EVENING SESSION

SECOND READINGS

Bill No. 14 — An Act to establish the Department of Energy and Mines and to repeal The Department of Mineral Resources Act (continued)

HON. MR. THATCHER: — Well, Mr. Speaker, I suppose nothing else I can say can more clearly illustrate the necessity for updating the energy act than what happened just before dinner. What else can we say? Obviously the energy situation is outdated and outmoded.

Mr. Speaker, as I indicated before 5 o'clock, the purpose of this act is to bring the wording and the structure of our department act up to date. The old Department of Mineral Resources Act was originally passed in 1952 and it's now very badly outdated. This particular legislation is not very complicated. It provides the minister with specific new powers and responsibilities in energy matters.

I would refer you specifically to section 7, where it refers to the development, management and conservation of energy. This act is phrased in the language consistent with the new constitution as it relates to provincial powers. The province has powers now under the new constitution to explore, develop, manage and conserve our non-renewable resources.

The new constitution, and as a result our new act, will now refer to non-renewable resources in place of mineral resources. Otherwise, except for the updating of the structure and the language, and the inclusion of general powers for the minister to make grants (something which is common to most departments), the new act is similar to the old Department of Mineral Resources Act.

The purpose of the act, very simply, changes the references to the Department or the Minister of Mineral Resources contained in other provincial legislation to the Department or the Minister of Energy and Mines.

Mr. Speaker, I so move.

SOME HON. MEMBERS: Hear, hear!

MR. HAMMERSMITH: — Mr. Speaker, I want to make just a few comments on this act. I recall that as the minister was describing to the Assembly how he was about to glamorize energy in this province the lights went out. I hope that that's not an omen. I know that he would not intend it that way.

The bill, Mr. Speaker, is strictly a permissive piece of legislation. It's difficult to determine from the bill what the new department will do or what it will not do. This may all be a useless and a wasteful exercise unless the department and the government will be active in developing resources, particularly in developing new energy supplies, especially non-traditional energy supplies including non-renewable resources, and unless the department and the government are active in energy conservation

I also viewed with some interest clause 7, which the minister pointed to, and I think it surprising that the Minister of Energy would not be the minister responsible for Sask Power. There are some people in this province, and they may not share the view of the government, but there are some people nevertheless who are of the opinion that the production and distribution of electrical power has something to do with energy. That may be a totally unrealistic and surprising assumption but it is a view held by a good number of people.

The minister says the bill appears to do little more than change the name of an existing department and that sounds innocent enough. However, the bill doesn't require that the particular acts currently administered by the department be the responsibility of the minister of that department. Now, this can lead to an unco-ordinated and a very diverse kind of administration of energy and resource-related matters, because this act, combined with Bill 15, means that these various acts currently administered by the Minister of Mineral Resources can now be assigned to any, or many, or several members of the Executive Council, and the responsibility can be divided up.

Now, why would the government be proposing this? It's difficult to conclude from the sketchy nature of this bill what the intentions of the government are. It's equally difficult to conclude from the comments of the minister, who paints a very simple picture as to what the intentions of the government are, Mr. Speaker. But, either it's an attempt to set the minister up, in his words, as the glamor minister — the new energy and resources czar, the minister in charge of giveaways — or it is the vehicle by which the Premier can control one of his wild cards by dividing the action among several ministers.

Why won't the government state what its intentions are? Is it a continuation, Mr. Speaker, of the stripping away of influence from the Minister of Mineral Resources that began when he was removed from the board of the crown investments corporation, before that board had held its first meeting following the election? Was that because the new energy czar and the Minister of Finance had some sharp differences over the location of an upgrader?

So will you be using the bill to divide up the action — to divide it up, or to concentrate power in the hands of a new energy czar? Because these questions remain unanswered, and because it's important that the government state, if it can, what its intentions are with regard to this legislation, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 15 — An Act respecting the Consequential Amendments to certain Acts resulting from the enactment of The Department of Energy and Mines Act

HON. MR. THATCHER: — Mr. Speaker, the primary function of this bill is to . . . (inaudible interjections) . . . Because of this bill we have to make some alterations. Is this the freehold mineral Act? Mr. Speaker, these are just consequential amendments and therefore I move second reading of this bill. I think what has to be said was said in the initial comments.

MR. HAMMERSMITH: — As pointed out, it is a consequential amendments act. It does outline a number of acts currently administered by the Minister of Mineral Resources that will not now be the responsibility of the new Minister of Energy and Mines. For the same reasons I outlined on Bill 14, and with a desire to have a clearer statement of the government's intentions with regard to these two bills, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 16 — An Act to amend The Interpretation Act

HON. MR. LANE: — Mr. Speaker, a great number of statutes which establish government boards, commission, committees, councils, and the like, specify that members appointed to these bodies are often appointed for a specified term of office — quite often as long as five years. Section 15 of The Interpretation Act presently provides that every public functionary appointed remains in office at pleasure, unless it is otherwise specifically stated in his appointment or in an act that it is to be a term appointment. I know that the hon. members opposite will support this with a great deal of vigour. I suppose that with leave we could probably get it all done tonight.

