

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

June 30, 1982

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### QUESTIONS

#### Oil Royalty Schedules

**HON. MR. BLAKENEY:** — Mr. Speaker, I have question for the Minister of Mineral Resources. Today is June 30 and the price of oil will go up under the agreements between the Government of Canada and the Government of Alberta and the Government of Saskatchewan. I wonder if the minister could advise us whether or not it is proposed that the current marginal crown rates will apply to the increase in price, which I believe is \$2.25, or whether a different marginal crown rate will apply. In effect, are the royalty schedules to be changed or to be left as they were?

**HON. MR. THATCHER:** — Mr. Speaker, in answer to the Leader of the Opposition, it is the policy of this government to totally re-evaluate the treatment of the oil industry, and to re-evaluate and review the mess and the chaos that the previous government left behind. I am pleased to inform the Leader of the Opposition that a thorough review of his government's royalty structure has been conducted. It has been completed, and I am pleased to announce today that their royalty structure is going to be placed in the ashcan that it should have been placed in 11 years ago.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. THATCHER:** — And more importantly, I am pleased to announce today that on Tuesday, July 6, the new royalty structure of the new government will be announced. Hopefully, it is a package that will be received favourably by the private sector. Hopefully, it will stimulate investment and restore investor confidence. The previous government set out and embarked on a course designed to destroy the oil industry in this province.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Is the minister able to give us any indication of the marginal rates on old oil, new oil and NEP (national energy program) oil?

**HON. MR. THATCHER:** — Mr. Speaker, the Leader of the Opposition will be given all the details, as will the balance of the industry, the press and everybody else concerned, next July 6. I think that's Tuesday if I'm not mistaken. I am sure that the Leader of the Opposition will find it an interesting contrast to the philosophy and the techniques used by his government, which were successful only in driving the oil industry out of Saskatchewan, crippling the small producers as the large multinationals just casually moved elsewhere.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Is the minister in a position to estimate when his new initiatives will get the oil industry back to the record levels of oil drilling and oil production obtained in 1980?

**HON. MR. THATCHER:** — Mr. Speaker, I am sure that the Leader of the Opposition appreciates that 11 years is not easily overcome. In other words, the 11 years of socialism, the 11 dark, dreary years that the resource sector has experienced is not overcome very easily. It does take some time to restore investor confidence in this province.

I don't have to relate to the Leader of the Opposition the effects of Bill 42. You don't get over those effects overnight. In effect, Mr. Speaker, my answer to the Leader of the Opposition is that we will not get back to those levels as quickly as we would like, partially due to a terribly depressed economy. But there is no question that we face some hardships in overcoming the attitudes toward the previous NDP government by the investors. We have to first restore investor confidence. Unfortunately we do have some dealings with the commodity known as the federal government. Certainly they could make things considerably easier for us. There is some sign that they are perhaps prepared to do so.

Therefore, my answer to the Leader of the Opposition is simply this: probably in early 1983.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Mr. Speaker, the minister indicates that the problems apparently stem from Bill 42, which was passed in 1973 as he will recall. I am asking him not what he is prepared to do in relation to 1973, which is a long time ago, but what he is prepared to do with respect to 1980, which isn't so far back, and I want to ask him when he expects production in this province to get up to the 1980 levels and ask him whether he is going to blame failures on the federal government as he indicated he would not do in the House the other day?

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. THATCHER:** — Mr. Speaker, one of the basic facts of the oil industry in Saskatchewan today is simply this: with our royalty structure as the previous government placed it, the sad fact of life is that we had no oil industry after 10 years. It was gone. We can't continue to do things as the doctrinaire socialists across the way would do them. They chased this industry right out of the province.

Mr. Speaker, it is the policy of this government to restore confidence to this industry, to let them, in effect, turn a dollar, and whatever drops in revenue we may encounter specifically we will more than offset by increases in volume. And I suggest to you, Mr. Speaker, the Leader of the Opposition knows very well how grossly his government overestimated oil revenues in its budget in March. In fact, the Leader of the Opposition knows that the figures his budget people put forward in that budget were deceitful and inaccurate. And he knew it at the time.

I suggest to you, Mr. Speaker, and to the Leader of the Opposition, that our royalty structure will be in tune with the times, and that, even though there may be some initial drop in revenue, over a slightly longer period of time these little drops will be more than compensated by increases in volume production by greatly increased production on

the part of the industry.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Mr. Speaker, my supplementary question is very simple. When does the minister believe that he will have a year like in 1980 with 1,500 wells drilled and royalties in the \$600 million or \$700 million range? Can he indicate that that will ever happen under his administration?

**HON. MR. THATCHER:** — I can assure the Leader of the Opposition that it would have happened a heck of a lot faster if you hadn't left such a mess behind. What I can assure this Assembly of is that this new royalty structure will accomplish greatly increased activity immediately. I want to assure this Assembly that it is our belief that the oil industry, with any break at all from the economy (and that is an if), can once again be viable employer and a provider of sufficient revenue to the province of Saskatchewan so that our taxpayers can perhaps sometime in this decade enjoy many of the benefits that Albertans take for granted from their resource tax sector. Those are things like no sales tax, reduced income tax and reduced land tax. All those things were totally alien to the former NDP government.

**SOME HON. MEMBERS:** Hear, hear!

### **Job Opportunities at Nipawin Hydro-development Project**

**MR. YEW:** — I'd like to direct my question to the Minister of Labour and the minister responsible for the Saskatchewan Power Corporation. The minister announced in this Assembly on June 24 that the Saskatchewan Power Corporation had approved the main contract for construction of the Nipawin Hydro-development project. In his statement, he made no reference to special measures to ensure that local people, including native and Indian people, get a fair share of jobs and business opportunities arising from this project. At its peak, the project will generate well over 1,000 jobs and many direct and indirect business opportunities. My question to the Minister of Labour is: will he be directing SPC to undertake special measures to ensure that people in the surrounding area, including native people from Cumberland House and elsewhere, get a fair share of jobs and other opportunities?

**HON. MR. McLAREN:** — Mr. Speaker, in answer to the hon. member, we have contacted SPC and we have also had deliberations with the general contractor, where we have been guaranteed anywhere from 95 per cent to 98 per cent Saskatchewan content of labour in the project.

**SOME HON. MEMBERS:** Hear, hear!

**MR. YEW:** — Supplementary question, Mr. Speaker. About a year ago, the Saskatchewan Power Corporation set up a task force to determine what steps should be taken to ensure that people from Nipawin, Cumberland House and the surrounding areas, including Indian and native people, get a fair share of jobs and other opportunities. Will the minister tell us whether the recommendations contained in that report of the task force has been accepted and whether they will be implemented?

**HON. MR. McLAREN:** — Mr. Speaker, I am not aware of the report that the hon. member speaks of, but in our deliberations we have indicated that it would cover all Saskatchewan people, including the native people and the people from Nipawin. There are contractors out of Saskatoon who are involved. We will assure you that this kind of action will be taken.

**SOME HON. MEMBERS:** Hear, hear!

**MR. YEW:** — Final supplementary, Mr. Speaker. I was pleased to hear the Minister of Labour and the minister in charge of SPC indicate that there will be a definite preference given to local labour — I think he specified 95 per cent to 98 per cent of the labour from the province. However, in terms of specifics will the minister tell us whether the major contract which he announced last week contains clauses which require the contractors involved to hire local people, including Indian and native people? Will the minister inform this Assembly as to the wording of such clauses?

**HON. MR. McLAREN:** — I will ask to return, Mr. Speaker, to give the exact details of that contract.

### **Compensation for Uranium City Residents**

**MR. THOMPSON:** — Mr. Speaker, my question is to the Deputy Premier. In view of the fact that this is the final day of operations of the Eldorado Nuclear Ltd. Mine in Uranium City, and in view of the fact that all the employees will be laid off, except for the decommissioning crews that will be left there, could the minister indicate to the House when your government will be meeting with Eldorado Nuclear Ltd., the federal government, and the task force from Uranium City?

**HON. MR. BERNTSON:** — July 7.

**MR. THOMPSON:** — Did the minister indicate July 7? My supplementary, Mr. Speaker, then is to the Deputy Premier. In view of the fact that he has indicated that they will be meeting with the task force, the federal government, and Eldorado Nuclear Ltd. On July 7, could he indicate to the House if the government is now prepared to honour their one-third commitment that has been recommended by the task force re compensation to the non-Eldorado Nuclear Ltd. citizens of Uranium City?

**HON. MR. BERNTSON:** — Well, Mr. Speaker, a one-third recommendation by a task force doesn't necessarily imply a one-third commitment. I want to remind the member opposite that it was your friend, Marc Lalonde, the minister responsible for Eldorado Nuclear Ltd. who, on three different occasions when contacted by our Minister of Northern Saskatchewan, gave only token support to the idea of a meeting. A half hour he offered, on the 17th of last month — anyway, the day the House opened — a half hour to discuss the problems of Uranium City. On one occasion, Mr. Speaker, there wasn't even a response to the request for a meeting, and on others just tokenism throughout.

The responsibility is really with the federal government, coupled with the former administration here, which through their actions encouraged the people of Uranium City to expand and develop. Mr. Speaker, it has been totally irresponsible action by the federal government and Eldorado Nuclear to date. Our minister is, however, willing to meet with them at their scheduled meeting of July 7, and our minister will be making any statement relative to Uranium City, as it relates to this government, following that

meeting.

**MR. THOMPSON:** — Supplementary, Mr. Speaker. The Deputy Premier has indicated that the federal government has not been too co-operative. However, the federal government and Eldorado Nuclear have now indicated that they are prepared to meet, and the meeting will take place on July 7, as you have indicated. My final supplementary is: are you prepared to go in there with an open mind, and are you prepared to honour that one-third commitment to the citizens of Uranium City?

**HON. MR. BERNTSON:** — I don't know, Mr. Speaker, how the hon. member can ask us on the one hand to have an open mind and on the other to make a firm commitment. It seems to be a contradiction of terms.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BERNTSON:** — But we will indeed, Mr. Speaker, have an open mind, which is, I think, something probably unrecognizable to that side of the House.

### **Construction of Road to Dillon**

**MR. THOMPSON:** — New question, Mr. Speaker, to the Deputy Premier, due to the fact that the Minister of Northern Saskatchewan is not in his seat. My question, Mr. Speaker, to the Deputy Premier is: could he indicate to this House when the construction branch of the Department of Northern Saskatchewan will undertake to complete the final nine miles of the Dillon road that has been under construction for the last two years? Nine miles is left to be completed. Would he indicate to this House when the construction branch, which has been sitting idle since this government took over, will attempt to complete this road into Dillon?

**HON. MR. BERNTSON:** — Mr. Speaker, I don't have the foggiest, and I'll take notice of the question. The minister will be bringing that answer to the House at the earliest opportunity.

### **Automobile Insurance Revenues**

**MR. SHILLINGTON:** — Thank you, Mr. Speaker. Mr. Speaker, it's apparent from recent comments by the minister in charge of SGI (Saskatchewan Government Insurance) that it's finally beginning to dawn on members opposite that when they abolished the gas tax, they abolished a fair portion of the revenue accruing to The Automobile Accident Insurance Act. My question to the minister in charge of Saskatchewan Government Insurance is: are you able to give us an estimate of the loss to The Automobile Accident Insurance Act arising out of the abolition of the gas tax? How much is it going cost The AAIA?

**HON. MR. ROUSSEAU:** — Mr. Speaker, I'm not too sure whether he's indicating a loss of the revenue, or a loss to be experienced by SGI as a result of it. I can indicate to the hon. member that the loss of revenue to SGI this year will be about \$18 million. As for a loss, I'll take notice and get you a figure on the exact loss to the corporation when I get one.

**MR. SHILLINGTON:** — A supplementary, Mr. Speaker. Are you now prepared to end this charade of blaming an anticipated rise in SGI rates on the former government and admit that the rise in rates is going to take place because you abolished the gas tax without knowing what you were doing? . . . (inaudible interjections) . . . I seem to be competing with the member's colleagues, who are perhaps trying to protect him from

the question. Let me try again. Are you now prepared to end this charade of blaming the anticipated rise on the former government and admit that a rise in rates is going to take place because you abolished the gas tax? And how much do you anticipate the rates will rise?

