very clearly that RMC may very well (could have within the terms of that contract and probably did) sell insurance on kidnapping. When the contract becomes public, the terms which SGI in its infinite wisdom negotiated will show clearly that SGI may very well be participating, unknowingly, in insuring some of these rotted-out old hulls which are shipping oil these days all over the world. The straight fact of the matter is that SGI, through RMC, simply didn't know what it was reinsuring. That's the fact of the matter; you don't know what you are reinsuring.

Of course some things did come to light, and that is why you made every attempt to get out of the contract. It was a bad contract. For a while you were making money, as the minister indicated, and then the roof started to fall in.

It's ironic to note some of the laughable maneuvers SGI has gone through in this business with RMC. When RMC prepared to sue SGI for breach of contract, I wonder how many people are aware of what SGI's defence was in London, England, one that caused SGI to be held up for ridicule and scorn. Do you know what SGI's defence was – the defence that they filed? SGI said, "We entered into an illegal contract with RMC because we didn't have legislative approval." Can you believe that?

This, I think, is one of the reasons the minister doesn't want to table the documents pertaining to this court case with SGI. If you can believe it, SGI's defence in London was: "We didn't have legislative approval for this contract." That was why SGI didn't want to go to court very badly. That's why SGI made the out-of-court settlement in immediate cash of close to \$400,000. But then it has ongoing, continuing liabilities, which, in the minister's own words, "are a minimum of \$4 million and potentially as high as \$15 million." Those are figures the minister didn't give you.

In short, this whole business in Europe is a tale of incompetence, mismanagement, and is a horror story that has yet to come out.

And the minister asks, "What has this got to do with the bill?" It has quite a bit to do with the bill. The basic question I'd like to ask (and I think members on this side of the House would like to ask) is: as you are generously increasing the benefits to your policyholders (we think that's wonderful), in light of your financial mess how can you possibly do it? What kind of dollars are you paying this with? As I pick up this annual report of incompetence, lack of business expertise, lack of almost all kinds of common sense, and I see red ink splattered from one end to the other, the very obvious question is: where are the funds going to come from?

As we know about the European misdealings, it's interesting to speculate on what we are ultimately going to find out in the investment portfolio. I'm going to be very intrigued as we ask questions in Crown corporations committee, as we ask the minister about the operations of SGI's investment portfolio in the past few years. I would point out to the minister that I believe there's a little precedent in this Assembly that, when you refer a matter to Crown corporations committee, automatically questions in that committee do not have to be restrained to the year under review. That's a very obscure rule, one which was used very effectively in opposition by the present Premier of Saskatchewan some years ago. I serve notice on the minister that that precedent has been pulled out. When we ask you questions about SGI, please spare us the argument "not in the year under review." You've already made void that protection today in this Assembly.

Getting back to the investment portfolio, there are just an awful lot of things that we want to know about it. In that investment portfolio some very funny things have happened. Again, only the tip of the iceberg is surfacing. It's a pretty funny thing when SGI, in its annual reports, holds up its investment portfolio as a model for the insurance world, a model for private companies to follow. "Our portfolio is in the hands of some of the most expert people." "Because of the great array of people in our corporation, one of our greatest assets is our expertise." (I was quoting a few phrases from past annual reports.)

Then, all of a sudden, legislation appears in this Assembly to remove the investment portfolio from these same great, capable people. Legislation appears which takes the investment portfolio away from these people who were the envy of the insurance world. Why? The answer is very simple. They butchered that investment portfolio. You got out of your league, and you started playing again over in Europe, didn't you? You started playing in areas which you didn't know. You got hooked up with people who made investments for you which didn't yield, and the value of your portfolio was diminished sharply. I look forward to seeing the answers which the minister will provide in the Crown corporations committee. I will be intrigued to hear about the horror stories of some of the commodities which SGI, either directly or indirectly, or through other vehicles, used to play the commodities market at its most volatile time. Again, it

comes back to the fact that you're losing buckets of money. At the same time, you're increasing the benefits to your policyholders. What are you going to use to pay for it? The other day, you put on what I think is the sneakiest, most underhanded tactic that I've seen since I've been in this Assembly (and I've seen some dandies).

At present, we have what I think is very unfavorable legislation where 20 per cent of the price of gasoline will be the provincial tax. You decided that every time we need some more money or every time things are running a little short, we have to change the dollar value of our tax. Instead, you eliminated that problem. Now, you don't have to change it from 19.5 cents to 21, then to 23 and then to 25. You simply put it down as 20 per cent of the provincial tax.

**MR. SPEAKER:** — Order, order! I think the member will realize that he's discussing, in detail, the principle of another bill which is before the House. The opportunity should be taken when that bill is before the House to express your views on the principle of that bill, and not at this time. Now, I'm not stopping the member from making reference to it. I didn't rise when the member first raised the matter, but he's now discussing, in detail, the principle of a bill which is not this bill.

**MR. THATCHER:** — Mr. Speaker, that's a point well taken, but, if I may respectfully point out to you, I hadn't reached there yet. I was merely talking about the structure of present provincial tax as it pertains to gasoline. I hadn't come to Bill 58 at that point, but I acknowledge your point. I shall move along.

Again, we come back to the basic question of where you are going to get the money. How are you going to generate the revenue? We have seen Bill 58 which is one fashion by which you're going to increase the revenue to SGI. The bill is going to put a tax on gasoline which goes directly to the coffers of SGI. That is one way. I think, as the minister passes this bill where he raises the benefits, he should tell the whole story. How much are you going to raise the premium? Obviously, the money must be coming from somewhere. I think the taxpayer, the policyholders and those who use SGI services would like to know. The fact of the matter is, SGI has cost the taxpayers \$100 million in the last two fiscal years. Instead of tightening up (perhaps eliminating some coverage or doing other things), I find it incredible, in light of a financial statement like this that SGI can introduce legislation where it is going to increase the pay-outs. That simply isn't common sense.