Mr. Speaker, the amendment to The Interpretation Act proposed by this bill modifies the general rule and states that, in certain circumstances, the appointment of any person to a government body for a term may be terminated, prior to its expiration, by an order of the Lieutenant-Governor in Council or the person who made the appointment. These terminations may be made only after a general election in respect to a person who was in office on the day a new cabinet was sworn in. By virtue of subsection 15.1, subclause 2, the appointment of a person whose appointment is expressly made subject to termination by the Legislative Assembly, such as members of the local government board and the public and private rights board, may not be terminated prior to its normal expiration under the new procedure.

Mr. Speaker, it makes it quite clear that, should any new government in the future believe that it wishes to have terms to boards, commissions or agencies extend beyond the normal term of a government, then it should have the approval of the Legislative Assembly. That, in our view (and in the view of most reasonable thinking persons), is a sound way to allow new governments to have responsive boards and agencies. Also, where the legislature itself feels the board is of such importance that the term should go beyond the normal term of a government office, then the legislature itself should approve that.

Mr. Speaker, the purpose of the amendment is quite clear. When any new government is elected, it cannot have its hands tied by the previous government's actions. This amendment will assist any new government and, perhaps 28 years down the road, if you get back in, you will have the same opportunity. I suggest to the members opposite, without coming before the Assembly, to amend the bill. This amendment will assist any new government to move to implement its policies through its various boards, commissions and agencies by changing memberships on those bodies as is necessary.

It is to be noted (and this is in the interest of making sure that there is continuity) that the appointments do not automatically terminate but continue to the end of the specified term, unless a specific direct order is made by the Lieutenant-Governor in Council or the person who originally made the appointment.

Mr. Speaker, it may be interesting to note (it was certainly a surprise to many of us) that the previous government, in its short term of office of some 11 years, instituted approximately 103 different boards, agencies and commissions. There are approximately 2,800 appointments to be made by the new government. Of those, approximately 35 are made with term appointments. I can go through the public service commission. I don't think the members opposite anywhere would disagree that

any new government should be able to makes its changes — the Saskatchewan Community Legal Services Commission, same position. The Saskatchewan Human Rights Commission had staggered terms which, in our view, should be presented to this Assembly and have the endorsation of the whole Assembly. The Alcohol Commission of Saskatchewan, the cancer foundations . . . There will certainly be a review of the previous government's policy on cancer, as we have debated in this Assembly on numerous occasions both the lack of funding and the lack of some equipment, the problems that existed in the past.

AN HON. MEMBER: — A lack of autonomy.

HON. MR. LANE: — A lack of autonomy was certainly a matter of concern. I refer to some of the councils, such as the council of the College of Dental Surgeons, the Saskatchewan Anti-Tuberculosis League, the dental nurses' boards, the health research board, the boards of governors of hospitals, the South Saskatchewan Hospital Centre, the university hospital board (and I could go on and on), the occupational health and safety council, the educational relations board (which again should be responsive to any new government), the science council. We expect some major new initiatives of this government in that direction. I refer to the educational relations board, the educational boundaries commission, community college board, the board of governors of the universities, the university commission. As I say, there are approximately 35 of these boards, agencies and commissions which have appointments for varying terms of two, three, five or seven years which were appointed by the previous government. As I say, I believe that all members who subscribe to the view that a new government should be able to implement its policies because they are elected to do that will be supportive of this bill.

Many of these bodies are involved in major policy initiatives on behalf of the government. Just as new cabinet members are chosen after a general election to implement the policies accepted by the electorate, so, too, should membership of policy bodies of the government be reconsidered to ensure that the mandate given to the new government is carried through at all levels.

Mr. Speaker, given the size of the majority given to the government, I think it was the will of the people of Saskatchewan that, in fact, this government has a mandate to implement its policies. It has a clear mandate to make changes. It has a clear mandate to make changes in the administration of government. For those reasons, Mr. Speaker, I move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — I have stood in this House today, Mr. Speaker, and I want to say that I was shocked by the repeal of the outstanding legislation of setting up ward systems for education in the two major cities. It is a derogation of freedom, and here tonight is a full example of the firing squad in action.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — I want to say that the witch hunt is on, and I tell you that the people of Saskatchewan are watching. You may smile and laugh today, but the people of Saskatchewan will remember when you come forward to take away the rights of individuals.

The Attorney General stands up and says that his hands are tied. I wonder whether he remembers that there have been governments changed in the past. There was a CCF government until 1964, when the late Ross Thatcher became premier of this province, and there were boards and commission at that time. I'll tell you, there was no individual who wanted with more fervour to destroy socialism than Ross Thatcher. I want to say that he had an integrity and respect for the democratic process. He will be remembered for that. I see across the way the smirks on the faces of little men, thinking how powerful they are until the people of this province realize the direction they're taking us.

"Hands are tied," he says. I say, let's take a look at a couple of the boards to see how badly their hands are tied. Let's take a look at the alcoholism commission and see whether the Attorney General's hands are tied.