**HON. MR. ROUSSEAU:** — Mr. Speaker, I don't know where the hon. member has been, but it seems to me we introduced a bill in this House recently calling for a public utilities review commission for that purpose. Secondly, I don't know where he's been as well, because we froze the rates on public utilities recently, for one year.

**MR. SHILLINGTON:** — Well, I may say, Mr. Speaker, that's interesting, because I heard the media quoting the member opposite talking about a 6 per cent rise in rates. Now apparently they're frozen. My question to the member is: am I to believe you today, that they're frozen for one year, or am I to believe the media, which last week had you talking about a 6 per cent rise?

**HON. MR. ROUSSEAU:** — Mr. Speaker, I correct my statement that I made a minute ago. I incorrectly understood the question, first of all. Secondly, whatever increase that may happen in SGI in the coming year will be determined at the appropriate time. The reviews will be made at the appropriate time. There has been no indication at the present time that there will be any increase, and I'm not too sure whether you referring to SGI or AAIA. There are two different rates involved in rate structures for insurance, as you well know. So, if you are referring to the AAIA or SGI, I don't have the answer for you. The increases anticipated, if there are any, will be announced in due course.

**MR. SHILLINGTON:** — Supplementary, Mr. Speaker. Are you admitting that you abolished the gas tax without any idea of what effect that would have on the AAIA fund?

**HON. MR. ROUSSEAU:** — Of course not, Mr. Speaker. The gas tax removal of 20 per cent, and I indicated this to the member a minute ago, involved \$18 million this year, and next year, I believe, it's about \$28 million. If you recall when you were given a projection this spring, prior to the removal of the gas tax, there was an anticipated profit to be made by SGI, as there was in the last statement. I don't know why the member insists that the removal of the gas tax from AAIA or SGI is going to have an effect on the rates — it's going to have an effect on the revenues. There is no indication that it will affect the rates at this point in time. When the rates are reviewed it will be decided whether we need an increase or not.

Getting back to the comment made by the hon. member about the 6 per cent that I indicated. I did not, at that time, indicate that we were going to increase the rates. I used an example that if an increase of 6 per cent had to happen, it would be in fact a decrease if you consider what inflation is. If you can't understand that then I can understand why you're sitting on that side.

**SOME HON. MEMBERS:** Hear, hear!

### **Grasshopper Spray**

**MR. ENGEL:** — I have a question for the Minister of Agriculture, Mr. Speaker. What is the minister going to do for the farmers who have been trying to control grasshoppers this year with a chemical your department has made available and which hasn't been effective?

**HON. MR. BERNTSON:** — I don't know anything about a chemical made available by our department which hasn't been effective. I understand that we did, in fact, make a few thousand gallons of under-strength chemical available to R.M.s on a first come first served basis, and when that was gone then the regular stocks of full-strength stuff were provided at cost to those areas throughout the province which needed it.

I have had some indication that there was a commercial product, not handled by the Department of Agriculture, that was on the market and that they were having some problems with its effectiveness.

**MR. ENGEL:** — Supplementary, Mr. Speaker. Did the Department of Agriculture discontinue the distribution of chemicals through the Saskatchewan Wheat Pool and through the R.M.s which they had been making available for grasshopper spray? Has that been discontinued this year?

**HON. MR. BERNTSON:** — Absolutely not. Absolutely not, Mr. Speaker; it has been strengthened. It's a great program and we intend to continue it. I was talking a little facetiously when I said strengthened; in fact, it's the continuation of the program that existed when I took office and I see no reason to change it.

## **INTRODUCTION OF BILLS**

### **Bill No. 22 — An Act to provide for the Taxation of Freehold Oil and Gas Production**

**HON. MR. BERNTSON:** — I move first reading of a bill to provide for the taxation of freehold oil and gas production.

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

### **Bill No. 23 — An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Freehold Oil and Gas Production Tax Act**

**HON. MR. BERNTSON:** — Mr. Speaker, I move first reading of a bill respecting the consequential amendments to certain acts resulting from the enactment of The Freehold Oil and Gas Production Tax Act.

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

### **Bill No. 24 — An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Local Government Election Act**

**HON. MR. BERNTSON:** — Mr. Speaker, I move first reading of a bill respecting the consequential amendments to certain acts resulting from the enactment of The Local Government Election Act.

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

## **MOTIONS**

### **House Adjournment**

**HON. MR. BERNTSON:** — Mr. Speaker, before the orders of the day, by leave of the Assembly, I move, seconded by the Minister of Health:

That when this Assembly adjourns on Wednesday, June 30, 1992, that it do stand adjourned until Monday, July 5, 1982.

Motion agreed to.

**HON. MR. BERNTSON:** — By leave of the Assembly, I move, seconded by the Minister of Education:

That leave of absence be granted to the hon. members for Regina Centre and Saskatoon Mayfair on and from Monday, July 5, 1982, to Thursday, July 8, 1982, to attend, on behalf of this Assembly, the fourth annual conference of the Canadian Council of Public Accounts Chairmen.

Motion agreed to.

## **ORDERS OF THE DAY**

### **GOVERNMENT ORDERS**

#### **SECOND READINGS**

#### **Bill No. 1 — An Act to establish a Mortgage Interest Reduction Plan**

**HON. MR. BERNTSON:** — Mr. Speaker, it is my privilege today to rise on behalf of the government to move second reading of Bill 1, An Act to establish a Mortgage Interest Reduction Plan. In the election campaign which ended on April 26 we promised this plan, and the main purpose of this early session is to bring it into effect quickly.

The main features of this bill are well-known because they are exactly as promised by the Premier and the Progressive Conservative candidates. The mortgage interest reduction program will provide a subsidy to the home-owner of the difference in monthly payment costs between 13.25 per cent mortgage and the average actual mortgage rate. The maximum mortgage to which this will apply is \$50,000, which means that the bulk of assistance will go to lower-income groups with modest housing.

The plan will apply to first and second mortgages which fall within the \$50,000 limit. Those buying, or already buying, or already in single homes, trailers, duplexes, triplexes and quadriplexes will be eligible for the mortgage subsidy. This subsidy must be applied for by the home-owner. He will receive payments directly to his bank account. Money will be paid by the province to the financial institutions for this purpose.

There are important restrictions on the mortgage interest reduction program so that we can guarantee the money spent by the province is used for mortgage costs. Mortgages must be attached to the principal residence, and not to recreational or revenue properties. Only one grant will be made to each household. Mortgage holders will not be permitted to increase their mortgage, or take out a new one for their present residence. This provision is effective April 26, 1982.

There may well be sound reasons for a home-owner to obtain a new or increased



mortgage on the increased value of a home purchased some years ago, but these reasons do not relate to the emergency-aid nature of the mortgage reduction plan. If the home-owner is eligible for other provincial aid or federal aid, the benefit under this plan will be reduced by a corresponding amount. This plan is not extra financing. It is emergency aid.

Finally, Mr. Speaker. This program will run for three years, from July 1 of this year to June 30, 1985. We picked a three-year term as a reasonable amount of time to give families financial stability. We hope that at the end of three years more effective policies will be in effect in Ottawa, and the mortgage interest reduction plan will no longer be necessary.

When this program comes into effect, it is estimated that 38,000 people in Saskatchewan will be eligible for the subsidy, and by the time it ends 105,000 people in this province will have benefited. The total cost will depend on the interest rates Canadians are forced to live with over the next three years. But with rates at current levels, we estimate the final cost as falling between \$400 million and \$500 million.

Mr. Speaker, no government wishes to see a pay-out of this magnitude, particularly when inheriting a provincial economy which has been run dry of investor confidence. However, we have a responsibility to the people of Saskatchewan to help them deal with the crisis in our national economy, and to carefully stimulate the provincial economy so that the effect of the Trudeau recession are alleviated or even overcome. The mortgage interest reduction program will boost this province spiritually and economically.

Mr. Speaker, the opposition opposed this plan, and it attacks it now. I would like to tell this Assembly why we think housing aid is so important. People originally came to this province to get away from crowded cities, to be independent, and to build for themselves. Unfortunately, not every one today can live in the country, but given a chance almost everyone would like to own a home of his own and be free from the restrictions imposed by landlords, and from the lack of privacy usual in rental accommodations. We know, too, that widespread home-ownership provides strong support for family and social stability. Equally important, apart from the family farm, the family home is the most important personal investment for people in this province. The NDP can pretend, if they like, that it is the well-off who benefit from this plan, but it is not. People with high incomes have RRSPs (registered retirement savings plans), stocks, bonds, short-term and long-term paper, and their businesses to generate income and security. For most people, it is the family home that allows a family a chance to earn a bit of income in the market, or reduce long-term living costs, or reduce the cost of retirement living. If there is no chance to own a home, long-run inflation is even more devastating because accommodation never falls in price. A home for the ordinary Canadian is the best savings plan, the best investment plan, and a necessary part of the retirement package. In economic terms, a return to a healthy construction and real estate market will send spending ripples through the provincial economy — for contractors and their employees, plasterers, electricians, carpenters, plumbers, and salesmen. A new wave of activity cannot come too soon.

Of course, it doesn't stop there. We know retail businesses are in a slump. Furniture, appliances, and home improvements — products of all kinds — will not move if the housing market is stagnant. How many couples have postponed starting a family until they can afford a suitable home? How many businesses dependent upon their trade will go under if the market stagnation is not ended?

Mr. Speaker, the NDP wants to look at this bill, even though the cutoff is \$50,000, as something which will only help the rich and which will only help those who can buy. I think they have a rather simplistic view of the provincial economy and of the housing market. The suggestion seems to be, Mr. Speaker, that renters are renters and buyers are buyers, and what each of them does has no relation to the other. That is completely wrong. There are many levels of rental housing and many levels of owned housing. As people increase their incomes, their savings, and the size of their families, they upgrade their housing. They move from small to large apartments. When they tire of apartments, they look for a home to buy. If their family grows, they may look for a larger home to buy. If the economic climate causes a freeze on any of that movement, there will be overcrowding at one or more levels and there will be pent-up demand.

With very high interest rates, a huge portion of the total accommodation available has been left unoccupied as owners leave for other jobs without being able to sell, and those coming in take up lower-cost housing than they normally would. People who might normally buy more expensive homes are competing for smaller homes or rental accommodations with people who really need the less expensive options. As well, houses which should be repaired, renovated, or upgraded remain in rather dilapidated conditions because all of the money the occupant owners have goes for mortgage payments. The stagnation in the real estate market decreases vacancy rates through the accommodation sector.

If we can unplug the retail market, not only will more people be able to afford new homes or keep the ones they have, but their mobility will free up accommodations for others. It is no news to anyone that the housing industry is in serious trouble because of high interest rates. I would like to give the Assembly some of the key statistics collected by the Saskatchewan Housing Corporation.

The most active part of the residential construction industry at the moment is rental units, and this is mostly in Regina and Saskatoon. Unfortunately, many of the projects under construction are being frozen and re-evaluated with the end of the federal MURB (multiple unit residential building) legislation as of December 31, 1981.

Rental building is about to fall off. Ownership sector single-detached starts are already at their worst level since '70-'71. So far in 1982, the construction of new single family dwellings is off 61 per cent in urban Saskatchewan, and 59 per cent in rural Saskatchewan. As far as the resale of houses goes, the sales-to-listing ratio is only 24 per cent, 10 to 20 per cent lower than it should be for the January to April period which the statistics available now cover. The hardship this causes for families who want to buy a house, but can't, is obvious.

But there are other equally serious problems for the entire provincial economy. The fall-off in construction and the removal of units from the pool of available housing, because of the shortage of buyers, has had its effect on the rental vacancy rate. For April 1982, the vacancy rate in Regina was 0.9 per cent; in Saskatoon, 2.1 per cent. It is higher in some areas, such as 7.9 per cent in Lloydminster; 3.2 per cent in Prince Albert; 2.2 per cent in Moose Jaw. But the rate is only 0.9 per cent in Swift Current, and 0.5 per cent in Yorkton.