I want to ask the minister to tell the truth. Tell the people the whole story. As you are passing out these benefits, what is it going to cost? What is the price tag? Obviously, the taxpayers and the people in this Assembly know very clearly that you get nothing for nothing. This report of SGI is clearly, concisely a demonstration that there is nothing for nothing. You cannot create money out of thin air.

Somewhere you've poured \$100 million down a sewer. Still, I would like you to show us where you're going to pull money out of thin air. I want to ask the minister, as you close debate, to tell us what the cost is going to be to these policyholders. I want you to tell the whole story. I would also like you to assure the people of Saskatchewan that when we go into Crown corporations committee and we ask you the questions about the horrible financial mess that this Crown corporation has found itself in, you will make all the documents of this arrangement with RMC available. I hope you will make the documents available, as well as the original contract. I hope you will tell us, ultimately, what it's going to cost the taxpayer.

On Friday, when it was put to the minister that it cost \$4 million to get out of this deal, the minister was up and he was fighting and scoffing. He said it was \$400,000 but only told about 20 per cent of the truth. What is the old adage? "A half truth is not a great deal different from a bald-faced lie." I've heard that old adage.

Well, that \$400,000 was about 20 per cent of the truth because you didn't tell us the rest of the story – that you still had to carry the reinsurance and that you still had to carry on insuring for the balance of the contract which you found distasteful and which has been costing you money for two years. You didn't tell that.

To the Minister of Health, who seemed to be getting so excited about the \$100 million loss a little while ago until he got the facts, I would suggest that I was in the process of sitting down, and I would like to sit down in a minute.

As the minister closes debate, I would like to serve notice that we are going to be asking, in Crown corporations committee, the following: we want full documentation of your investment portfolio for the past five years (we want you to table those documents); we want all documents as they pertain to the settlement with RMC, specifically what it is that RMC has written that SGI has found so distasteful; and we want to know what the limits of coverage are with RMC.

I serve notice to the minister that we are going to ask for those documents. If we get that traditional answer in Crown corporations committee that we have all come to love and revere – "not in the public interest" – then, regrettably, it would appear that we could be there for quite some time. So, in the interest of winding this House down, because frankly I don't see a great deal to keep us here, if the minister provides the document that is required, we should be able to do this department in about a morning. So, Mr. Minister, we'll look forward to seeing you in Crown corporations with these documents.

In the meantime, before this bill goes through, perhaps you could tell the policyholders, who are going to receive all the benefits of this bill, what is it going to cost them?

**HON. MR. ROBBINS:** — Mr. Speaker, the member for Thunder Creek spoke on this bill for about 20 minutes and didn't refer to the bill at all. Perhaps I might be permitted to make reference to some of the comments he made. He talks about SGI losing \$100 million. That is a false statement and he knows it's false. The automobile accident insurance fund has lost money, but SGI has made . . .

**MR. SPEAKER:** — I wonder, in the interests of getting this debate over in a parliamentary fashion, if the members who have already spoken and had their opportunity could keep quiet while the next member is speaking, because I am quite aware that the member who has the floor now did not interrupt the member who spoke before him.

**HON. MR. ROBBINS:** — Thank you, Mr. Speaker. I just want to make brief reference to some of the comments of the member for Thunder Creek. He talked about the \$68 million invested by the Crown investments corporation which he said was to cover losses. Again, this is a false statement. The \$68 million is in the financial statement (if he wants to make reference to it) in \$70 million in short-term investments and it's all there, invested and earning current interest rates.

Secondly I should refer to him the fact that he talked about going overseas and getting

involved with the Swiss and the Arabs. That's exactly the same thing as was done in 1950 and also the period 1964 to 1970 when the members on this side weren't in the government benches. I notice the member always sticks around to hear the answers. You know, he asks for answers and then he walks out as soon as any of the answers appear before him.

The automobile accident insurance fund, which is separate from SGI but administered by SGI, had a \$15,280,000 surplus to the end of 1978. It did lose \$28,575,000 in 1979 because the number of claims rose from 125,634 in 1978 to 154,518. The actual pay-out rose from \$83,799,000 to \$110 million. The actual incurred claims in 1979 and in 1980 exceeded the premium income by more than \$38 million. That was before any expenses related to the operation of AAIA, in relation to premium taxes, to grants in lieu of taxes to municipalities or in relation to commissions paid or administrative expenses, were carried at all. If you look at the bill itself (and unfortunately the member for Thunder Creek never looked at the bill because he didn't speak on it) the bill relates to increasing the disability payments from \$60 to \$150 a week for those people who are injured and incapacitated and who cannot work up to 104 weeks. If after 104 weeks they are rehabilitated, obviously they go back to their regular income. If they are permanently injured and can no longer earn, they will continue to get \$150 a week (unless it is revised later and I presume it will be revised later if inflationary trends continue) until they die.

The member asked about the cost related to these changes. Well, I have the figure for him but he's not here — \$2,300,000 estimated costs on public liability in relation to the increase from \$35,000 to \$100,000, which the members opposite say they support.

In terms of the \$60 a week going up to \$150 a week, \$3.3 million is the estimated cost in 1981. In terms of those people permanently injured and therefore unable to work, based on the \$150 a week payment, there is another \$900,000. So there is an increase of \$6.5 million estimated in the current year in relation to the changes which occur in this bill — an increase in public liability from \$35,000 to \$100,000, and an increase in the disability payments from \$60 to \$150.

Other significant things in the bill are related to homemakers getting the payments for 104 weeks instead of 12 weeks, which I am sure the members opposite say they agree with. Surcharges within the bill are related to accidents which may be suffered by an individual, or in which he may be involved, where that person is held to be 50 per cent or more responsible. If, in fact, the individual had a renewed licence today and had four claims against him in the next year prior to the renewal of that licence a year from now, he would have surcharges of \$500 against him, assuming that in each of those four accidents he was 50 per cent or more responsible for the accident and the cost to SGI or to the automobile accident insurance fund exceeded \$105 in each instance. And a three-year rolling period is used with respect to the levying of those surcharges.