> Except as provided in subsection 2, each member of the commission, unless he sooner resigns or ceases to be a resident of the province, shall hold office for the term of three years, and thereafter until his successor is appointed.
>
> The chairman and three other members of the commission shall hold office at the pleasure of the Lieutenant-Governor.

The chairman and three other members shall hold office totally at the pleasure of the Lieutenant-Governor. Ah, but they can't operate within the purviews of the legislation — no way — their hands are tied.

Let us take a look at the community legal services and the process of appointment . . .

AN HON. MEMBER: — I would have thought you would have supported me on that one after Swift Current.

MR. KOSKIE: — You had your opportunity and I'm telling you, you bungled it. I have the floor now . . . (inaudible interjection) . . . That's right.

I want to say:

> That the commissions shall consist of three members appointed by the chairman of boards from amongst their numbers and from the directors of the board.

The process is established within the legislation where the boards, chairmen of the boards, shall elect three members from among them.

> One member appointed by the Lieutenant-Governor in Council from among the members of the Law Society of Saskatchewan nominated for the purpose by the benchers of the society.

Let me repeat: three members appointed by the Lieutenant-Governor in Council, one member, who is a member of the Law Society of Saskatchewan, appointed by the Attorney General of Canada, and one member, who is an employee of the Department of the Attorney General, appointed by the minister.

I want to say that within that legislation, as an example, it demonstrates that there is a

process that has been developed for the appointment of these boards and commissions. I want to say that there are representations made to different bodies in society in the development of these boards. It was not at the whim of the previous government. It was a process that was developed and legislation was passed in this House. And he stands up and says, "Oh no." Of what the legislatures did yesterday (when in fact he was in opposition and approved the legislation which I am reading from), today he says, "No, that's not good enough." The hands of the Attorney General, if you can believe it, are tied.

I just want to say the eyes of the people of Saskatchewan are watching, and watching carefully, the vast number of dismissals so blatant and so without cause that recently they had to rehire one whom they had dismissed. They fired one at $46,000 and took her back at $46,000.

AN HON. MEMBER: — Are you saying that we shouldn't have?

MR. KOSKIE: — I am saying that you don't know what you are doing. And I am telling you that the people of Saskatchewan are about to find out and it is not going to take very long.

I just want to say that it is rather shocking. I have a little press clipping here in which the Attorney General is indicating in advance what this glorious piece of legislation is going to do . . . (inaudible interjection) . . . You know what? You are better than I thought you were. I thought I would have to speak quite a bit longer, which I am prepared to do, in order that you can kind of catch on to the direction that I am going . . . (inaudible interjection) . . . Never mind, I will tell you — the energy man, who only lasted until the first meeting of the CIC (Crown Investments Corporation of Saskatchewan) board and got demoted — you should talk about demotions. I will tell you what we have here . . . (inaudible interjection) . . . Well, I am telling you. I could answer that one.

But I want to say here (and members opposite, the little firing squad, can sit there and smirk) that the people of Saskatchewan are taking note and there is no doubt. You can feast on your immediate victory, and well you should, but I'll tell you that taking a step as you are doing here is a total abrogation of rights; it's a continuation of the witch hunt unequalled in a democratic society.

Hands are tied, imagine. Hands are tied. You can look through the various boards (I have indicated a couple of them), and you will find in each piece of legislation that the procedure for establishing the board is set up. Often there is representation, recommendations from the bar society or from the medical profession.

I want to say that what this does is perpetrate yet another witch hunt. It's as simple as that. It's rather interesting that the Attorney General would report to the press that, and I read from the release here:

> Proposed changes to The Interpretation Act introduced in the legislature Monday would allow the new government to make its own appointments to provincial boards and commissions immediately after taking office.

Not only do they want to take the step of being able to appoint their own boards and commissions, if you note in section 5 of the act, the act comes into force on the day of the assent, but more than that (it's not satisfactory just to have it on the day that it comes

into assent) it is deemed to have been in force from May 8, 1982. Now, I would think that there is some reason behind that. I would think that there have been more errors made, more errors than have been admitted. There is one way that they can perhaps clean the slate and that is to give the Hon. Attorney General retroactive legislation.

What I want to say, Mr. Speaker, is that this is a very, very serious abrogation of rights. I want to study this. I'll tell you, you may be here for some time getting this one through, because I'm not prepared to see the democratic freedoms eroded by an arrogant government.

I tell you I have a lot more to say on this and accordingly I beg leave to adjourn the debate.

SOME HON. MEMBERS: Hear, hear!

Debate adjourned.

Bill No. 17 — An Act to establish a Public Utilities Review Commission

HON. MR. LANE: — Mr. Speaker, it is with a great deal of pleasure that I stand before you in this Assembly to move second reading of An Act to establish a Public Utilities Review Commission, a first for the province of Saskatchewan, and in certain areas, a first anywhere in the free world.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — Mr. Speaker, in this throne speech debate, the Leader of the Opposition said a few days ago in this House, "I think the public will make its own judgment as to whether the utility rates review commission is a good idea, based not on whether we have a commission but on whether the power and gas rates go down or on whether at least the increases are moderate."