These statistics represent a severe hardship for people in this province who are looking for a place to live. But here is an equally serious crisis for the whole economy as

construction companies try to stay alive, and keep their employees, in a dead market. The situation is extremely critical for small builders who depend on the single-detached unit market.

Mr. Speaker, in 1979, at the beginning of the high mortgage period, there were 24 bankruptcies in the construction industry in this province. In 1980, there were 29; in 1981 there was the same number again. And this year, for the period January to May only, there have been 36 bankruptcies recorded by the Saskatchewan Housing Corporation.

If we are to make housing available, and if we are to prevent unemployment from spreading further through the construction industry, we need an emergency program. And, Mr. Speaker, the mortgage interest reduction program is going to prove to be exactly what is needed. This program will help four categories of home-owners, or potential home-owners.

Firstly, it will help those who qualified for a mortgage four or five years ago, when rates were lower, and whose incomes have not risen with the escalation of interest rates. Those people risk losing their homes at renewal time. Mortgages of 13.25 per cent will safeguard those homes for a full three years.

Secondly, the mortgage interest reduction plan will enable people who just qualify to go ahead with the purchase of a home, without fearing that any unexpected expense would put the household budget into the red, and without caring that a continued rise in interest rates would turn them out again after one only or two years.

Third, Mr. Speaker, this plan will make it possible for families to buy older houses which need some repair or renovation, but for which a mortgage is expensive, and still have some extra income to buy materials that increase the value and liveability of the home. A substantial portion of the housing stock, in urban areas in particular, is comprised of older homes which have to be upgraded if they are going to be at an acceptable standard.

The final group to be considered is those who want to buy a home who would qualify for a 13.25 per cent mortgage but do not qualify for an 18 per cent or 19 per cent mortgage. Are they helped or not, Mr. Speaker? If the mortgage interest reduction program were more than an emergency program, if it were one that would be continued indefinitely, then there would be no problem with qualifying those who can afford the lower rate only. As a government, we don't know what the situation will be three years down the road. Three years ago, no one could have guessed the mess the federal government and the gentlemen opposite would have us in now. We will leave the crystal ball gazing to the banks. Nothing in this legislation prevents them from taking into account eligibility under the mortgage interest reduction plan when granting a mortgage. They are equipped to judge security of employment and the possibility of increases in pay for individuals who apply. They are in the business of estimating long-term economic conditions in general, and interest rates in particular. There is no way we, as a government, can force the banks to take risks that they feel are unjustified, and we won't.

Equally, we have left them free to consider the mortgage interest reduction plan as part of an applicant's income. Three years is a long time, during which applicants will have a steady, real payment rate. I believe that some banks will feel able to qualify many purchasers who would otherwise be close to the borderline. If long-term rates start to

fall, more people will be in a position to meet the payments after the subsidy ends. The effect will be that many potential purchasers will be able to manage a mortgage, if the subsidy is added to their total financial resources, who would not now succeed in qualifying.

There are already clear indications that this will definitely happen. The Royal Bank has announced that the subsidy will be computed as part of income in determining mortgage eligibility. Both the Mortgage Insurance Corporation of Canada and Canada Mortgage and Housing Corporation are reviewing their qualification policies to see if they can be relaxed to take into account the mortgage interest reduction plan. I am sure other lending institutions will follow this lead.

Mr. Speaker, the benefit provided under this program to people with a mortgage is significant. This week interest rates have risen to 19.25 per cent for a three-year term. Using this rate for \$30,000 mortgage, the benefit is \$142.33. For a \$40,000 mortgage, the pay-out is \$178.45. For the maximum of \$50,000, the subsidy is \$235.56.

This government believes that this stimulus to the housing industry will have an accelerator effect and will benefit the entire provincial economy. Home-owners will gain; construction workers will gain; retail businesses will gain. Mr. Speaker, it is money well spent.

But I notice, Mr. Speaker, that the Leader of the Opposition continues his opposition to the mortgage interest reduction program. He said, in his speech Monday, and I quote:

There is nothing for the ordinary people, who own a small house and need a property improvement grant to hang onto that house. There is nothing for small businessmen, who are perhaps suffering as much as any in this society. There is nothing to increase the property improvement grant to farmers. They have money for a great number of things. They have large gobs of money for the upwardly mobile young executives with incomes of \$80,000 and only one swimming pool. They don't have any money for the people in my constituency who have modest incomes of \$10,000 or \$15,000 a year and are trying to hang onto their own homes. So here is another group of people who are being asked to pay, being asked to pay the costs of the tax cuts being offered by the members opposite.

That was the Leader of the Opposition, Mr. Speaker. Well, the Leader of the Opposition is dead wrong. People who make \$80,000 don't need this program; \$142.33 or \$235.56 is not a great deal of money if you make \$80,000 a year. Those aren't the people who need this program. If we only received the \$80,000 a year vote, we wouldn't even have the nine seats the hon. member has clung to.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BERNTSON:** — But those who make \$10,000 or \$15,000 a year definitely do need this program, because without it they could very well lose their homes. Nobody making \$15,000 a year can stand 19.25 per cent interest rates for very long. This subsidy will help them.

And the small businessman that the hon. member says we have ignored, who is he? If he is in the construction business, we're helping him. If he has a plumbing store or an

electrical supply store or a flooring store, we're helping him. If he specializes in renovating homes, we're giving people that extra bit of income which lets them buy a house that need renovating. If we aren't helping the people of Regina Elphinstone, then it must be a wealthy constituency, Mr. Speaker, full of upwardly mobile executives with no worry about recession or unemployment. But, Mr. Speaker, if the constituency of the Leader of the Opposition contains carpenters, bricklayers and electricians, they will be relieved when this bill passes. If his constituents are furniture or appliance salesmen, or cement contractors and workers, Bill 1 means a lot to them. It means work, Mr. Speaker, work for those who have lost their jobs and work for those who are afraid they're going to lose them.

Mr. Speaker, Bill 1 is not the only thing we plan to do to get the economy of Saskatchewan in gear again, but it's a good start, and I'm very pleased to bring it in as the first bill of this government, and to move second reading today.

**SOME HON. MEMBERS:** Hear, hear!

**MR. HAMMERSMITH:** — Mr. Speaker, let me begin by pointing out that we were prepared to deal with second reading on this bill yesterday. It was the wish of the government House Leader to wait until today when his audience was more appropriate; you can't blame him for that. Certainly, we agree in principle with mortgage interest assistance.

**SOME HON. MEMBERS:** Hear, hear!

**MR. HAMMERSMITH:** — And I think it is clear and has been clear for some time that we agree with mortgage interest assistance. The most recent indication of that is the fact that we campaigned, less successfully, on a program of mortgage interest assistance. Our proposal was a write-down to 15 per cent; the PC proposal was 13.25 per cent. Interest rates are likely to be in the neighbourhood of 21 per cent before the summer is over, so a difference of 1.75 per cent in the write-down is significant.

In addition to that, Mr. Speaker. We also campaigned on a commitment to house construction for modest-income people — 1,000 new units at a guaranteed interest rate of 16 per cent, admittedly higher than 13.25 per cent, but guaranteed for 10 years, with a built-in subsidy on the interest rate for those of low- and modest-incomes to guarantee that they would not pay more than 30 per cent of their gross family income toward housing. Those who qualified for the maximum interest subsidy would have had an effective interest rate of less than 12 per cent, just as has been the case, for some time, for those who qualify for the maximum interest rate write-down and maximum subsidy in the co-op housing program and in the farm housing program which we introduced.

So we have, for some time, agreed with and supported the principle of mortgage interest assistance, particularly for those whose need is greatest.

We also proposed a program to deal with the vacancy squeeze in the cities — a construction program of 500 apartment units for modest-income people, and a proposal for a total of over 4,000 units of housing, which, with an average job creation of 1.5 person years per housing unit, would have resulted in 6,000 jobs directly in the housing industry in Saskatchewan. We are disappointed that at this point we have still not heard from the government or from the Deputy Premier this morning as to how

many new housing starts he is estimating as a result of this program. How many jobs? He talks in generalities and we are asked to accept his word that there will be (how did he say it?) A surge in the construction industry and we just won't be able to keep up with all the activity with that kind of surge. Is he talking about 500 new units; is he talking about 1,000 or 2,000? How many housing starts between now and December 31, 1982

Mr. Speaker, the Deputy Premier continues to talk in generalities about the program, but continues to refuse to table any specifics. He says he will table them in committee. We will look forward to that because I think there are a great number of people out there that are seeing some tarnish on this jewel in the Tory crown. There are many people, not just us, who are saying that the mortgage interest reduction plan breaks the Tory campaign promise of an unconditional, no strings attached, mortgage subsidy program. The bill leaves most of its key questions as to eligibility, the amount of subsidy, the method of payment, unanswered. Supposedly the government is leaving these important details to the regulations which haven't been tabled yet.

Now, when the Conservative Party was in opposition, members used to criticize the government of the day for what they called legislation by regulation. They criticized and said that instead of putting details in a bill itself the government was attempting to deal with the details only by regulation, that it was not sharing them with the members of this legislature, not sharing them with the people of Saskatchewan. Well, on the government benches, the member for Souris-Cannington, the Deputy Premier, is not practising what he used to preach. Apart from that, Mr. Speaker, the bill contains enough hookers and conditions to make it clear that the Devine government betrayed its campaign promises. That is not a view that is mine alone. I refer the hon. members to the *Star-Phoenix* of June 26, 1982, an editorial entitled "Mortgage And Promises Broken." It concludes, Mr. Speaker, with a clear statement, a statement being made by many people in Saskatchewan who at this point don't know whether they are going to qualify. We have the assurances of the Deputy Premier this morning to the people of Regina Elphinstone, but we don't see any evidence that shows us or tells them that they would qualify. The *Star-Phoenix* editorial concludes with: "It's a broken promise — and it was a jewel in the PC crown.

**AN HON. MEMBER:** — Do you believe everything you read in the paper, Jerry?

**MR. HAMMERSMITH:** — Mr. Speaker, perhaps some of the members opposite would wish not to believe the editorial writers in the *Star-Phoenix*, and I can understand that. But I wonder if they feel the same way about what they, when they were campaigning, put in the paper, and I quote: "13.25 per cent, minimum protection three years."

The bill does not provide minimum protection of three years for the entire 105,000 persons that the Deputy Premier talked about. It will provide three years protection perhaps to 38,000. It is not a minimum of three years protection for all mortgage holders. The protection begins at that point in time where they qualify for the subsidy and runs to June 30, 1985. That could be for some people, and will very likely be, five or six months. That may be a minimum of three years in the mathematics of the members opposite but I don't think it's what the people of Saskatchewan believed when they supported that program.

The ad goes on to make many guarantees that we don't see today. It insists and continues to insist that it is unconditional, with no strings attached and that every owner will benefit and will be eligible for the plan. Perhaps the members opposite don't

trust their own documents and I don't blame them. A memorandum dated June 17, 1982, outlines some of the estimates that the government opposite is making with regard to the plan. The Deputy Premier said this morning that 38,000 home-owners will be eligible and that's fairly close to what he was estimating a few days ago.

**AN HON. MEMBER:** — 37,000.

**MR. HAMMERSMITH:** — 37,000. That's pretty close there. We won't criticize you for that. The point, Mr. Speaker, is that not all people will qualify or be eligible for three years of assistance. That statement is misleading and I think that the Deputy Premier should be honest about that.

Perhaps the members opposite don't like the writing on this paper. It's a letter put out by Regina South Progressive Conservative headquarters. The former candidate for Regina South who is now the Minister of Industry and Commerce says that every owner of one principal residence per family is eligible. We don't have any indication that that's what this bill and this plan provides for. If it does, table the regulation that will show us and show the people of Saskatchewan that that's what you are committed to.