Those surcharges, Mr. Speaker, have nothing to do with the rating units which also go onto a driver's licence if that individual breaks municipal by-laws. The Vehicles Act of the province of the Criminal Code of Canada. Obviously there are people with substantial surcharges in that respect, as well.

That really is the context of the bill. What we are attempting to do, of course, is upgrade it in relation to public liability, in relation to disability payments, in relation to the surcharges which are levied, and in relation to improvements for homemakers, taking it from 12 weeks to 104 weeks. I suggest, Mr. Speaker, that every member of this House

should support the bill.

Motion agreed to nemine contradicente on the following recorded division and bill read a third time.

**YEAS — 42**

Blakeney	Pepper	Allen
Kaeding	Snyder	Romanow
Smishek	Bowerman	Robbins
Skoberg	McArthur	Gross
Rolfes	MacMurchy	Mostoway
MacAuley	Engel	Byers
Cody	Koskie	Shillington
Lusney	Poniatowski	Prebble
Johnson	Lingenfelter	Long
Nelson	White	Solomon
Chapman	Miner	Berntson
Duncan	Taylor	Rousseau
Hardy	Pickering	Katzman
Garner	Andrew	McLeod

**NAYS — 0**

**COMMITTEE OF THE WHOLE**

**Bill No. 19 - An Act to amend The Trade Union Act**

Section 1 as amended agreed.

**Section 2**

**MR. KATZMAN:** — Mr. Chairman, we have had a lengthy discussion in this House on this particular bill regarding the necessity of this portion. I will be moving an amendment when I have finished speaking and questioning you for a few minutes.

Mr. Minister, during the second reading of this bill, we referred to a statement by Premier Blakeney which said that the present act had worked very successfully for many years and no change was necessary. In your closing remarks, you did not refer at all to the reasons for Mr. Blakeney's indicating that it had worked well. You in your usual manner put other things in suggesting that is not quite what Mr. Blakeney said, as you went through your second reading speech. Mr. Minister, except for one case I know of, I would ask you if you can give me any other case where it has been a problem that there wasn't a sufficient vote. I know the first one the minister is going to refer to, of course, is the local 59 strike that just finished. And the vote to go back was not 50 per cent plus one. The amendment which I shall bring forth will cover situations along that line. The concern I have, Mr. Minister, (and I think I've stated it in this House repeatedly), is to guarantee rights so that everybody will have an opportunity to vote. I agree with the

minister (as he said in his own speech), that many unions have a clause built right within them to guarantee a certain percentage of votes and methods for voting and so forth.

My concern, Mr. Minister, is that nowhere in your present bill do you suggest that there is a responsibility to the union to do its best to make sure everybody has a chance to vote. I wouldn't say that I disagree with you on the statements you made when you said you were not concerned about the sweetheart fellows who cry because they never went to a meeting. Now they want you to change the rules, when they could have gone and changed the executive, or changed the method of voting and so forth, so they could go about doing what they wanted. So first of all, Mr. Minister, I would ask you what other unions have had this problem where the membership, or members of the membership thought that the strike was not a properly constituted strike. Why were you not willing to put in conditions that would indicate the union should make an effort to give the employees a chance to vote?

**HON. MR. SNYDER:** — I think probably anything I may say in committee will represent words that have already been spoken, ideas that have already been suggested, and expressions that have already been pronounced. I don't think there is anything new under the sun that I can say in committee of the whole that I haven't already given expression to when I introduced the bill in the first instance, and when I closed off debate on second reading.

The remark that is being attributed to the Premier is almost identical to the one which was attributed to me when I gave a clear indication (and I believe the Premier did also) to the effect that 11(2)(d) of The Trade Union Act, as it was understood from the time of its passage until, I believe it was December 17 or last year, serves the purpose very well, as it was understood at that time. When Judge Johnson delivered his ruling it placed a new interpretation on 11(2)(d) and that, of course, caused the difficulties with which the member is very familiar. Accordingly, as I said in my second reading speech, what we proposed to do is return 11(2)(d) to the position we believed it to represent during that long intervening period of time when, as the member indicates, it served us well. As the Premier indicated, it served the province of Saskatchewan well, as well as the trade union movement and those negotiating with the trade union movement. Obviously, the difficulty I have in subscribing to the suggestion of the hon. member and placing in the act some definitive voting mechanism is principally the trade unions or organizations which are in control of their own destiny, first of all. But most importantly, difficulties would arise in attempting to describe appropriate voting procedures for an organization such as the Saskatchewan Government Employees' Association (with some 11,000 members), as compared to for instance, an eight-hour-a-day shop employing 100 employees. Very easily they could put in place a polling station and have the employees vote on whatever question was being raised in a simple fashion. To attempt to describe a voting procedure, and put in legislation or regulations which would be effective and appropriate in all the varieties of circumstances, some of which, as in the case of SGEA, have employees spread all over the province of Saskatchewan, would be virtually impossible. Such a procedure would not be sensible in one set of circumstances and totally ludicrous in another.

I go back to the suggestion again, Mr. Chairman, to indicate to the hon. member that the dues-paying membership are or should be in control of the situation. If the voting procedures as carried out by their organization do not suit their requirements, then they have not only the opportunity, but the responsibility to put into their own by-laws a voting mechanism which will more properly describe the set of circumstances which

best apply to their organization, without the Minister of Labor attempting to superimpose his judgment on every trade union organization in this province.

The member asks which other organization has had difficulty. I know of none. So, I think the situation with respect to the Saskatchewan Government Employees' Association has to be regarded as somewhat unique, in that the voting procedures were significantly different from what is usually the case for all practical purposes.

If I were a member of the Saskatchewan Government Employees' Association, I think I would find myself ready, willing and able to rectify that set of circumstances if I believe it did not properly serve my purpose. For all of those reasons, Mr. Chairman, I think the suggestion of the member for Rosthern would be inappropriate – to describe in legislation or regulation that kind of restriction.