Mr. Speaker, I think this bill goes far beyond that. There was a destruction of the confidence that the people of Saskatchewan had in the crown corporations by actions of the previous government, particularly with respect to rate increases.

The people of Saskatchewan no longer believe, because of actions of the former government, that the rates are being set only to cover the expenses of the corporation. The people of Saskatchewan were given cause to believe that the rates were set to yield high profits, or to build glamorous fancy new buildings, or that the rate increases were necessary in the past because of shockingly bad investments, or that rates were increased to cover up some questionable business dealings such as investments, reinsurance management and reinsurance through Ireland and wherever else that investment took us. Because of the actions of the previous government, people lost confidence and lost the belief in the principle that crown corporations were providing an essential service at the lowest possible cost.

People saw rate increases being followed by an announcement of mismanagement. People saw rate increases being followed by a 21-storey building going up. People saw rate increases being followed by fancy gold towers with skylights and executive offices. People saw rate increases being followed by announcements that CPN (Co-operative Programming Network) had lost $5 million. People saw rate increases being followed by announcements that corporations were building fancy new buildings in other parts

of the province.

For years now, Mr. Speaker, the people of this province have been forced to accept huge increases in gas, electricity, telephone and automobile insurance rates with no recourse to fight what they believe to be unwarranted and unfair increases. It's significant, Mr. Speaker, that the government opposite never announced a rate increase in this Assembly. It was always done in August, when there was no one around. It was always done around Christmastime, after the fall session had adjourned. Never did the government opposite have the political courage to come to this Assembly and justify its rate increases. No wonder the people of Saskatchewan lost confidence.

In addition to the high rate increases, people didn't get used to seeing (but they saw often enough) the cost of heating their homes, insuring their cars, and their telephones rise yearly. The consumer had to pay in another way. When utility rates rise, business must pass these added expenses on. The consumer had to pay again.

It's easy to understand why the people of Saskatchewan lost confidence. The people of Saskatchewan, above all, lost any feeling that they were being dealt with fairly. Since 1978, the cost of residential telephones has risen over 28 per cent. Businesses have been faced with a 34 per cent increase. Gas and electricity rates are more staggering. The average cost of home heating fuel in Saskatchewan has risen 148 per cent since 1975. Residential electricity rates have gone up to 86 per cent in the same period of time. Automobile insurance rates have soared as well. The average cost of compulsory insurance in this province has risen about 58 per cent since 1976.

You see, Mr. Speaker, it's not surprising that the people of Saskatchewan have lost confidence. They feel powerless to do anything about rising utility costs. They feel that they must simply accept this added burden and dish out the money. This new government does not accept that premise. This new government wants to change that belief and that feeling of unfairness. In opposition, the Conservative Party advocated for nearly three years the establishment of a public utilities review commission, an agency which would protect consumers from unnecessary price increases, an agency which would give the people of this province an alternative to simply accepting these increases.

Mr. Speaker, we believe that it's time the people of Saskatchewan had an opportunity to have input into the rate increases. We believe that it is time to restore the confidence the people of this province have in their crown corporations. It is also time to restore a belief that the crown corporations are supplying these services at the lowest reasonable cost. It is time to allow the people of Saskatchewan to have a restoration of their belief that the rate increases are fair and reasonable.

When the Leader of the Opposition says the proof of the pudding, so to speak, is in whether or not rate increases go down, we don't agree. We believe that the proof of the pudding is when the people of Saskatchewan believe that any rate increases that come along are in fact fair and reasonable, and that they have had an opportunity to criticize if they don't feel that they are fair and reasonable, before the rates come into effect.

Mr. Speaker, I wish to give some details on the legislation. Corporations and rates that are subject to review include the Saskatchewan Power Corporation and its subsidiary North-Sask Electric Ltd., with respect to their rates for the sale within Saskatchewan of electrical energy and gas whether on a retail, wholesale or bulk sale basis and

Saskatchewan Telecommunications, with respect to its rates for non-competitive telephone services both within and without Saskatchewan. There will be a House amendment to that effect. I advise the members opposite that for the purposes of protecting Saskatchewan's jurisdiction, the question of long-distance rates commencing within the province will be added.

Also included is Saskatchewan Government Insurance as insurer under The Automobile Accident Insurance Act, with respect to basic insurance premiums for motor vehicles, trailers and semitrailers, and for drivers. This is the first time anywhere that government auto insurance has been subject to public utilities review.

The act may also apply to any corporations, including municipal corporations, which sell electrical energy or gas within Saskatchewan, if such corporations are designated in the regulations. This allows the Lieutenant-Governor in Council to bring cities which retail electricity to consumers (such as Saskatoon and Swift Current) within the scope of the review process, should this be considered appropriate.