Here's another ad from the *Melfort Journal*, and I think that's a good newspaper and members opposite would not question the integrity of that newspaper. This ad leaves people with a clear indication that even with a family income of \$20,000 they would qualify and would qualify if mortgage rates were at 19.5 per cent.

While we have statements of the government opposite, it hasn't laid anything specific in front of the legislature or anything specific in front of the people of Saskatchewan. We have the statements by the government opposite and we have to take them at their word that in order to get assistance you will have to qualify at the going rates, Mr. Speaker.

Now, section 11 of the bill allows the government to pass regulations excluding certain types of mortgages and classes of home-owners from receiving assistance. The member for Regina South said "every owner." Now they propose to pass regulations that will exclude certain types of mortgages and classes of home-owners from receiving assistance. Why would such a section even be there? Why would such a section be there if the government truly had introduced an unconditional, no-strings-attached program? Such a program means that nobody's excluded. Why do you need to pass regulations to exclude certain classes of home-owners and certain classes of mortgages?

The most severe restriction of all is the condition that anyone who wants to qualify for the government subsidy will first have to qualify for a mortgage at the going rate. If that's not the case, then table the regulations, table the information that indicates to this House and to the people that that's not the way it is, that that really isn't the case, and that what you intend is that everybody would qualify.

The Deputy Premier, this morning, said that it was a three-year program; everybody would get assistance for three years. That's not true. You need to 'fess up to that. The member for Shellbrook-Torch River published an ad that said that it would be a permanent program. That's what people there believe; that it's a permanent program. For some people, it's a few months; for some people, it's a year; for some people, it's two years; for some, it's three years. That may be an indication of the view of the member for Shellbrook-Torch River as to the degree of permanency that he expects to enjoy in this House.

It's a typical banker's program. You have to prove that you don't need help and then you can get it. Boyd Robertson and the other chartered bankers are supposed to have had an important hand in drafting the regulations. Perhaps they had some suggestions concerning the legislation. It shows.

Mr. Speaker, another ad published under the authority of the Moosomin PCs, under the name of the Progressive Conservative candidate for Moosomin, Larry Birkbeck, said that there would be no means test.

One of the other things about this bill that concerns us is that subsection 3 indicates that the home-owner and his spouse are entitled to no more than one principal residence under the program. This means that in the case of couples living separately and apart, benefits will not be payable to both. You could have a situation where they have been legally separated for several years, but for reasons of their own (for religious reasons or for other reasons), they have not obtained a divorce. They each have a principal residence. They each maintain a home and family. They each have a mortgage. According to the bill, only one qualifies. The question, which we are looking forward to being answered in committee, is: which one? Who will decide? How will you decide? Why is that kind of situation not dealt with in the legislation? Why will you not table the regulations? Why will you not state clearly what your intention is?

During the campaign, the Conservative Party also made a big thing of the fact that the legislation would not include an income test. "No means test," is the way the member for Moosomin put it. Well, it contains the strangest kind of means test of all. I guess you may not have contact with this group. Larry Birkbeck, Progressive Conservative candidate in Moosomin, in an ad published under his name, said that there would be no means test in this program. Mr. Speaker, it contains the strangest kind of means test of all. And you have to have the means before you can get any help. The Deputy Premier says that people on \$15,000 incomes will get assistance. I ask him to table the regulations that indicate that those people will get assistance, because I am telling you that out there they don't believe that they are going to get assistance. They believed that they would when they voted for you. They believed they were going to get it. That is why they voted for you. We want to see the clear evidence that they are going to get assistance.

People who don't qualify for mortgages at the going rate will get hit several ways. According to the public statements of the Deputy Premier and the Premier, not only will they not benefit from the Tory plan, but they will lose their mortgage interest tax credit. They didn't get the increase in their property improvement grant. So low- and middle-income home-owners will be paying for rising young executives mortgages through the loss of their mortgage interest tax credit. I will outline a little later, Mr. Speaker, some of the other programs and benefits that the poor are going to lose as this government seeks to pay for this program.

I want to just read into the record and point out to the members opposite and to the House some of the statistics with regard to those people who have mortgages. This is data from the consumer income and expenditure division, Statistics Canada, in Ottawa: table 16, Percentage Distribution of Families by Income Groups, and Tenure, 1980 — Owners With Mortgage in Saskatchewan. Tables 16 and 30 cover that. Of the people who have mortgages, 9.6 per cent have incomes of less than \$12,000. Well, you can say, "That is okay; that is only 10 per cent. Leave them out." Forty-five per cent of the



people who have mortgages in Saskatchewan have incomes of less than \$25,000, Mr. Speaker. Those are the people who, according to the public statements of the government opposite, will be left out.

I want to turn now, Mr. Speaker, to another section of the bill before I come back to the eligibility. I do want to come back to that and point out a couple of examples. Section 7 is another section that is of great concern to us, Mr. Speaker. It is a provision which does two things. Subsection 1 indicates that payments will be made in such a manner as may be prescribed by regulation. Subsections 2 and 3 grant broad powers to individuals administering the program. Subsection 2 authorizes officials to file certificates when overpayments are made for any reason. The effect of these circumstances, as described in subsection 3, is to give the certificate the same force and effect as a judgment of the Court of Queen's Bench.

It is interesting to note that this section may be utilized when overpayments are made through administrative error on the part of the minister or his officials. If they make a mistake, they can use this section to cover up their mistake.

It is also interesting to note that the section does not require that any individual be provided with any notice of overpayment prior to having a certificate issued, even though the filing of such a certificate may adversely affect an individual's credit rating.

It is also interesting to note that there is no right to be heard, no right of appeal in the act, which would allow the individual to challenge either the filing or the amount contained in the certificate. All that has to happen is that a bureaucrat show up at the courthouse and file the certificate, and the home-owner has to pay it. He doesn't know ahead of time, and there is no right of appeal, no right to defend himself, no due process. The bureaucrat shows up at the courthouse and that's it. And that is, Mr. Speaker, I suppose to put it gently, rather Orwellian or 1984-ish. To put it in its worst light, it's the kind of thing that many years ago, before my time, people came to expect from an organization called the Gestapo with their jackboots. Don't let the individual know. There is no right of appeal, no due process. Just show up at the courthouse and demand payment. You don't have to go to a judge — the bureaucrat under this bill has the power of a judge of the Court of Queen's Bench.

These sections of the bill may even break the due process provisions of the new charter of rights and the new constitution, and I don't think the government opposite would want to do that. I think it's just an oversight, and I'm sure that they will correct it.

The Deputy Premier outlined this morning their estimated costs — somewhere between \$400 million and \$500 million, depending on how high interest rates go. But that's not to be worried about, Mr. Speaker. One June 8, the Premier said that cost was no object in the interest subsidy promises, that the program would be implemented no matter what the cost. It would be implemented for whom, no matter what the cost? It would be implemented for whom?

I talked this morning with one of the major Saskatchewan lending institutions. They do not have any information yet as to how this program is going to be handled. So, the lending institutions don't have the information; the legislature doesn't have the information; the people of Saskatchewan don't have the information. But I understand you have a big parcel over at the post office, and it will be going out.

The lending institution that I was talking to requires that a person commit no more than

30 per cent of his gross family income to principal, interest and taxes on a mortgage in order to qualify. And at today's rate — 19 per cent, or a little higher today — that would require a minimum income of \$25,000 to qualify for a \$34,000 mortgage — principal, interest and taxes. Your materials says that the average mortgage is \$34,000, and we believe you. There are some things which we may be a little sceptical about, but in that we believe you. So, according to Statistics Canada, 45 per cent of the people in Saskatchewan do not qualify for the average mortgage. You say they do. You're going to table regulations in committee. You're going to show us that those people will qualify, and we look forward to that because it will make a great deal of difference.

The mortgage insurance corporation to which you referred is considering reducing that figure from 30 per cent to 27 per cent of gross family income and, in that case, an individual at 19 per cent would require \$27,700 to qualify. If interest rates go to 20 per cent, and they will be at 20 per cent, at least, before the summer is over, he would require an income of \$28,800 to qualify. And that just deals nearly half the people of Saskatchewan out of the picture, and it certainly deals them out of the picture as far as new house construction is concerned. And that is not what you promised.

Somehow, the Deputy Premier says, "Well because there's this \$50,000 mortgage limit on there, the program is equitable. It's the same benefit for the \$25,000 per year person as it is for the \$60,000 per year person." Well, let's take a look, Mr. Speaker, at those two family incomes on the basis of a 12 per cent mortgage (which it could easily have been when the mortgage was taken out), and let's look at it at 19 per cent and 20 per cent and see whether it's equitable. Let's look at the average mortgage of \$34,000. Let's look at the \$40,000 mortgage, because there are some of those around, and the \$50,000 mortgage, where you say the greatest fairness is indicated.

On the \$34,000 average mortgage, at 12 per cent, the \$25,000 per year family would have been paying 22 per cent of their income, or \$450.85 a month, for principal, interest and taxes. When that goes to 19 per cent, they're paying 30 per cent of their income. They still qualify under the current guidelines, but just barely. If it goes to 20 per cent, they would be paying 31 per cent of their income. On the other hand, Mr. Speaker, the \$60,000 per year family, at 12 per cent, would have been paying 9 per cent of their income. At 19 per cent, they would be paying 12 per cent of their income, and at 20 per cent, they would be paying 13 per cent. The \$25,000 per year family pays 31 per cent; the \$60,000 per year family pays 13 per cent. And the Deputy Premier says, "That's fair. That's equitable. They are each requiring the same assistance.

The proportions are the same in other categories, but it's useful to look at the \$50,000 mortgage because it is held out as the indicator of equality, the indicator that this program is equitable for all. Well, for a \$50,000 mortgage, at 12 per cent, the \$25,000 per year person would have qualified. It would have taken 30 per cent of his income. It would have taken 12 per cent of the \$60,000 per year person's income. But what happens when those interest rates go to 20 per cent, as we know they will?

Well, for the \$25,000 per year person, that will take 44 per cent of his income. The payment, principal, interest and taxes, comes to \$907.48 per month — 44 per cent of his income. For the \$60,000 per year family, it would be 18 per cent of its income. That's equitable? I think, Mr. Speaker, that unless the regulations that the Deputy Premier is going to table in committee show otherwise, we cannot view that, in any way, as an equitable program. Surely the level of hardship when you're paying 44 per cent of your income toward your mortgage, is not the same as the level of hardship is when

you are only paying 18 per cent. Surely the financial pain, or the squeeze, is not equivalent.

And what of those whose income is less than \$25,000? Are they dealt out of the game? The Deputy Premier says no, and that he will be tabling the regulations that will back up what he says. I think that the government has dealt those people out of the game, or they have left it to the banks. What did the Deputy Premier say this morning? Well, we won't take responsibility for that. We don't know what the situation will be in three years." Three months ago, they were prepared to take responsibility for it all. There was no problem in getting the money. They knew where it all was. Now they say, "We won't take the responsibility; let the banks do it. Let the banks decide whether those purchasers will qualify."

Well, if those people are not dealt out of the game, what assurance is the government prepared to give to the 45 per cent of Saskatchewan home-owners who have mortgages that they will benefit? They say that it will be in the regulations. Well, we're calling on the government to table either the regulations or amendments that guarantee that the 45 per cent of Saskatchewan mortgage-holders whose income is \$25,000, or less, will be eligible. We're calling on them to table regulations or amendments that guarantee that those earning \$25,000, or less, will be eligible for the subsidy when purchasing a new or existing home.

We will be calling on the government to guarantee that all federal and provincial subsidies will be considered in determining eligibility, and that the federal grants announced on Monday night will not be deducted in calculating the amount of subsidy under the Saskatchewan Mortgage Interest Reduction Plan, because that up-front grant for construction could very easily, if the programs were stacked, make this program available to many more people than it will be available to as it is currently proposed, and would, in fact, be an incentive and spur to housing construction.

Will the government table regulations or amendments which illustrate or guarantee that the most assistance will go to those with the greatest need? Will they guarantee that need, not greed, is the key factor in determining eligibility? Will they table amendments which recognize that there is an income level beyond which assistance is not essential, just as there is an income level below which assistance is absolutely essential? Will they bring forward amendments, Mr. Speaker, which guarantee that everyone will be eligible for the full three years as they promised, not permanently as the member for Shellbrook-Torch River promised, but for the full three years that the PC party and the rest of you promised?