**MR. KATZMAN:** — Mr. Minister, I will try one more time to show you the error of your way, by suggesting . . . (inaudible interjection) . . . You have so many errors in your ways; we could spend all day correcting them.

Mr. Chairman, I have given the Clerk a House amendment. I would so move the amendment. What I am attempting to do by the amendment is to go with your clause which suggests that those who vote make the decision, but that in those cases that vote be handled by the executive officer, as he is called, as appointed by the Lieutenant-Governor in Council. I am suggesting that it is his duty to make sure all votes are fair and everybody has equal opportunity to vote; he decides the methods, the time period and how he will conduct the ballot. If those who don't want to vote don't come and vote, then those who vote make the decision of Judge Johnson. So they have two options: (a) 50 per cent of the membership plus one vote in favor of a strike by secret ballot, or (b) the executive officer handles the vote and those who vote make the decision. You have the two choices. That way nobody can say, "I wasn't given an opportunity to vote", because we all know that the executive officer's job (he's appointed by the Lieutenant-Governor in Council in The Trade Union Act) has that ability to make sure that they will have ballot boxes here or ballot boxes there which will be open for two hours or whatever he decides that is fair.

So let's give them a chance at both worlds. First, that those who vote make the decision, and that's what's suggested by the executive officer. The other choice, of course, is 50 per cent plus one of the total membership vote, and they make the decision.

So, Mr. Minister, I would ask you to consider this one. I know you have some problems and are concerned with legalities and so forth because of what happened with 11(2)(d). If the minister wished to adjourn the committee at this point to have his legal people check it out to see if it will work, I would be only too pleased to wait. I don't know if it's proper, but I would even suggest to the chairman that we move that way: hold it at this presentation, allow you to go back to your lawyers to check and see if it will function, and then discuss it. Otherwise, if it's turned down now, I would assume you just don't want any change in any way, and don't want to give the membership both options.

**HON. MR. SNYDER:** — Mr. Chairman, it's said that there's nothing new under the sun, and certainly the suggestion by the member for Rosthern doesn't represent a new idea. The suggestion of government-supervised strike votes, in one form or another, has

been around for as long as I'm able to recall. This was one of the major thrusts of the employers' organization, which died a natural death, and the residue of that organization escaped to another province.

The idea of a government-supervised strike vote, on the face of it, appears to be somewhat fair, unless you look more closely at what is really being suggested. When the hon. member indicates to me that he has all sorts of ideas with respect to placing equity in The Trade Union Act and making equal circumstances (making the rules apply for one party as well as the others) I wonder if he believes what he is saying and how he can then bring forward the suggestion that under this set of circumstances a government-supervised vote would apply for the trade union in question, but for an equally important set of circumstances, for a decision to be made by the employer, there would be no compulsion and no suggestion of a supervised vote prior to the time when an employer might decide, of his own volition, to lock out his employees (as happens on numerous occasions). If there is any equity in the judgment or the reasoning by members opposite or by the member for Rosthern, I would think that he would have to require that a government-supervised vote take place of the shareholders of Interprovincial Steel and Pipe Corporation, or, at least, the board of directors (the government-supervised vote of the board of directors of Interprovincial Steel, just to give an example) before they could undertake to lock out their employees.

I think what is being seen here on a continuing basis, Mr. Chairman, is a failure of members opposite to recognize the fact that trade unions are duly constituted and democratically elected organizations which have the responsibility to take care . . . I don't know whether the hon. member is chuckling at that suggestion, but if he is I accept that in the manner in which the chuckles are being offered. I think the hon. member, the Leader of the Opposition, probably takes that proposition very lightly. Obviously, the very fact that he chuckles at such a suggestion makes the point which I have been attempting to place on record.

The members opposite, I think, fail to recognize that trade union organizations are democratically elected organizations and that their memberships have the authority and the responsibility to do their own thing and, recognizing that responsibility, conduct their own affairs in the manner in which it is expected. I think the members are being not only unreasonable but also are lacking a real understanding of what the amendment would suggest. I am going to invite members to vote against the amendment.

**MR. KATZMAN:** — You know, I asked, Mr. Minister, when I first moved the motion . . . I realize it is something that is not brand new. I agree with you. To change The Trade Union Act, we would have to do a mass of rewriting to do a lot of things both you and I would like to see in it. But we are into handling 11(2)(d). That is the clause before us; not the rest of The Trade Union Act. I wish the minister would at least give the House the courtesy of taking it back to his legal people to see if it would work. I realize there is nothing new in it, but what we are suggesting is to give the union two choices. That is what the amendment does. If you want a vote of your total membership, you normally received (as you do in 99 per cent of the votes of which I know) a 50 per cent plus one vote in favor of the strike, or you receive 50 per cent plus one against it. You normally have a deciding figure. It is concise. The odd strike isn't concise because a lot of people stayed home and didn't vote. You say, "Fine, so nobody can challenge the union; so nobody can challenge anybody. We will have the vote conducted by somebody else who is already appointed under The Trade Union Act, whose job is to make sure that everybody has an opportunity to vote in the votes that he already does." He will go out

and make sure everybody has an opportunity.

The thing most wrong with the SGEA strike, Mr. Minister, was that people did not get an opportunity to vote because they could only come for a short while, wished to cast their ballot, then had to go to classes or something along that line. Normally, in a supervised vote, there is a time frame most people can fit themselves into. In fact, people were told that they had to listen to speeches, in the one we have all referred to, before they could vote. In some cases (as I was saying about the membership), you must be informed before you vote. That is a good principle. The membership should be informed. But I think, in most cases, you can inform them by putting it on paper and giving them the opportunity to read it as well. We are not in an illiterate country, Mr. Minister.