I advise the hon. members at the present time that the reason that this was left to regulation was because both Saskatoon and Swift Current simply follow the SPC rate increases, and it would be an unnecessary expense to the consumers and to those cities to force them to go through the review process when they are simply following the SPC rate increase.

In Saskatoon, as most hon. members are aware, SPC supplies approximately 20 per cent of the gas and electricity, and the city in fact, is forced, of course, to follow SPC.

The review process is provided for in part 2 of the act. Section 4 provides that the corporations file schedules with the commission within three months after section 4 comes into force, showing all the rates subject to review which are in effect as of the time that the section comes into force. The rates filed, with certain exceptions, become the only rates which the corporation may charge unless the commission has made an order allowing a new rate and amending the schedules accordingly. Practically speaking, that means a base rate. The existing rates have to be filed and the corporation will not be allowed to have a rate increase until at least six months (subject to commission review) after it files its base rates.

Where the corporation wishes to change its rates, it must submit proposed new rates to the commission and apply for an order allowing those new rates. The commission must then consider whether the new rates proposed are reasonable and justified, and in so doing it may hold public hearings and receive representations from interested parties.

In deciding whether proposed new rates are reasonable and justified, the commission must consider the criteria set out in section 6. These criteria have been drafted to ensure that rates will reflect the necessary cost of providing services and that the corporations will follow sound financing practices. It is also made clear in the criteria section that certain policies which may give preference to certain groups will be allowed as long as they can be reasonably justified.

This will, for example, allow Sask Tel to provide free telephones for senior citizens. It will allow Sask Tel to have equalized rates across the province. It will allow Sask Power to use the electrical to subsidize the gas or vice versa, and, in fact, allows policy discriminations to allow equalized service throughout the province of Saskatchewan. For example, it may allow the cross-subsidization policies practised by the cor-

porations.

The commission may consider any matters affecting rates which it, the commission, considers relevant. It is our opinion that this will allow the commission broad scope to inquire into matters such as the quality of services offered by the corporation or the efficiency of the corporation.

Upon completion of the review process, the commission must make an order allowing or disallowing the application for new rates. Where it disallows the new rates proposed, it may make an order allowing such new rates as it has determined to be reasonable and justified as a consequence of its inquiry.

It should be noted that if the review process has not been completed within six months from the date of the application or within 30 days of an interim order (and the commission has the right to make interim orders), section 9 allows the corporation to implement the new rates proposed or a portion of such rates, pending a final determination of the application by the commission.

This particular provision was implemented to force the commission to make a decision within the six-month period of time. This was primarily requested by international lending institutions who share a concern that some public utility review commissions don't allow for precision, in that the rate applications may be held up for some considerable length of time. The purpose of this section is to avoid the problems which may result if the review process becomes overly lengthy.

At the same time, if this provision is triggered by the lapse of time, the commission nevertheless continues its review process. Where a final order allows the rate which is less than that put into effect by the corporation pursuant to this section, the commission may make an order to compensate for or to refund any excess amount collected by the corporation. This is the general rate-review process.

I now wish to point out that there are certain exceptions in the legislation which are meant to deal with the special situation of Saskatchewan Government Insurance as insurer under The Automobile Accident Insurance Act.

Firstly, you will note that SGI is allowed to establish new premiums without the prior approval of the commission in the circumstances set out in subsection 3 of section 4. This allows SGI to respond immediately to the needs of its clientele, for example, in the case of new cars or new models which must have rates set as soon as they come on the market. At the same time, where SGI establishes a premium in these instances, it must forthwith apply to the commission for an order allowing the premium as established, and the usual rate review process is thereby activated.

Secondly, there are certain differences with respect to the criteria which the commission must consider in determining whether new premiums proposed by SGI are reasonable and justified.

Finally, if the commission has not made a final determination within 90 days of the date of an application by SGI, or within 30 days of an interim order, whichever is later, SGI may put into effect the new rates pending a final order by the commission. This is a shorter time period than that established with respect to the other corporations and, again, it reflects the special need of SGI as insurer.

With respect to the composition, structure, and procedure of the commission, the

legislation seeks to maximize flexibility. For example, the commission may sit as a whole, or in panels, or, in certain circumstances, a single commissioner may sit as the commission. Cabinet may appoint temporary commissioners to facilitate the hearing of any particular matters, and the commission may utilize experts and technical advisers to assist it in carrying out any of its duties under the act. This was a proposal that allows the commission, in highly technical areas requiring, say, and engineer, to appoint a one-member commission to check out certain information and it would, in fact, act as the commission.

With respect to rules of procedure, cabinet will, by regulation, prescribe the basic rules, but the commission will be free to create any supplementary rules as are necessary for the performance of its duties.

In order to facilitate public input, public hearings will be a prominent part of the new rate review process, although the commission will have discretion to dispense with hearings, or conduct them in camera, where the commission deems appropriate.

In short, Mr. Speaker, this legislation signals a new era in dealing with the crown corporations of this province. We seek to ensure that the operations of our crown corporations will be open to public scrutiny and control. This bill embodies a major step in that direction.