Will they bring forward amendments or regulations which guarantee that people will have the right to due process and that they will have the right of appeal? Will they bring forward amendments or regulations, Mr. Speaker, that guarantee that there is no discrimination against women as there is in the present bill?

In the *Leader-Post* of June 8, as I pointed out, the Premier was quoted as saying that the program should proceed no matter what the cost. Well, did he mean assistance for everyone, no matter what the cost? Or, did he mean assistance for everyone except those earning \$25,000 a year or less, no matter what the cost? Why do they resist being specific? They're saying that all those people are going to benefit — fine. We think they should benefit. Table the regulations that show us they will benefit and we'll be pleased to support those.

Why are they resisting the calls from the media, from the people of Saskatchewan and from the opposition? They always resist the calls of the opposition and it's their right to do that, but surely they will respond to the calls from the people of Saskatchewan and will table more of the details with regard to this program.

Where are they going to get the money? The June 11 budget guidelines that they issued in a memorandum to all permanent heads in the government tell us something about where they're going to get the money. The guidelines call, in the case of institutions like psychiatric centres and technical institutes, for a maximum 8 per cent increase in 1982-83. So, they will be taking some of the money from those institutions, Mr. Speaker.

In the area of third party grants, volunteer organizations, municipal governments and school boards, the memo calls for an alternative spending plan at a level equal to 90 per cent of the 1982-83 approved level. This can be done by identifying low priority items totalling 10 per cent of the 1982-83 budget. Departments are advised to concentrate on specific program deletions rather than across-the-board reductions. So all those volunteer organization out there, municipal governments and school boards can look forward to deletions to 10 per cent of their programs in order to finance the government program. In capital spending, they called for two alternative spending levels, a level equivalent to 10 per cent below the 1982-83 estimates and a level equivalent to 20 per cent below the 1982-83 estimates.

Now those are the major areas in which the government can do something toward job creation, toward moving the economy forward, toward assuring that the construction companies the Deputy Premier is so concerned about will have work. How much work are they going to have with a 20 per cent cut? In staffing, they are calling upon all departments to identify two per cent of permanent and non-permanent staff for possible deletion. That is over 2,000 people — 2,000 additional people on the unemployment roll.

We have, Mr. Speaker, in the search for the money to pay for this program and some of the other programs, a refusal by most of the ministers opposite to answer questions on what they intend to do with their various programs. I think that we know some of what they intend to do, and that gives us some further hints as to where they are going to get the money for some people, for some mortgage holders, for some home-owners. The rural capital program is gone — \$1.5 million. The senior citizen shelter allowance is gone — \$4.5 million. There were planned family income plan increases of \$2.8 million. They are studying that. The difference between the property tax rebates announced by the Minister of Urban Affairs and those that were in the budget is a reduction of \$11.8 million. That will help pay for some people. Increases in the senior citizens home repair grant have been cancelled — \$1.8 million. The mortgage interest tax credit is gone under Bill 2, or will be gone — \$9 million.

Mr. Speaker, the great bulk of these programs were aimed directly at people earning \$25,000 a year or less. Those are the people, 45 per cent of the mortgage holders and home-owners, to which the government will give no guarantee that there will be any assistance, but they certainly guaranteed that they can take \$30 million or \$40 million directly out of their pockets. So we have to assume, unless the government is prepared to table evidence to the contrary, that this program will be financed by cutbacks — cutbacks to the rural municipalities, cutbacks to the senior citizens, cutbacks to low-income wage earners on the family income plan, cutbacks in housing for low-income people, cutbacks in funding to volunteer organizations, cutbacks in funding to

psychiatric centres and technical institutes, cutbacks in capital spending and job creation to the tune of 20 per cent, cutbacks of over 2,000 civil servants. Who else? Who else will the axe fall on, Mr. Speaker? Who else will pay for the now somewhat-tarnished jewel in the PC crown?

Because, Mr. Speaker, many of my colleagues wish to comment at length on this bill, I will take my seat and ask my colleagues to make their comments. Thank you, Mr. Speaker.

**MR. SHILLINGTON:** — I want to address a few remarks on this program . . . (inaudible interjection) . . . Yes, I promise; I won't carry on for an hour and twenty minutes.

I may say that I want to state unequivocally, on behalf of the member for Regina Centre and on behalf of our caucus, that we are in favour of assistance for people with mortgages. We are in favour of mortgage assistance. Indeed, we had our own program which was introduced in the March budget. We would have assisted a good number of people of different constituencies, I may say. I think the clarity with which members opposite explained their program during the election may account in some part for the election of members, such as the member for Regina Victoria and Regina North East, in supposedly safe seats.

I will also make the prediction that when the public of Saskatchewan understands how this program operates, and when it understands how you are financing it, it will be a major factor in the defeat of the members like the member for Regina Victoria and Regina North East.

This program, Mr. Speaker . . . (inaudible interjections) . . . I wonder if the Minister of Highways has any intention of getting into debate from his feet.

**AN HON. MEMBER:** — Later.

**MR. SHILLINGTON:** — Well, we certainly look forward to your comments at an appropriate time.

I may say that people were in favour of the program because with people shelter is a very basic right. When people feel they are losing it, they get desperate, and I think the public of Saskatchewan, over the last few months, and the Canadian public, generally, have felt desperate about their mortgages.

**AN HON. MEMBER:** — What did your government do, the old government?

**MR. SHILLINGTON:** — What the old government did was much more equitable than what the new government is doing, I may say. By the time this program has passed, you will have heard all you want to hear about the old program, because it was vastly better than yours. We will be reminding you of what the old program did.

I may say, Mr. Deputy Speaker, this program has two faults — just two. That's all I'm laying at your door, just two faults. It doesn't help those it should, and it does help those it shouldn't. Other than that, I think the program is fine.

I want to say this as well: I think you people have understated the cost of this program, and I think you have overstated the number of people it is going to help. I'll make the prediction that this program will cost a lot more than \$57 million and I'll make the

prediction that it will help a lot fewer people than those members opposite have stated. It's an expensive, costly program, Mr. Speaker, which helps the wrong people.

As I've said before, this program is evidence of the basic philosophy of members opposite, and that's socialism for the rich and free enterprise for the poor. The government looks after the rich; the poor look after themselves.

This program simply doesn't do enough for those people who really need it. One of the experiences I have is that I run a law office. My clientele is by and large lower-income people. I don't have a large clientele from Regina South or even Wascana or Lakeview. Mine is by and large a lower-income clientele. I know members opposite may feel that those are not . . . (inaudible interjections) . . . Perhaps the member for Moosomin feels those are not worthy clients. I don't happen to take that view. Other members opposite may take the view that there is no such thing as a mortgage under \$35,000. I'm sure they think that's some sort of a minimum. I defy the member for Regina Victoria to take a tour through the northern part of your riding, that part of your riding which lies north of Victoria Avenue. I'll bet you can count on both hands all the mortgages in that area over \$35,000. I'll be you'll find all kinds of them in the teens and twenties, relatively new mortgages on high interest rates.

The reason it doesn't help low-income people is twofold. First, they have to qualify. I wait with bated breath to see those regulations. If you people have found a way to turn water into wine then I'll believe that you can turn this into an equitable program. I don't think those regulations are going to rewrite the program and what is in this bill is bad news for lower-income people. It isn't going to be very much assistance to them because they have to qualify and they have to qualify at something below the going interest rate. You people haven't pegged it. As I understand your comments in the media you have managed to reduce it. They no longer will have to qualify at 18 per cent, 19 per cent, 20 per cent, wherever the mortgage rates goes; they'll have to qualify at 3 per cent or 4 per cent less than that. They still have to qualify at rates that were unthinkable a year or 18 months ago. They still have to qualify at 17 per cent or 18 per cent, something that was thought unthinkable. I may say as well, Mr. Speaker, that I think everyone anticipates mortgage rates are going to rise. Most people assumed that Monday at 6 o'clock, but after the federal budget which was brought down (I'm sorry I missed yesterday's debate), I think it is a foregone conclusion that mortgage rates will rise and rise dramatically.

A year ago we were processing mortgages at 24 per cent. That's one year ago that mortgages were in the 24 per cent range . . . (inaudible interjection) . . . Just under 24 per cent, that's right. I predict that before you people pass your estimates in the fall, interest rates will not be far off that figure again. That's going to cost you people a lot of money and it's going to enlarge the group which doesn't qualify, the lower-income group, the group on behalf of which the member for Swift Current is supposedly speaking. So they have to qualify at a rate which is going to rise. The mortgage rates are now coming in at around 20 per cent. I've heard informally and formally that you people may be able to reduce that by the 3 per cent you hope for. That's still 17 per cent. I predict that by October or November they are going to be qualifying at rates that are 19 per cent or 20 per cent, impossibly high rates for people of modest incomes.

I may say as well, that they won't benefit for another reason which hasn't had quite as much comment, that is, because their mortgages are so much lower. It's what I was saying earlier. I'm sure you people think there's no such thing as a mortgage under

\$35,000 for the purchase of a house. I say that isn't true. Lots of people — it's virtually the only way in well over 90 per cent of the cases when people buy a house — finance it through a mortgage. There are all kinds of mortgages at \$20,000, \$25,000 or \$30,000, and those people don't benefit much from this program.

I have an illustration of that, where the mortgage in question is not nearly as high. An employee who works in the department presided over by the member for Swift Current — I don't know her income, but I'd guess it's about \$8 or \$9 an hour — just bought a house last year. I know the details of it, because I processed the mortgage and the transfer. She's single, although she's not a single parent; she's just single, but owns a house. Her subsidy is around \$30 a month. If she and I understand the program correctly — and that's a big "if," because nobody out there understands what you people are doing yet — her subsidy is around \$30 per month. I was talking to her yesterday.

Yesterday, as well, I had a phone call from a federal member of parliament. I don't know what their incomes are; they are reported in the newspaper as being \$60,000. I think that's high, because I think that includes some expense allowance. But let's take it at \$40,000. He figured out his subsidy, and it's a little under \$200 per month. I say to the members opposite that the amount . . . (inaudible interjection) . . . No, it is not; it is a very typical example, because the amount of mortgage which a person has, is, by and large, related to his income. The vast majority of people get as good a house as they can afford, and that means they are paying as much on the mortgage as they can afford. So a man's mortgage, or a woman's mortgage, in that case, is proportional to his or her income. The higher the income, the higher the mortgage, and those with higher mortgages benefit vastly more than those with lower mortgages.

I defy members opposite to take a simple test. Just take a simple test as to how this thing is going to operate. Take the houses in Regina Victoria. The member is gone now; I'm sorry to see that. All right, take those houses in Regina North East. I see the member for Regina North East is in his seat. Take those homes which are west of Broad Street, east of Park Street, south of 4th Avenue and north of Victoria Avenue. Consider that area. I don't know what it's called. Take the average person in there with a mortgage. There are plenty of retired people without mortgages, so exclude them. Take that group, and find out what their average subsidy is going to be. I'll bet you the average subsidy in that portion of your riding is under \$50 per month under this program.

And then I defy you to take another sampling. Take a sampling, for example, from Regina South, and I'll bet you the average subsidy in Regina South . . . (inaudible interjections) . . . Yes, I really hope you take the advice of the member opposite and take this challenge. I'll bet you the average subsidy in Regina South is well over \$150 per month. There is no quest that those with higher incomes are going to receive a very considerably higher subsidy than those with lower incomes, because the lower-income people don't qualify and they don't have as big a mortgage. This is indeed, Mr. Speaker, socialism for the rich and free enterprise for the poor.

I really hope you take the advice of the member for Moosomin. He's got a lot of good advice and, I, for one, am disappointed that he wasn't in the cabinet because so much of what that man says makes sense. But on this single issue — if you want to ignore all that sound advice on other issues — I invite the members to go ahead . . . (inaudible interjections) . . . I've already been there and gone, I may say.