Now, I may be out of order, Mr. Chairman, but I suggest that rather than seeing this defeated (as the minister was suggesting when he spoke a moment ago) the committee stand at this point to come back another day, so that he has time to consult with lawyers. I don't know if that is in order or out of order, but if I remember correctly, it has been done by some method along this way previously in this committee.

Mr. Chairman, I am at your discretion if that is legal.

**MR. CHAIRMAN:** — If you have unanimous consent of the committee — does the member have unanimous consent?

**SOME HON. MEMBERS:** — No.

**MR. KATZMAN:** — I assumed that that was going to happen. Well, Mr. Minister, it sounds as though you are not willing to give the citizens of the province within trade unions an opportunity to have their own decision where they all have an opportunity to vote. Therefore, I guess you are suggesting you will not accept any amendments, even if they are more democratic than the suggestions you bring in.

**HON. MR. SNYDER:** — Mr. Chairman, the hon. member has been placing his own meaning upon the judgment that is being made by some other people. What the member totally refuses to accept is the fact that providing an opportunity or the obligation of the executive officer of the labor relations board to conduct strike votes does not in any way come to grips with what he perceives to be a problem. I don't know how he believes, for example, that a vote conducted by the executive officer of the labor relations board would provide any more of a requirement for people to come and exercise their franchise than would be the case of a vote conducted by the trade union in question. It doesn't begin to address the problem that he draws attention to. It's not a legal question that has to be considered; it's a practical one. The question is whether the amendment in any way provides any benefits to anyone and I suggest that it does not. I think it is an ill-considered amendment that serves no practical purpose.

**MR. ANDREW:** — I have a question for the minister with regard to this bill. On March 3, 1981, I asked a question to the Attorney General with regard to the Meewasin Valley. In Meewasin Valley there was a vote, as you are probably aware, and 85 per cent of the residents of Corman Park voted to pull out of it. The response by the Attorney General was, "Well, that wasn't a very valid vote because there was only 85 per cent of the 30 per cent." Now, why does that amendment seem to apply to The Trade Union Act and yet, by the same logic, it doesn't seem to apply on a vote of the residents of Corman Park with regard to their participation in a government-controlled program? Why should it not equally apply there by the same logic?

**April 13, 1981**

**HON. MR. SNYDER:** — Well, I think the hon. member for Kindersley should exercise a little patience. I'm not sure what it proposed in terms of amendments to The Meewasin Valley Authority Act, but I think, probably, the Attorney General and the minister who is responsible for the Meewasin Valley Authority legislation will be able to describe more precisely what is intended. Obviously, a good percentage of those who voted in the Meewasin Valley Authority vote to exclude Corman Park from that geographic area were those who voted to exempt themselves from it. I can't tell you what's flowing from that. That's not my prerogative, but you might wish to question the Attorney General on that particular matter. Surely an equation can't be drawn between the two; nevertheless I am inclined to believe that those who did not exercise their responsibility in getting out to vote sacrificed their right to vote. They sacrificed their right to complain. The vote of those who did not vote cannot be considered to be a yes or a no.

Accordingly, my position remains constant: those who exercised their authority and vote are the ones who are the decision-making body in my humble opinion.

Amendment negated on the following recorded division.

**YEAS — 9**

Berntson  
Taylor  
Garner

Duncan  
Rousseau  
Andrew

Lane  
Katzman  
McLeod

**NAYS — 25**

Pepper  
Romanow  
Skoberg  
Rolfes  
Engel  
Shillington  
Prebble  
Long  
Miner

Kaeding  
Smishek  
McArthur  
Mostoway  
Cody  
Lusney  
Johnson  
Nelson

Snyder  
Robbins  
Gross  
MacAuley  
Koskie  
Poniatowski  
Lingenfelter  
White

Section 2 agreed.

Section 3 agreed.

The committee agreed to report the bill.

**Bill No. 48 – An Act to amend The Residential Tenancies Act**

Sections 1 to 6 inclusive agreed.

The committee agreed to report the bill.

**THIRD READINGS**

**Bill No. 19 – An Act to amend The Trade Union Act**

**HON. MR. SMISHEK:** — I move that the amendment be now read a first and second time.

Motion agreed to.

**HON. MR. SMISHEK:** — By leave, I move the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

**Bill No. 48 – An Act to amend The Residential Tenancies Act**

**HON. MR. KOSKIE:** — Mr. Speaker, I move that the bill be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

**COMMITTEE OF FINANCE**

**CONSOLIDATED FUND BUDGETARY CASH OUTFLOW**

**TOURISM AND RENEWABLE RESOURCES**

**Ordinary Expenditure – Vote 39**

**Item 1 (continued)**

**MR. HARDY:** — Mr. Minister, when I driving down – this is probably something different from what we've been talking about – I noticed four moose along the way that had a lot of hair missing, which is a sign that they have ticks. I inquired into this problem and found out that when they are heavily infested with ticks the calf crop in all probability will be very light. I think another part of this whole thing that I'm getting at is that in zone 26 and north of that, the moose population is known to be very low. In our area, moose have been hunted very extensively in the last couple of years. We've had a lot of, I guess you could say, out-of-season hunting. Our moose population, I'm sure, is down. I just wonder what your department is doing by way of establishing what the hunting season for the moose will be this year, in allocation and in open season?

**HON. MR. GROSS:** — Mr. Chairman, the member wants to know what the limit will be on moose populations for this hunting season. The advisory committee has not met, but I understand that it has a meeting next week. The proposal will be made to it at that time. The member, if he's familiar with the advisory committee, will know that it's the body which reviews the hunting allocations. It's made up of people from the wildlife federation and from various organizations throughout the province. It takes recommendations from the department and either approves or rejects those recommendations. It hasn't met. It meets next week.

**MR. HARDY:** — What you're saying, Mr. Minister, is that, as of the present time, you really haven't established how many moose are going to be allocated this year in the draw system, or if it's going to be an open season or a closed season.