Mr. Speaker, this legislation has the support of interested groups such as the consumers' association. It has, I believe, as well, the support of the people of Saskatchewan. For too long rate increases were made in secret, imposed upon the people of Saskatchewan in a manner that they had no opportunity to review. We had rate increases that weren't justifiable in the public's mind, and rate increases that were, in fact, seen in the public's mind as being responsive to other needs such as new buildings, as opposed to supplying the service.

The only opportunity that the people of Saskatchewan had, Mr. Speaker, to review the significant number of rate increases imposed by the previous government was on April 26 of this year. At that time, Mr. Speaker, there was a public review of the rate increases. In fact, we made it clear to the people of Saskatchewan that we would implement a public utilities review commission, a commission that would allow public input. I believe, Mr. Speaker, that the people of Saskatchewan have waited long enough for an independent agency that will finally give the people of Saskatchewan that feeling of confidence that the rate increases of our crown corporations are fair and just and reasonable under the circumstances.

Mr. Speaker, it gives me a great deal of pleasure to move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. HAMMERSMITH: — Mr. Speaker, the Attorney General has found a way to move away from the habit of describing things as, "They are under consideration," or, "We are studying it," or, "It's under review." He has found a way out. Now he will be able to say, "Somebody else is studying it," or, "Somebody else is reviewing it," or, "Somebody else is considering it." And it's very much, Mr. Speaker, like the situation that prevailed in the province of Alberta in 1972 when they established the public utilities review board (PURB) as opposed to PURC (public utilities review commission).

But that was about the time that Calgary Power started to raise its rates, and it was a way

out. It was a way for the Government of Alberta to get itself off the hook so that the government was shielded from having to answer for any of those increases in electrical rates. They even set things up so the public utilities review board in Alberta could not have its decisions rolled back or denied by the legislature. The position was that the legislature was not responsible. The government was not responsible. It was somebody else. It was that board out there, that nasty board that permitted all those rate increases.

So that is one of the questions, Mr. Speaker, that needs to be considered very carefully in the establishment of this commission. And we will want to pursue that at some length.

The next question that needs to be answered is: what will it cost? Will it cost $100,000 or $150,000 as the member for Regina South suggested? Whom is he trying to kid? With the salaries that they pay, that will barely cover the costs for the secretary to the board, let alone seven commissioners and temporary commissioners and other staff.

In Alberta the public utilities review board currently costs the taxpayers of Alberta in the neighbourhood of $2 million a year. And it has in the neighbourhood of 50 staff. But they have never denied an increase in rates. The legislature there says, "That's not us; that's those guys in that public utilities review board. We wouldn't raise your rates and we wouldn't interfere." The Attorney General referred to the Consumers' Association of Canada. The Alberta branch of that association is not even appearing for the current round of Alberta Government Telephone hearings. Why are they not appearing? Because it is too costly for them to appear; because they have no influence; and because they can't compete with the parade of lawyers and accountants and consultants that Alberta Government Telephones can bring forward to the board to justify its increases.

Last year, on April 7, the member for Regina South said, and I quote from the *Hansard* of that date:

> I might also mention to the members opposite (and it will be of special interest to the Minister of Telephones) that there have been no government telephone increases in the province of Alberta since 1977 — again, as a result of a public utilities price review commission.

What he didn't mention, Mr. Speaker, was that the rate increase hearings started in 1975 and they only ended last year. It took six years to make a decision. But from 1975 until 1977, rates rose three times under the kinds of interim increases that are allowed in this legislation.

The current round of hearings began on April 26, but there have been interim increases granted retroactive to 25 days before the hearing began for a 10 per cent increase in residential rates, a 15 per cent increase in business rates and a 12 per cent increase in long distance rates. That kind of activity is not only possible but also is entirely likely under the provisions of the legislation before us.

In the Calgary *Herald* on June 4, there was a headline which said, "Consumers Often Silent at Public Utilities Board Hearings." The article goes on to say:

> The stakes are essential services and the cost of heat, power, telephones and even milk, but the people who foot the bills are out of the game.

Why are they out of the game? Sally Hall, the provincial president of the Alberta wing of the Consumers' Association of Canada, has been absent from the latest round of hearings on AGT (Alberta Government Telephones) because the group cannot afford the expenses of appearing at the hearings. The expenses for the last round of AGT hearings for the Consumers' Association of Canada, Alberta Branch, were $80,000. The consumer group says that it's staying away from the new phone bill review because intervening has become as risky and as potentially expensive as a lawsuit in the civil courts against a corporate giant.

On the other hand, the corporation, Alberta Government Telephones, is spending on this round of hearings $719,000 justifying the rate increases that it's going to get anyway. Those costs will be passed on to the consumers in their telephone bills.