I wish, on this issue, you would take the sound advice of the member opposite and just

do that. Take any area of Regina South and figure out what the average subsidy is . . . (inaudible interjection) . . . Your area is not unlike the area of Regina South . . . (inaudible interjection) . . . If you want to take a representative area from Regina North West, that might serve us well, because part of that area are quite affluent.

I challenge you to compare the average subsidy in the area north of Victoria to any portion of Regina South. I'll bet you'll find that there's a discrepancy that you'll be ashamed of. I say to members opposite that you should be ashamed of this program. Surely it's a truism that when you take money out of the public treasury to assist those in need, it should go to the needy. Surely, by definition, people with \$50,000, \$60,000 and \$70,000 a year incomes are not needy.

**AN HON. MEMBER:** — I can't find any of those guys in my area.

**MR. SHILLINGTON:** — You're not looking very hard. I say to the members opposite that this is a program that will benefit the rich far more than the poor. The criticism that the members opposite often make of socialists (as they spit the word out with such hatred) is that we bring in great, gigantic, welfare programs without any means tests. You've often criticized us for bringing in welfare programs without means tests, because you say, "Programs should assist those in need (we agree with that), but these gigantic programs shouldn't assist everyone."

You people seem to have your own means tests. You've effectively excluded the low-income people and included the high-income people. I say that you have a de facto means test.

I want to speak specifically, if I might, to members opposite about section 9 of the bill. I concur with all the criticisms of all the sections made by the member for Prince Albert-Duck Lake, but I particularly want to home in on section 9 — section 7, I'm sorry. I say that because I've had experience as a lawyer with the federal Department of National Revenue. It has a provision which operates something like this. It has been the subject of endless criticism from the bar. If you owe income tax to the Department of National Revenue, it may simply file a document which allows it to garnishee an account without notice. It has been the subject of a lot of criticism from the bar and the subject of some abuse — very little of it intentional. All officials will make mistakes, and they will have on their books moneys owing which aren't, or moneys which may be owing through no fault of the individual. The fault may well be with the officials.

What I'm saying is that this section allows your officials to simply seize his money, his assets, without any notice. It's the kind of thing that you members were so critical of in opposition. You were such dedicated protectors of civil liberties. I just shudder to think what the member for Wilkie would have said had we introduced this kind of thing when you people were in the opposition . . . (inaudible interjection) . . . I won't make the obvious comment that arises out of that remark.

**MR. SHILLINGTON:** — Yes, you are partially right. Assuming this kind of power is necessary, and I don't think it is, I don't see why your officials can't be put to the same inconvenience as every other creditor when he collects money. He gets a judgment in the ordinary process, and then when he gets a judgment he can garnishee. Sure people can garnishee. Read section 7 and you'll see what I'm getting at. But your officials can garnishee without any protection at all. It can and will . . . (inaudible interjection) . . .



I'll be prepared to tell you that in due course when I hear your response to some of the problems of this bill. Your officials can take a man's money without any warning. I'll make a fourth prediction, if you like, Mr. Speaker, I'll make a prediction that if you don't clean up this section it won't be long before it will be challenged as being contrary to the charter of rights. This section does remove the elementary principles of due process and protection.

As will be obvious, Mr. Speaker, from what I have said, I am not at this point in time saying I'm voting for or against the bill I'm learning something from members opposite. I stand foursquare in wanting to review this program. I want to review it, Mr. Speaker, when I see if members opposite are prepared to clean up some of the obvious problems of this bill. We admit that this kind of program is necessary. We were going to do it ourselves. Your program may well be capable of being a better program, but it certainly isn't at this point in time. With 55 members, you have the means to clean up the bill. I suggest to members opposite that they be big enough to admit the bill isn't perfect, that it needs some corrections, and I suggest to members opposite that they clean up this bill.

**HON. MR. BLAKENEY:** — Mr. Deputy Speaker, I don't intend to detain the House overlong on this. I do want to make a few comments. The bill has as its principle the introduction of a mortgage interest reduction program. And with that principle I agree. Since we are debating the principle of the bill, and since we are going to vote on the principle of the bill, I will in all likelihood be voting for this bill.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Clearly, I am in support of a mortgage interest reduction program. We campaigned on such a program. We introduced one in the last session of the legislature. The bill can be seen on the order paper, and the nature of the program which we were recommending is outlined in that bill. The program which we recommended, and the several programs which we recommended for housing (two of them dealing particularly with mortgage interest reduction) are there for people to read in the budget speech. With respect to some of them, they are there for people to read in the legislation tabled in the legislature. So there is no question of the position that I take on this.

The proposal we had put forward was for 15 per cent maximum mortgage interest rate. The proposal put forward by members opposite is for a 13.25 per cent interest rate maximum. Each of them was for temporary programs. We also proposed a more permanent program at 16 per cent maximum with a 10-year guarantee. Those programs had different purposes.

With respect to the 10-year program with a 16 per cent maximum guarantee, and a guarantee that the 16 per cent would not consume more than 30 per cent of income, we were proposing to open housing to a stratum of home buyers, or potential home buyers, which the bill before us will not do. Nobody, I think, on the other side contends that people in the \$20,000 to \$25,000 or \$30,000 range will be able to buy a new house or construct a new house on the basis of the legislation before us. Our proposal was designed to stimulate the house construction industry, as the member for Souris-Cannington, the Deputy Premier, outlined. But it would do it by opening up a new market for house construction and house ownership, something which the bill before us will not do, except to a very minor extent.

Certainly, the way to get house construction going is to open up the house market to an income group which used to be able to afford houses but cannot now afford houses. This bill before us will not do that. I regret that because I think houses should be built for people in the \$25,000 and \$30,000 income bracket. These houses will not be built under this program.

**HON. MR. BLAKENEY:** — It is simply not possible to get a \$50,000 mortgage and buy a \$60,000 three-bedroom bungalow and expect to finance it on an income of \$25,000 to \$30,000. You are going to be very hard-pressed to find a lender who will lend money to a potential home buyer with an income of, say, \$27,000 or \$28,000, if he wants to buy a relatively minimal three-bedroom bungalow at \$60,000. So, it will not open the house market. In my judgement that house market should be opened up. It should be opened up by giving people a longer-term guarantee because, certainly, that is what the lenders are going to look at. They are going to be disturbed at the fact that they only have a 13.25 per cent guarantee for three years at maximum, but two years if the house is built next year, a year and one-half perhaps. They are thinking that that is not enough protection.

What happens at the end of that period? Will the potential borrower be able to deal with the interest rate when the government program lapses? That is a perfectly reasonable question for a lender to ask. That was the reason we set it at 16 per cent. It certainly is not a low interest rate, but at least if you guarantee it for 10 years someone can then know what his commitment is for a considerable length of time. Undoubtedly, a program which offered a 16 per cent interest rate guaranteed for 10 years, combined with a subsidy which would bring down that 16 per cent interest rate to a figure not greater than 30 per cent of his income, would cover a very substantial number of families in the mid-income range. The program before us will not do that.

I want now to touch upon a couple of other aspects of this program. Certainly no one can deny that for people who are in the \$30,000 to \$35,000 range a guarantee even for three years of 13.25 per cent is more attractive than a guarantee of 15 per cent. I freely acknowledge that.

For many people in the mid-income range (the \$20,000 to \$30,000 range, statistically, is the mid-income range for families), the program offered by this legislation is somewhat more attractive. For people in the higher income range, it is very much more attractive. There is no question of that. If someone has an income of \$60,000, and if interest rates rise to, let's say, 21.25 per cent, so that the subsidy is 8 percent, then the person with the income of \$60,000 (who almost undoubtedly will have a \$50,000 mortgage, because he will have a house that is worth \$100,000) will be getting a mortgage subsidy of \$4,000. And, keep in mind that if the interest rate goes up his subsidy goes up.

You may well say, "Well, there won't be many of these people." Well, you're wrong, because the facts are that people with lower incomes have fewer mortgages than do people with higher incomes. I have picked out some figures from Statistics Canada on income distributions by size in Canada. These are the province of Saskatchewan statistics; and I have picked out one, at random, virtually — a relatively lower income, between \$17,000 and \$18,000. Thirty-one percent of those people have mortgages, 38 per cent don't have mortgages but own their own homes and 30 per cent of them are

renters. So you see, at that level, even among those who own their own houses fewer than one-half have mortgages.

If you go up to a higher figure of \$45,000 per year and over (and that's about 15 per cent of the population), less than 10 per cent of those are renters, and of the people remaining (90 per cent), 59 per cent have mortgages and 31 per cent do not. So the facts are that people with large incomes have mortgages. That is the pattern. And the further pattern is (and I don't have the statistics to prove it, but it is self-evident) that people with large incomes have large mortgages, because they have handsome homes. That's fair enough. No one suggests that people with an income of \$80,000 or \$100,000 per year won't have a house worth \$80,000, \$100,000, or more, and almost all of them will have a mortgage of \$50,000 — if for no other reason than that a lot of them are in business and can use their capital more profitably in business, and they get mortgages on their houses for that purpose.

The facts are, therefore, that residential house mortgages are highest for people who have the highest incomes, and not only are the mortgages higher but a higher percentage of people with high incomes have mortgages than people with low incomes. You are therefore helping a larger number of high-income people than low-income people, and you are helping them with more money.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — That may strike you as an equitable program.

**AN HON. MEMBER:** — It's about time they got some of their taxes back.

**HON. MR. BLAKENEY:** — Some members say it's about time that high-income people got their taxes back. I don't take that view. Indeed, with respect to a good number of high-income people, particularly people who are well-advised, if I may put it that way, they pay a smaller percentage of their total income in taxes than do people in the mid-income ranges. That is well known. A simple look at statistics will indicate that because people with high incomes know how to take advantage of programs like the MURB (multiple unit residential building program) or programs like . . . (inaudible interjection) . . . That's right, and no one denies that. No one denies that many of us with higher incomes take advantage of programs like the MURB. And I think that ought to be on the record; I suspect that all the folk in the House and outside this House who have very substantial incomes take advantage of income tax reducing measures which may be open to them.

Farmers, I suspect, have been known to buy a piece of farm machinery a little ahead of time to get a little bit of depreciation or capital cost allowance a little earlier; if there's a farmer here who will say he has never done that, I would be surprised. I would be surprised.

So I think that we all know that people order their tax affairs so that they minimize their tax load. And that's true for high-income people, and for the most part high-income people do it more effectively than others. So I don't think that any justification can be mounted for giving a large subsidy to someone who is getting \$75,000 a year in income on the basis that he ought to get some return on his taxes.

I take the view, Mr. Speaker, that it is incumbent upon this legislature to attempt to structure our programs so that they are as fair as possible.

You may well say that our cut-off figure of \$36,000 a year was too low. You may well say that people with incomes of over \$36,000 a year should get a substantial benefit.

**AN HON. MEMBER:** — That was family income, not personal income.

**HON. MR. BLAKENEY:** — A member is indicating that the figures I am using are family incomes, and I thank him for that interjection, because throughout I am using family incomes — not personal incomes, but family incomes. It may well be that you would say that some family with an income of \$40,000 or \$45,000 should get assistance with its mortgage. I wonder how many can say in good conscience that families with incomes of \$60,000 or \$65,000 or \$70,000 should be getting \$3,000 or \$4,000 or perhaps even \$5,000 from the public purse, depending upon the likely level of income. I wonder if one can say that those are the most needy in society. I wonder if you can even say they are not the least needy.