**HON. MR. GROSS:** — Mr. Chairman, I can only repeat my answer. The advisory committee has not met. In regard to the moose situation, it will be two weeks before a final recommendation is made to the committee. There has not been a firm recommendation made at this time.

**MR. HARDY:** — Well, I won't pursue it any further. I just wanted to bring to your attention, basically, that there could be a very low calf crop this year. I would like that taken into consideration in our area, specifically, and in the Carrot River area where the same situation exists. I understand that in the Meadow Lake area, it's not a problem as yet.

Talking about the Carrot River area and the Hudson Bay area, there's one other thing which I'd like to dwell on. That's the road which they're building (I'm sure I've brought it up before) between Highway No. 168 and Highway No. 3. The reason that I'm concerned about it, and that the wildlife federation is concerned about it, is because it goes very close to the Wildcat Hills wilderness area, which is probably some of the last of the true wilderness which we have left in my area. I'm just wondering what input your department has into the establishment of that road, and what your views are on that road going through.

**HON. MR. GROSS:** — Mr. Chairman, in regard to that road (I don't know if we have the correct road), it will have to go through the normal procedure of an environmental impact assessment. We have input when that process takes place. The Department of the Environment will contact us. We will give our opinion whether we feel there are problems with moose, deer or whatever. Our input comes at that stage. That hasn't happened yet. I guess the road is still in the planning stage.

**MR. HARDY:** — Has your department done any studies on the impact that it will have on the wildlife in the area, specifically in this Wildcat wilderness area which has been set aside for that reason?

**HON. MR. GROSS:** — Mr. Chairman, I'm advised that the road is not that close to the Wildcat wilderness area. Of course, it would be unfortunate if it were disturbing that wilderness area. That's why we have environmental impact assessment hearings. I'm told that the relevant data, which is required to do a proper environmental impact study, has been assembled. We're aware that there are proposals kicking around. When we're asked to comment in regard to it, our department will comment accordingly.

**MR. HARDY:** — Mr. Minister has the wildlife federation made any requests to you, on its behalf, in regard to this route through there?

**HON. MR. GROSS:** — Yes. Mr. Chairman, I'm advised that they have, but it has been on an informal basis — a conversation basis — and not in writing.

**MR. HARDY:** — In regard to the wildlife federation, and with the understanding that it is going to make a formal application, I will leave that point. I don't want to pursue that specific area any further.

Still with regard to hunting in the area, on page 9 of your annual report, for 1980 you show 735 convictions for wildlife and 465 for fisheries and 224 for parks. How many of these, I am interested to know, were either native or treaty Indians?

**HON. MR. GROSS:** — Mr. Chairman, we don't segregate or discriminate in our figures; we just don't break it down that way.

**MR. HARDY:** — I question that a little bit, because I've been to a few hearings there where this has been involved and one of the main questions asked was: "Are you a treaty Indian?" I just wonder why, if it is one of the questions asked, no record was kept. At the two cases I attended . . . not just because they're native people, but because basically this hunting out of season is sort of the thing that's depleting the wildlife in our whole area and it's a very contentious issue, specifically in my area. I'm sure you've probably had lots of calls on it as well. I just wonder how you're going to treat this hunting out of season, regardless of whether it's native or Metis or treaty Indian. If we're going to preserve our wildlife, it has to be treated in some way. What has your department done toward establishing some kind of control over this type of hunting?

**HON. MR. GROSS:** — Mr. Chairman, first of all, in reply to the member's question with regard to breakdown, we don't break them down as to whether they're native or whether their ancestry is German or Ukrainian or Dutch or Polish or whatever it may be. I don't think we would want to get into that; it's just not the way it's done.

With regard to the hunting rights issue, the policy we have taken as a department is that the traditional hunting rights that have been established by treaty are the ones that take precedence, that we respect. We will carry out, in that regard, the policy that Indians, if they have a valid and legitimate right, will be treated accordingly. That's the policy that we've been using and will continue to use.

**MR. HARDY:** — Mr. Minister, with all due respect, do you not still feel that our wildlife is going to be depleted almost to nil if there aren't some controls established, either federally or provincially? I think it falls back on your shoulders to see that there are some type of controls established, so this indiscriminate hunting, regardless of what the ancestry is, is controlled more effectively. I think to select a few people who are hunting, and let the rest go, is discriminating against everybody, not just one. I just wondered whether your department isn't prepared to at least look into some type of further controls to establish some type of hunting that is fair to all, with the idea of retaining our wildlife and not depleting it to zero.

**HON. MR. GROSS:** — Mr. Chairman, I guess we can get into a very long discussion here, if we want, with regard to treaty rights. Our government stands very much behind the treaties that have been signed and supports and endorses commitments made by our forefathers. We support and will continue to support that stance. If the member has a problem with indiscriminate hunting and if there's a situation where there has been hunting outside of the law, we prosecute accordingly and will very quickly act accordingly, provided it's outside the law and outside the treaties.

With regard to where the case should be put, if the member feels he has a very strong case in this area, obviously the area responsible for administration of the treaties is the federal government and they're the people who will enforce it accordingly. We respect very much the treaties that have been signed by the Indian people. If the member wants to challenge whether or not we should respect those treaties, I think we should; I think we have an obligation, and we will.

**MR. HARDY:** — That's all right to say, but you know yourself that just a couple of years ago, north of Hudson Bay along No. 109 Highway (it's called No. 9 now), they just about completely deleted the moose population. Every day there were 10 to 15 moose killed. In the fall of last year, the elk were being indiscriminately slaughtered south of Porcupine Plain and in the south part of Hudson Bay. I think your officers are as aware of the situation as I am.

My concern is that we in some way, whether provincially or federally (I don't know where it falls, but it certainly has to start from the provincial level), change our laws to ensure that we will have wildlife, not just today and not just for tomorrow, but for the future. I think that would pertain to white and native people, and would be for the benefit of all. We have to look ahead a little further than today or tomorrow, and toward some kinds of controls that will leave wildlife there for future generations of the native as well as the white population.