Mr. Speaker, this legislation is held out to us by the Attorney General as a fresh opening of the process to the people of Saskatchewan. Yet the legislation says that the commission in its own judgment, at its own discretion, may hold public hearings, may open it to the public, may open it to a branch of the consumers' association to compete in terms of expenditures with the hundreds of thousands of dollars that the corporation has available to hire lawyers, consultants and accountants to prepare charts, graphs, slide shows and all the rest of the charade that goes on at other public utilities review board hearings in other jurisdictions. They say that after six months the corporation may make the increases anyway. Well, on average, across North America, it has been found that there are few, if any, hearings of this kind that are completed within 12 months. What happens in those 12 months? Interim, retroactive increases. What will be the response of the Government of Saskatchewan? "Oh, the legislature has no power to deal with this. This is all in the hands of the public utilities review commission. Sorry, folks. Just pay the bill."

In this open process, the board can also decide to hold in camera hearings. They talk about an open process, public scrutiny, public participation but propose in camera hearings, secret hearings. Is this the new open process, Mr. Speaker? In addition to that, the Lieutenant-Governor in Council or the cabinet may exempt certain corporations or certain activities of corporations from being subject to scrutiny by the public utilities review commission. This is the openness: exemption by the cabinet, no opportunity for the legislature or the elected representatives of the people of Saskatchewan to scrutinize the increases, in camera hearings. The people can't get in there and the people's representatives in the legislature have no opportunity to review the rate increases.

Why are they trying to get off the hook, Mr. Speaker? I predict that by December 31, 1986, electrical production costs will increase by a minimum of 25 cents per kilowatt-hour. That will require rate increases by the end of 1986 of at least 64 per cent, and it could go as high as 70 per cent. Those increases could be as high as 83 per cent by 1987. We can safely predict, Mr. Speaker, that by 1991 production costs are likely to increase a minimum of 72 cents per kilowatt-hour. That will require, by 1991, a minimum rate increase of 135 per cent for electrical consumers. That's what they're trying to do. They don't want to explain that. They want to say, "It's not us; it's the public utilities review commission."

The Attorney General outlined a history of some increases, Mr. Speaker. I predict that by 1991 those increases, in comparison to the ones we will see over the next nine years, will look very, very small indeed. Because we will want to pursue those areas plus

the other areas that I've outlined, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 18 — An Act respecting the Consequential Amendments resulting from the enactment of The Public Utilities Review Commission Act

HON. MR. LANE: — Mr. Speaker, I was extremely disappointed to learn this evening that the opposition is opposed to the public utilities review commission. I was somewhat surprised, Mr. Speaker, to find out some of the reasons for their opposition. I suppose it's verging on the humorous side to listen to a straight-faced argument that in fact the legislature didn't have an opportunity to review the rate increases. I can't believe that the member said that with a straight face. Every time that the members opposite, when they sat in the treasury benches, brought in rate increases the legislature was not in session. They did it deviously in the summertime when the opposition was scattered. They did it at Christmas after the fall session had adjourned. Then they said, and I think all member that were here . . . (inaudible interjection) . . .

AN HON. MEMBER: — This isn't the consequential amendment.

MR. SPEAKER: — Is the member dealing with Bill No. 18? The discussion sounds very similar to Bill No. 17.

HON. MR. LANE: — Mr. Speaker, this is with respect to consequential amendments that follow from the principle established by the previous bill, and it is in the principle second reading as opposed to the items. However, Mr. Speaker, I think that the people of Saskatchewan have already made their decision. I believe, as well, that the people of Saskatchewan are laughing, and will continue to laugh, at the reasons for the members of the New Democratic Party opposing this legislation.

Mr. Speaker, the consequential amendments proposed in Bill 18 are necessary to give full effect to what I believe is one of the most significant pieces of legislation ever introduced in this Assembly.

Mr. Speaker, the consequential amendments are, as I say, necessary to give effect to the bill. Mr. Speaker, I urge the hon. members to perhaps rethink and learn a lesson from April 26 and think about what they did wrong that got them into the position they're in today and reconsider their position and support the consequential amendments and the principle of the bill to establish a public utilities review commission. I urge second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. HAMMERSMITH: — Mr. Speaker, because the Attorney General has pointed out that the consequential amendments act is required to give full effect to Bill 17 and because a great deal more needs to be said about the full effect, hidden and unhidden, of Bill 17 and because my colleagues will wish to make several comments with regard to Bill 18, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 21 — An Act to amend the Superannuation (Supplementary Provisions) Act

HON. MR. ANDREW: — Mr. Speaker, this act will apply to the public service, Sask Power, Sask Tel, the workers' compensation board and the liquor board superannuation. Therefore amendments to those acts will apply to the five acts involved there.

There are several significant changes which will affect the old superannuation plan and the new public employees superannuation plan. One of the most significant amendments is the provision to increase the pensions paid to spouses of deceased, the employees or superannuates, from 50 per cent to 60 per cent of employees, or superannuates, pension entitlements. This not only applies to pensions that become payable to spouses in the future but it will also increase pensions presently being paid to spouses by 20 per cent, which is the net effect of going from 50 per cent to 60 per cent. The increase therefore applies to the basic pension provided at the time of death as well as to the superannuates allowance provided over the past number of years. This together with additional supplementary allowances also provided in this bill will mean a significant increase in the pension benefits paid to spouses of deceased superannuates and employees.