It seems to me that there are a lot of people who need housing. Housing is thought to be something basic. There are a lot of people who do not have an opportunity to have very good housing. They can't go out and buy a house at \$80,000 with a \$50,000 mortgage. It isn't open to them. They don't therefore have any opportunity to get the top benefit. Clearly the top benefit here is going to someone with a mortgage of \$50,000. Very, very clearly, a large number of the citizens of this province will never have any opportunity to get the maximum benefit. People talk about a means test. This is like saying that there is no means test in staying at the Ritz-Carlton Hotel in Montreal. Anyone can go. Whether you are on welfare or whether you're a millionaire, anyone can go. All you have to do is be able to pay. No means test — true. But isn't it a pretty effective means test? Do you find many people on social assistance at the Ritz-Carlton? Not many, because a pretty effective means test is operating out there. And in the same way, a pretty effective means test is operating in this program.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — It's one which says, firstly, people with the lowest incomes won't qualify at all. Secondly, people with somewhat higher incomes, but still relatively low, will qualify, but only for the smallest amounts. Thirdly, people with the highest incomes of all will qualify for the largest subsidies. Now, that strikes me as a program which needs some repair from the point of view of being equitable. I don't think that that can be thoroughly justified.

No one, I think, is arguing against the principle of this bill. No one is suggesting that there ought not to be help, and I am not now defending the cut-off figure we had of \$36,000. In retrospect, it was probably too low. But I am asking you whether or not you can justify no limit, and whether you can justify saying that people with very, very high incomes ought to get a subsidy, and not only a subsidy, but the highest subsidy. Somebody said this isn't a welfare program. My colleague for Regina Centre has aptly answered that. It is indeed a welfare program. It's a welfare program for those who need it least, and who have the most money.

Now, Mr. Speaker, I, indeed, support the idea of a mortgage interest reduction program, and I will be voting for this bill. But I will be asking in committee what the proposals are for making this a fairer program, what the proposals are for making this a fairer program for the constituents of Regina Victoria, and something a little less fair for the constituents of my colleague in this House, the member for Regina South. I think the

member for Regina Wascana had a good number of constituents there who I think he would blush to say need very much more support. I look around the area around the university, and I look at a good number of those homes, and I think whoever owns those doesn't need a subsidy of \$4,000, as I don't. I shouldn't qualify for one, nor should a fair number of his constituents in University Park, or in the general area of the university in his constituency. You can't justify that in conscience.

I suggest that members opposite better look at this and consider with some care whether or not there ought to be some ceilings on this, otherwise your program is going to be flawed. You have already seen some public opposition to this . . . (inaudible interjection) . . . No, indeed, we didn't see much on election day because the outline of the program was not clear to the public. But as it becomes clearer to the public I am suggesting, Mr. Speaker, there will be criticisms and there will be justifiable criticisms. My request to the government is that it look at this so that when we consider this in committee we will consider whether or not we can't make this a fairer and more just program, and still offer mortgage interest reduction for people who need it.

**HON. MR. BERNTSON:** — Mr. Speaker, we know now where at least two members of the opposition stand on this particular piece of legislation. The member for Prince Albert-Duck Lake has come down rather vigorously against it. The member for Regina Centre has come down with something less than vigour in support of it. And the Leader of the Opposition, Mr. Speaker, although he started out supporting it, the more he got into the debate, I thought he was trying to talk himself out of supporting it. And I think perhaps we should deal with this as quickly as possible before he gets all the way there and decides to vote against it. It's a program, Mr. Speaker, that is designed to help those who are in rather a serious situation and, in a very real sense, under some threat of losing their homes because of high interest rates, because of these severe economic times in Canada and in Saskatchewan.

The Leader of the Opposition tells us that \$50,000 may be a little too high. He says that it may be argued that \$36,000 is too low, and I'm sure that that's true. And I accept that \$50,000 may be too high, and \$36,000 may be too low — his program. But the fact is, Mr. Speaker, the program that we advanced in Bill 1 is the same program that we talked about in the last provincial campaign, and the people of Saskatchewan have clearly made the decision as to which program they want.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BERNTSON:** — The Leader of the Opposition has said our program is flawed. Well, in good conscience, I'm going to have to go and take a look at it, because I know that the Leader of the Opposition and that party is something of an expert in flaws — after the fact, for sure. He says that the program will not reach as many people as the 38,000 that we predict it will reach in the first year, but we are confident that it will reach those 38,000 people. The members opposite don't seem to understand that there are renewals every year, and every renewal is subject to the same treatment under this program as new mortgages. Without that kind of treatment, those people who are renewing this year, who may have been sitting on a 10 or 10.5 per cent mortgage with a five-year term, are in serious danger of losing their homes.

We are confident that the program will, in fact, enhance the housing industry of Saskatchewan, thereby enhancing employment opportunities in Saskatchewan and in conjunction with all that, Mr. Speaker, enhancing the lot of small businesses related to the housing construction industry. We're confident, Mr. Speaker, that

this particular program will be well-received by a large, large percentage of the people in Saskatchewan.

The member for Prince Albert-Duck Lake expressed concern with one section of the bill relative to spouses, who may be legally or otherwise separated, living separate and apart. I can assure him that this problem is covered in the legislation. If he would raise that question in committee, I'll deal with it at that time, as of course we are more than willing to deal with any question that the opposition may have at the committee stage debate. Mr. Speaker, it gives me a great deal of pleasure to move second reading of this bill.

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

### **Bill No. 19 — An Act to amend The Wildlife Act**

**HON. MR. BERNTSON:** — Mr. Speaker, this bill proposes seven amendments to The Wildlife Act, most of which might be considered of a housekeeping nature, but which are essential to efficient resource management. The first two are intended to clarify who assumes director responsibilities. The third provides two additional members on the wildlife advisory committee. The fourth clarifies supervision of juveniles while hunting. A fifth clarifies the rights of landowners when hunters enter private land. The sixth clarifies articles which may be seized under a search warrant. The last establishes procedures for entering evidence from the RCMP crime lab into the court.

Mr. Speaker, section 9 of the Wildlife Act allows the minister to appoint a wildlife advisory committee to provide input from organizations affected by wildlife management programs. The amendment would increase membership on the committee from 8 to 10 to more adequately represent all interest groups. Mr. Speaker, an amendment is proposed to section 34 of the act to more adequately delineate the responsibility of the parent in supervising juveniles while hunting. The previous section attempted to ensure a youth hunted only when supervised, but placed no onus on the parent or guardian to supervise the youth, or to ensure that the youth was supervised by another adult. Young people have the highest rate of hunting accidents of any group, and need supervision and training. You will remember, Mr. Speaker, that legislation required all hunters 17 years of age and under to complete a Saskatchewan firearms safety course prior to purchasing a licence. This amendment will also help to ensure safe hunting by young people.

Mr. Speaker, The Wildlife Act does not sufficiently protect landowners against trespassers unless the landowner specifically posts his land. When The Wildlife Act was proclaimed in 1979, a change in wording inadvertently removed the common law right of landowners to protection from hunter trespassers. To rectify this problem, an amendment to section 38(6) of the act is proposed that would clarify that a person hunting on private land, whether it is posted or not, is a trespasser if he has not received permission to hunt from the landowner. As a trespasser that person does not have legal right of access to the land and has minimal liability rights. This does not mean that the hunter must acquire permission to hunt on private land, but it does restore the landowner's right to take legal action against trespassers under the common law, even if he has not posted his land.

Mr. Speaker, the search warrant section has been amended to accommodate two

problem areas. The amendment would allow an officer with a search warrant to search for and seize as evidence any article, such as a gun, trap, or knife, that was used in violation of The Wildlife Act. Also, the amendment would allow a justice of the peace to issue search warrants. This change would provide access to a warrant in more remote northern areas. The change is consistent with the search warrant section of the former game act, and does not represent an increase in the power of the wildlife officers from previous years.

Lastly, Mr. Speaker, section 52 of the act would be amended to allow the RCMP officer who actually does the laboratory investigation to sign a report for court evidence, rather than requiring the head of the lab to sign the report.

Mr. Speaker, these amendments will assist us to continue to manage Saskatchewan's wildlife resource in the best interest of the people of Saskatchewan and in the best interest of the resource itself. I urge this House to join with me in supporting these amendments.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LINGENFELTER:** — Mr. Speaker, there are a number of aspects of this bill, namely sections 6 and 7, that my colleague for Athabasca would like time to speak on. He's not present at this time so I beg leave to adjourn debate.

Debate adjourned.

**Bill No. 20 — An Act respecting Elections in Urban Municipalities and School Divisions and  
repealing The Urban Municipal Elections Act**

**HON. MR. SCHOENHALS:** — Mr. Speaker, I am pleased to move second reading of this bill, The Local Government Election Act. This bill was requested by local government officials who served on the urban law review committee and by SUMA (Saskatchewan Urban Municipalities' Association). The bill was prepared in close consultation with local government officials representing both school and urban municipal sectors. It represents modern thinking on electoral law. The purpose of this bill is to standardize and update the procedures for conducting elections in all urban municipalities and all school divisions in the province. It replaces The Urban Municipal Elections Act and it includes many of the election provisions currently contained in The Education Act.

As members of this House know, elections for city council and boards of education and school divisions are held on the same day every three years. Both the school and municipal elections in cities are conducted by the city election officials. I think members here will agree that this is the most practical and inexpensive method. It is also the method most convenient and understandable to voters. It means that local electors can vote for school board and council on the same day in the same polling place. Using only one set of local election officials reduces the cost of elections and adds to efficiency.

It follows that there should be a single statute setting out the rules of procedure for these concurrent elections in cities. In the past, with both The Election Act and The Urban Municipal Elections Act governing these concurrent election contests, the result was a number of inconsistencies between the two acts which complicated the conduct of local elections. This single statute covering school and municipal contests is a major reform for elections in the cities.

Another major reform in this bill is the extension of concurrent three-year elections to all towns and villages. Again, SUMA has strongly urged us to bring election terms, in our nearly 500 towns and villages, into step with those in cities and school divisions. Currently, elections for villages occur every two years with councillors serving four-year terms.

What will be the effect of the new election system outside the cities? First, the three-year term will be welcomed by councillors of towns and villages who now serve four-year terms, which they often find in excess of personal commitment. It will allow mayors of towns and villages to serve for three-year terms instead of two. It is increasingly being recognized that the two-year term is too short. It is often said that in your first year you spend all your time learning what you're supposed to do, and you spend the second year worrying about your re-election. I note that Ontario has recently indicated it will move to three-year terms for local elections.

A second major benefit of this bill for local elections outside the province's cities is this: elections for municipal councils and school boards will be held for the first time on the same day in the same polling place. This will be a major benefit to voters. It will have the added benefit of encouraging an increase in the turnout of voters. A review of local election results shows that when the position of mayor is up for election, turnout is much higher.

A third positive feature of this bill on the electoral system outside cities is that school divisions in towns and villages for the first time will have an opportunity to co-operate in conducting their elections. At their option, they will be able to use a single set of election officials and share the costs of ballots, notices and so on. For the first time, there will be standard rules and procedures for school division elections and urban municipal elections throughout the province. This is a major step forward.

Let me now turn to some more specific features of this bill. We are, for the first time, extending the vote on money by-laws to renters. As you are aware, renters pay property taxes indirectly, through their rent. We are also retaining the existing provision that voters reside in the municipality or school division for six months in order to qualify to vote. SUMA (Saskatchewan Urban Municipalities' Association) felt this was a valuable feature of existing legislation and we are going to keep it in the new act.

This bill will make it easier for disabled persons to vote in two important respects. First it will be required that at least one advance poll in each jurisdiction be accessible to the disabled voter. Second, blind persons will have the option of voting in secret by use of a template. A template is a plastic or paper device, which is placed over the ballot, which allows a blind voter to place his or her X in the space opposite the candidate of their choice. This procedure was requested by the Canadian National Institute for the Blind. We are pleased to be able to implement this valuable suggestion.

For resort villages, elections are held on the fourth Saturday in July. Because of the short time-frame left to us, we will bring in the three-year term for resort villages immediately, but the elections will be conducted under the provisions of The Urban Municipal Elections Act in other respects for the upcoming election only.

I want to emphasize that the thrust of this bill is to streamline and standardize local election procedures. It has been requested by local representatives. It will bring benefits to many hundreds of candidates for school and municipal offices. It will



streamline and simplify the work of local government election officials. It will simplify the election process for many thousands of voters in local elections.