Again, I would like to see some type of enforcement established. Perhaps it is only a starting point, but we have to start some time. If we leave it much longer (and I think you are as aware of it as I am), soon there will be no wildlife left at all. That was probably one of the concerns I had while coming across from No. 168 Highway to No. 3 Highway, and relates directly to that problem.

**HON. MR. GROSS:** — Well, Mr. Chairman, the member says somebody has to take a stance in regard to indiscriminate hunting. We have, as I said earlier, taken the stance that we believe that treaty rights subscribed to by our fathers are the rights which we protect, and we will support the cause in that regard.

In regard to indiscriminate hunting by Indians, we have had discussions with the Federation of Saskatchewan Indians, and on many occasions its members have indicated that there are problems in that area, and that they do their own internal work in regard to indiscriminate hunting, and do not support any indiscriminate hunting as well. They realize that, if they are to have the resource for the future, they have to protect it like anybody else. I think we've had those discussions and they've been very amicable. We've left it at that. But to suggest that somehow we change treaties as a provincial government — it's totally impossible because it is not our legislation or our right jurisdictionally to change those treaties. I think it is something that our forefathers have subscribed to for us, and something we have to live up to, with regard to treaty rights for Indians.

**MR. HARDY:** — Just to clarify that a little bit. First of all, we all realize we have to live up to treaties. But that isn't the point. You've said you have had discussions with the Metis or the Indians, and there are a lot of them within the province. I realize that. But discussions are not good enough. I have had discussions with them too, and they are willing to sit down and start working toward a program that will not only make better relationships between the hunters of the province of Saskatchewan, but also retain the resources of our wildlife. Just saying that you have had discussions and dropping it at that, I think, is only a halfway start. I would really like to see it continued. Maybe you can have discussions and meetings — whatever is necessary — to start. It has to be a basic start. Just going on and on with discussion does not solve very much.

**HON. MR. GROSS:** — Mr. Chairman, I can only say (for the third time), really, we are debating treaty rights and the treaty issues, period. If there is indiscriminate hunting taking place, and he feels we should control it better than we do, there is only one thing

we can do, and that is take away treaty rights. I hope the member opposite isn't prescribing that as our course of action, or that we promote that the federal government move in that direction. I can only underline again that the Federation of Saskatchewan Indians (he asked us what we were doing) does not condone indiscriminate hunting. Its members have said this many times. They do not condone the practice. And they try to do whatever they can in their own right not to condone the practice. That's about all we can add to the argument. Again I can only say I don't know what kind of mechanism you are talking about for controlling indiscriminate hunting. If they have a legitimate treaty right and are not hunting out of season in a prohibited area, then they have the right under the treaty to do whatever they want in that area at that time of the season. If they are hunting for food for their own use, that will continue and we can't do anything about it. It's a federal treaty. We don't feel that it's our right to go breaking treaties. Accordingly, we have adopted the philosophy and policy that we will live up to the treaty rights of Indians.

**MR. HARDY:** — Well, first of all, I support treaties and I think I made that point clear. But you said the treaty allows them to do whatever they want. That's the point that I don't feel is right. Within the treaty, I'm sure, there must be set out certain rules and regulations. Maybe they have to be altered. Maybe we have to go back and negotiate with them. I said federal or provincial levels. Unless we do something in the very near future we are not going to have any wildlife left. I think that the Indians and Metis and all the associations fully realize that.

When I'm talking about indiscriminate hunting, I mean night hunting and hunting in the calving season of the year — that specific type of hunting. That's what I've been urging you to work towards. I still think that at a provincial level a lot can be done.

**HON. MR. GROSS:** — Mr. Chairman, with regard to the member's question about indiscriminate hunting and night hunting more particularly — with regard to night hunting we have two acts in this province. I'm sure the member is aware of them: The Wildlife Act, and The Firearm Safety Act. They clearly point out that it is illegal and no person shall hunt at night. In both acts it is very clearly defined. We've said many times, through legislation, that it is illegal to hunt in an unsafe manner at night. It's both in The Wildlife Act and in The Firearm Safety Act. So in regard to that area, I think we are covered. We've made our point that we don't want anybody hunting at night in an unsafe manner.

**MR. ROUSSEAU:** — Mr. Minister, I don't know the answer to this really. I'm looking to you for some guidance on it. We're talking about the treaty rights — what do the treaty rights allow a treaty Indian to hunt and do in the hunting areas? For example, let me throw this out to you. I don't recall the numbers or anything else, but there was a slaughter of thousands of caribou in the northern part of Saskatchewan where they took the tongue and left the carcasses to rot out on the ice. Do they have the right to do that?

**HON. MR. GROSS:** — Mr. Chairman, for the benefit of the member, he says he wants some guidance in regard to the treaties. Without getting right down to the details, basically what it says is that they can hunt for food at any time provided it's by safe means and it is on unoccupied Crown land. That's basically the intent of the treaty.

**MR. ROUSSEAU:** — So they don't have the right to take just the tongue out of a caribou and leave the carcasses there? That's hunting for food but it's leaving a lot of that food out there isn't it?

**HON. MR. GROSS:** — The member is correct. They cannot waste food. It is illegal to waste food. If it's just being slaughtered indiscriminately, that's illegal, and we'll prosecute accordingly; they must use it for their own food.

**MR. ROUSSEAU:** — The reason I'm asking the question is because you said a while ago that under the treaty they have the right to do whatever they wanted to, and I'm questioning the terminology or the way you put or replied to that question. I don't believe (and I would be very surprised) that an Indian has the right to do anything he wants to do, like hunting with spotlights, for example. Does he have that right?

**HON. MR. GROSS:** — Well, Mr. Chairman, I guess it's up to a court to decide whether it's a safe means or not. Yes, he has the right to hunt, provided it's with safe means. And if he's hunting in a safe manner, it's considered quite legitimate. But if it's an unsafe manner, it would be illegal.

**MR. ROUSSEAU:** — Mr. Minister, I think you should be careful in the way you reply to questions — for you to say that he has the right, under the treaty, to do whatever he likes, and then turn around and say, "Well, he can use the light as long as it is in a safe manner." I think the reason for the law against using spotlights at night is that it is not safe. So if it's not safe for one person, surely it can't be safe for another. I think the impression you're leaving is that they can do what they like — they can slaughter these thousands and thousands of caribou in the North and just take the tongue and leave the carcass; they can hunt with spotlights; they can do all of these things and get away with it.

I think you should correct your statement and make it clear as to what their rights really are under the treaties. If they want to hunt for food, I'm sure no one in this province or in this country would disagree with the theory and reason for the rights under a treaty that was signed many years ago. I would like to see you correct the statement you made and make it very clear as to what you mean by the comments you made a couple of minutes ago and the one you just made now.

**HON. MR. GROSS:** — Mr. Chairman, I'm sorry if the member feels it was unclear. In my mind it was accurate. Again, the member opposite wants to know the precise wording. It is that Indians can hunt for food by any safe means and can have the right of access to unoccupied Crown lands or lands to which they have the right of access. Also, they cannot waste or indiscriminately hunt for food. For what it's worth, Mr. Chairman, that is as clear a statement as I think one can make in regard to treaty hunting rights.

**MR. HARDY:** — There's only one thing I would like to clarify before we wind this part of it up. We were talking about hunting rights and I would like to know if you were talking about only treaty Indians, or about natives in general. I would like it clarified; I don't really understand that part of it.

**HON. MR. GROSS:** — Mr. Chairman, it's treaty Indians only.

**MR. HARDY:** — So you're telling me that native people in the province of Saskatchewan, other than treaty Indians, do not have this superior right to hunt that you have been explaining to us?

**HON. MR. GROSS:** — That is correct, Mr. Chairman.

**MR. HARDY:** — I have a couple of other questions. To be honest with you, I think we could argue that question all night. It has a lot of depth to it and there are a lot of problems there. In all sincerity, I think it is time that the department worked with the treaty Indians and the native people. The native people are doing part of the hunting, too. You could at least start to establish something toward securing our wildlife for future generations.

I would like to ask a question on another subject, that of wildlife development. How much land did you purchase this year for the wildlife development fund?

**HON. MR. GROSS:** — Mr. Chairman, we'll provide the member with a list of the lands, who we bought them from and so on, very quickly. I'll get a list and send it over to him, if that's okay.

**MR. HARDY:** — Would you have a total of the number of acres purchased?

**HON. MR. GROSS:** — Mr. Chairman, the total acres are 62,730 at a cost of \$2,299,229. That's that total to date. The total acreage for 1980 is 3,469.5. The cost was \$355,370. The average cost per acre was \$102.42. The total acreage to date is 62,730. The total cost to date is \$2,299,229. If the member wants, I'll send over a copy of the list of lands purchased this year, and the totals to date.

**MR. ROUSSEAU:** — Mr. Minister, last year we asked you several times in this House, and you continuously refused to tell us, where you were going to build your hotel, motel (or whatever it was). Are you prepared now to tell us where you are going to build it, or where you have built it, and how much you spent on it, etc.?

**HON. MR. GROSS:** — Well, Mr. Chairman, we built a number of condominium complexes. The places we built at were Cypress Hills Provincial Park, Duck Mountain Provincial Park, and Greenwater Lake Provincial Park. At Greenwater Lake we built a log-cabin complex. At Duck Mountain Provincial Park and Cypress Hills we built condominium accommodation.

**MR. ROUSSEAU:** — Is that all? Are you building anything this year?

**HON. MR. GROSS:** — Mr. Chairman, we'll be following on stream. There will be more accommodation provided at Cypress Hills.

**MR. ROUSSEAU:** — That's all? I was told just the other day that there was something at Kenosee which you were building. You answered that question already. Apparently, I wasn't here. Is that right?

**HON. MR. GROSS:** — Mr. Chairman, I think what the member is referring to is what was discussed in DGS (Department of Government Services) estimates. You asked what was coming out of the heritage fund and that is what I am referring to.

What we were discussing last year was where we were going to build the accommodation. In last year's estimates it came out of the heritage fund and this year, accordingly, is the same.

**MR. ROUSSEAU:** — You do want to get technical, don't you? All right, I'll take a minute and have a look at that before I come back to you.

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**MR. HARDY:** — Would you give me the cost of the cabins, and the cost of the construction involved in putting sewer and water service into the cabins at Greenwater Lake?

**HON. MR. GROSS:** — Mr. Chairman, the total for Greenwater Lake Provincial Park out of the heritage fund was \$507,000. There is a breakdown. If the member wants the breakdown we will provide it for him. Basically, it was \$507,000 out of the heritage fund. A lot of it was in charges for water and sewer service for cabins when they come on stream. So we built for extra capacity. It wasn't just built for the ones which are there now, so the figures could be a little misleading. There is additional water and sewer service in the system which we developed for additional cabin expansion later on.

**MR. HARDY:** — You said \$507,000. Would that also include any department labor which was involved? I understand quite a bit of department work was done on it.

**HON. MR. GROSS:** — Mr. Chairman, that is correct. That is the total for everything.

**MR. HARDY:** — Would you tell me what future expansions you have in mind, if any, for that location? Could you tell me if you have any future cabins or expansions planned for that location?

**HON. MR. GROSS:** — Mr. Chairman, the answer is yes. There is a concept plan which has been developed for 28 cabins when it is fully extended.

**MR. HARDY:** — Mr. Minister, would you send over to me a copy of the expense of Greenwater cabins, please?

**HON. MR. GROSS:** — Mr. Chairman, we could send the member a copy. We don't have anything with us right now that we could deliver, but we will send one over.

**AN HON. MEMBER:** — After supper?

**HON. MR. GROSS:** — Okay.

The Assembly recessed until 7 p.m.