This government believes that local governments exist because public affairs are often handled best by local people in their own communities. It is often said that if municipalities and school boards didn't exist, they would have to be invented. I believe that by reforming and updating the process by which municipalities and school boards are elected, we are strengthening local government for the people of the province.

I would like to join with my colleague, the Minister of Education, to urge all members to support this bill.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Mr. Speaker, I rise just to say a few words to indicate that we will be supporting this measure. We think the proposals in it are sound. No doubt, persons who represent villages or towns would wish to say something if they felt that the idea of moving to a three-year concurrent term was not sound. Generally speaking, it is our understanding that the town and village section of SUMA is satisfied with the three-year arrangement, rather than the two years, for the overseer or mayor, and four years for the councillor, which is the current arrangement. It strikes us that it is sensible to have the standard three-year term. It strikes us as sensible to be having the standard voting procedure. It certainly strikes us as sensible to have a common voting day. I will come back to that in a moment.

With respect to provisions for disabled persons and blind persons, surely, those will meet with the approval of all persons in the House.

With respect to the term of residence being six months, some have felt that that is somewhat long. But I think that I don't have any serious objection to that. There will be those who, I know, feel that if a long-time resident of the province moves to Saskatoon or to Beechy or to some other community and lives there for three months, when an election comes up he ought to be able to vote. It may well be that a case can be made for the six months and we make no strong point of that.

There are two aspects of it that I want to say a word or two more on. The proposal with respect to the provision that people who are not burgesses can vote on money by-laws strikes me as an advance. There are, clearly, two sides to this, and it has been hotly debated. But, on balance, I think that since commitments for capital construction are undoubtedly going to affect the costs of everybody in a municipality, whether or not they be renters or ratepayers, and in view of the fact that a good bit of money frequently comes from provincial government sources, or other senior government sources, for the projects on which there might be a by-law vote, it is fair and reasonable to provide that all the citizens have a vote, as they have had with respect to school capital matters for many, many years, 30 years anyway.

The other one point I want to make is that I support the whole thrust of this bill, because I believe it is designed to make it likely that citizens will more easily participate in elections. One of the troublesome things about local government, at least in parts of Saskatchewan, is the relatively low level of participation, the low voter turnout for school elections and for council elections. This is particularly true when there is not an obvious contest for mayor or whatever the case may be, and this bodes ill for the health of local government in Saskatchewan. The whole thrust of this bill is to concentrate

elections, so that if an elector has an interest in one or another contest, he is likely to vote for all of the contests. And he's likely, at least, to inform himself somewhat, because he knows that he is going to have to vote. He may well not have done that had he not had the interest in the one contest.

Accordingly, I think that the direction of this bill is sound. It has the support of municipal officials; it makes some advances which, in our judgment, will make local government stronger. I'm sure all members of this House recognize the importance of strong local government. Accordingly, we will be supporting the bill.

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

## **COMMITTEE OF THE WHOLE**

### **Bill No. 11 — An Act to amend The Teachers' Superannuation Act**

#### **Clause 1**

**HON. MR. CURRIE:** — Mr. Chairman, it is my pleasure at this time to introduce the executive secretary of the teachers' superannuation commission, Mr. Wally Sawchuk.

**HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Thank you very much. This will take but a moment. It was only two or three years ago that I piloted the same bills myself through the House so I have some familiarity with them.

I have one question for the minister. I know this bill deals with contributions more than it deals with the actual increase in the superannuation of teachers. My question is: will the teachers' contributions or their increase in pensions be affected by the 6 per cent and 5 per cent guidelines being promoted by the federal Minister of Finance? Will that, in any way, affect the teachers' situation in this year?

**HON. MR. CURRIE:** — I don't think I'm prepared to answer that question for the hon. member at the present time, because we don't have the information on the 6 per cent and 5 per cent from the federal budget.

**MR. SHILLINGTON:** — But your bill deals with contributions, and surely we're entitled to know whether their level of contributions might in any way be affected by those guidelines. If you want to reserve your comment on whether the increase in pension will be affected by it, that would be fair, because I don't think this bill deals with that. But, I think we are entitled to know whether their level of contribution will be affected by those guidelines.

**HON. MR. CURRIE:** — No, I don't believe it will. Would it be of any assistance to mention the fact that the contributions only go up 0.15 per cent?

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

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**Clause 4**

**MR. SHILLINGTON:** — I would like to ask a general question of the minister. Am I correct in assuming that all of the amendments to this act have been the subject of an agreement between the STF (Saskatchewan Teachers' Federation), and the teacher-trustee negotiating team?

**HON. MR. CURRIE:** — Some of these are housekeeping amendments.

**MR. SHILLINGTON:** — Well then, let me ask with regard to this if clause 4, section 14.1, has been the subject of an agreement? It says so in the explanatory notes.

**HON. MR. CURRIE:** — That was overlooked last year, and it has just been amended now to correct the act.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, is it fair to say that the effect of it is that people who are retired teachers can stay on the superannuation plan?

**HON. MR. CURRIE:** — Yes, very definitely. They can stay on the old plan.

**HON. MR. BLAKENEY:** — The effect of this section is to say that teachers can, (a) stay on the old plan, and (b) have an increasing time to elect to go into the new plan. Is that correct?

**HON. MR. CURRIE:** — Yes, that is correct.

**HON. MR. BLAKENEY:** — Is the annuity fund the same thing as the money purchase plan, or is the annuity fund something else? I am not familiar with the terminology.

**HON. MR. CURRIE:** — The annuity plan is the money purchase plan.

Clause 4 agreed to.

Clauses 5 to 9 inclusive agreed to.

**Clause 10**

**HON. MR. BLAKENEY:** — Mr. Chairman, I don't know in what particular place I am to ask this, but what is the supplementary allowances fund? I'm lost again.

**HON. MR. CURRIE:** — Mr. Leader of the Opposition, the supplementary fund is the fund that is used to provide dependants' allowance, and also to provide escalation provision for people who are granted an annuity under the act.

**HON. MR. BLAKENEY:** — And how is it funded? Where does the money come from?

**HON. MR. CURRIE:** — It is funded by the 0.165, from the contributions.

**MR. SHILLINGTON:** — We are on clause 10, are we, Mr. Chairman? I just want to be assured again that this clause arises as a result of an agreement by the teachers and trustees. Is that accurate?

**HON. MR. CURRIE:** — Yes, that definitely is accurate.  
Clause 10 agreed to.

Clauses 11 to 13 inclusive agreed to.

The committee agreed to report the bill as amended.

**Bill No. 12 — An Act to amend The Teachers' Life Insurance (Government Contributory) Act**

**Clause 1**

**MR. SHILLINGTON:** — I don't have any monumental quarrel with clause one. I just have the same general question as I had before. Does this amendment come before this House as a result of the bargaining between the teachers and trustees?

**HON. MR. CURRIE:** — Yes it does.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the bill.

**Bill No. 8 — An Act to amend The Regulations Act**

**HON. MR. BERNTSON:** — Mr. Chairman, in keeping with the protocol of the House, I would like to introduce Ron Hewitt from the Attorney General's department.

**SOME HON. MEMBERS:** — Hear, hear!

Clauses 1 to 4 agreed to.

**Clause 5**

**HON. MR. BLAKENEY:** — Mr. Chairman, the import of this, as I see it, is to give the Lieutenant-Governor in Council power to repeal regulations, or correct regulations, in subsection 2 that may have been made by all sorts of people. Can you give us any instances of a regulation-making authority whose regulations would be changed, other than ministerial orders and other than the regulations approved by Lieutenant-Governor in Council? More particularly, will it cover things like by-laws of professions and that sort of thing, which might well be classed as regulations? What sort of regulations with the Lieutenant-Governor be able to repeal?

**HON. MR. BERNTSON:** — Some of the examples of the regulations under the act are regulations under The Child Welfare Act, some of which date back to 1952 and were replaced by The Family Services Act and The Children of Unmarried Parents Act; regulations under The Blind Persons' Allowances Act, replaced by The Saskatchewan Assistance Act; regulations which were not repealed when new ones were passed superseding them, for example, The Community Colleges Act regulations which date back to 1974 and have been obviously superseded by regulations since that date; regulations which were stated to apply only for a specific period of time or for a specified date, for example, the public sector price and wage control regulations which

were only in effect while those controls existed, and tax remission regulations for past taxation years, and regulations under The Liquor Licensing Act specifying dates when certain liquor vendors would be closed. Those are some of the examples.

**HON. MR. BLAKENEY:** — Mr. Chairman, I don't know whether I've made my position clear. I wouldn't have any quarrel with the Lieutenant-Governor repealing any regulations which the Lieutenant-Governor in Council made, or any quarrel with the Lieutenant-Governor in Council repealing any regulations which any minister made. That doesn't get us into any problems. The Lieutenant-Governor made them; they should be able to repeal them; and if it's a minister's order, the Lieutenant-Governor in Council should be able to repeal them.

The question I was asking is: are there any other regulation-making bodies which are only quasi-government and which may take a different view as to whether or not the regulation should be repealed by the Lieutenant-Governor? Here I am simply asking for information. If the medical profession's by-laws are considered by the regulations committee, and I think their regulations are under this act, I would wonder whether it is entirely appropriate for the Lieutenant-Governor to repeal them without asking the doctors, if I may put it that way.

**HON. MR. BERNTSON:** — My understanding is, Mr. Chairman, that the only time those regulations would ever be dealt with is in full consultation with those sorts of bodies, and I have no particular hang-up with this. If you would prefer to hold this until the legislative counsel can be here, that's fine with me.

**HON. MR. BLAKENEY:** — I wouldn't mind knowing, because just as a matter of principle I think that if we are giving the Lieutenant-Governor power to repeal regulations made by a whole lot of other people . . . I am sure it wouldn't be abused, but that's what we are here for — to ask those sorts of questions.

**HON. MR. BLAKENEY:** — If I might repeat my question . . .

**HON. MR. BERNTSON:** — I think I have it. The power is limited to regulations that are being dealt with relative to the revision that is going on now — the consolidated revision. It's my understanding that no change or revision would be made without full consultation with those bodies affected.

**HON. MR. BLAKENEY:** — Mr. Chairman, on that assurance, I'm sure that it only makes sense that what we're really talking about are regulations made by the Lieutenant Governor in Council or ministers' orders. That type of thing will be ninety-nine and forty-four onehundredths per cent of what's worked with. With respect to any others, the ministry would consult before they knocked off the regulations of the law society or the medical society or the architects.

**MR. SHILLINGTON:** — I just have a brief question, now that the legislative counsel is here. When might the House expect to see the revised regulations of Saskatchewan? When is this going to be available to us?

**HON. MR. BERNTSON:** — The process was started at the end of 1980. At that time, the projected time needed to get the job done was two years. It has obviously grown to be a far bigger task than earlier anticipated, so they're looking at another two years to complete the task.

Clause 5 agreed to.

Clause 6 agreed to.

### **Clause 7**

**AN HON. MEMBER:** — What's the significance of the date, November 25, 1980?

**HON. MR. BERNTSON:** — That's when the first revised regulations came into force.

Clause 7 agreed to.

The committee agreed to report the bill.

### **THIRD READINGS**

#### **Bill No. 11 — An Act to amend The Teachers' Superannuation Act**

**HON. MR. CURRIE:** — 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.

#### **Bill No. 12 — An Act to amend The Teachers' Life Insurance (Government Contributory) Act**

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

Motion agreed to and bill read a third time.

#### **Bill No. 8 — An Act to amend The Regulations Act**

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

Motion agreed to and bill read a third time.

The Assembly adjourned at 1:09 p.m.

## CORRIGENDA

The second sentence of the fifth new paragraph on page 178 of the *Debates and Proceedings* (N.S. Vol. XXV, No. 4B, Tuesday, June 24, 1982) should read as follows:

I remember a Trotskyist saying, and I quote: “The reason we should fight for abortion on demand is that the capitalists cannot give us our demand without destroying capitalism.”

On page 181 of the same number of the *Debates and Proceedings* the work by Evelyn Eager cited is correctly titled *Saskatchewan Government*.

[NOTE: The online version of *Hansard* has been corrected.]