The second significant amendment to this bill provides for supplementary allowances to increase the pension of superannuated employees and spouses of deceased superannuated employees. This supplementary allowance is based on the same principle as has been used in the past and that is a specific number of dollars as opposed to percentages, so that the people on the lower end of the scale are treated in a more favourable position than the people on the higher end of the scale of the pension. The superannuated employees will receive $20 for each year of service for a maximum of 35 years, which will provide a maximum of $700 per year or $58 per month. The spouse of the deceased will receive 60 per cent of that or $12 annually for each year of service up to 35 — a maximum of $420 for the year or $35 per month. The 60 per cent is related to the increase in the spousal pension of 50 per cent; 60 per cent is provided in the bill.

The method used is consistent with the principles in the unit-benefit pension plans which are used in the years of service to determine the basic pension payable on retirement. Although the method used may be criticized and the increase may not be satisfactory to everyone, we recognize the effect of inflation on pensioners, particularly, those in the low-income categories.

I would simply like to digress a bit there. I think the members opposite were very critical of this government in the early days of taking office as to whether we were in fact going to be bringing in a type of program that would help former civil servants as well as people on the low end of the scale. Clearly, by this action we're demonstrating, Mr. Speaker, that we have a concern for the civil servant, the retired civil servant, the spouse of that civil servant. The program advanced by this government is every bit as lucrative as the program presented in the past by the members opposite.

So, given the nature of the legislation, Mr. Speaker, I would encourage that we pass through this piece of legislation, that we get an agreement in principle from the entire House, so we can get it quickly into the committee of the whole and get it through so that the senior citizens (the people who have retired) will have a chance for their pension benefits as quickly as possible. With that, Mr. Speaker, I move second reading of this bill.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, just a few comments on Bill 21. I want to agree with the Minister of Finance that it is an excellent bill as far as it goes. It's one which was orchestrated and brought in by a former minister, Wes Robbins, and does in fact deal with many of the problems that are faced by people who are on superannuation at the present time and helps them deal with inflation which is running at 12, 15 per cent.

The important parts of the bill of course are, as mentioned, the increase for the superannuates' spouses — an increase from 50 to 60 per cent, one which does take into account the fact that when spouses are left alone in the world, the deficits and costs that they face do not decrease by 50 per cent, because of the housing, heating fuel, and that sort of thing that they have to pay. The other is the direct increase of $20 per month per year of service which will go a long way to meeting the needs of some of those who have been on pension for a number of years whose pensions are in fact not all that great.

I think what is as important as what is in the bill is what has been left out. Section 38(1) would have allowed people on the old plan to transfer into the new plan indefinitely, and I notice that that is sadly lacking, probably because of the fact that the government will not have to contribute to the old plan that many of these employees are in who would otherwise transfer into the new plan. Section 38(1) is one which we will be looking at in committee and making direct proposals to the government about, in the hope that it will move in that area to allow people, who up to 1977 were in the old plan, to have the opportunity to move into the new.

With that, Mr. Speaker, the members on this side do support the bill in principle but will be making recommendations in committee.

Motion agreed to, bill read a second time and referred to committee of the whole 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

MR. SCHOENHALS: — Mr. Speaker, I am pleased to move second reading of this bill, The Local Government Election Consequential Amendment Act.

The amendments proposed in the bill before us today are necessary because of the introduction of the new Local Government Election Act. As members of this House know, another bill, The Local Government Election Act itself, is before the legislature at the request of SUMA (Saskatchewan Urban Municipalities' Association) and as a result of the recommendation of the urban law review committee.

Mr. Speaker, the new election act is of course largely related to election procedures or the mechanics of conducting elections.

In order to make the new local government election act work as municipal and school officials want it to work, it is necessary to bring in this consequential bill amending three related acts which deal with school or municipal elections. These three statutes are: (1) The Urban Municipality Act; (2) The Controverted Municipal Elections Act, and (3) The Local Government Board Act.

Accordingly, we are proposing two major consequential amendments to the urban act.

The first is the extension of the vote on municipal money bylaws to renters. Currently, only property owners or burgesses in urban municipalities can vote on bylaws which involve municipal borrowing. Mr. Speaker, the proposal to give renters the vote on borrowing bylaws was a principal recommendation of the urban law review report. I want to emphasize that this amendment does not take anything away from property owners. They will retain the right to vote on money bylaws just as they do now.

In order to make this reform to the franchise, it is necessary to delete reference to the term "burgesses" throughout the urban act. In effect, this amendment will give citizens equal voting rights in local elections which they have enjoyed for decades in provincial and federal elections.

Let me pause for a moment, Mr. Speaker, to mention that the deletion of the term "burgesses" has related but minor spin-off effects. Currently, in urban municipalities, a petition for a bylaw or the petition for a public meeting can be restricted to burgesses only if the matter related to a money bylaw. Renters will in this bill have the right to petition on all of these matters under the urban act.

Let me turn now, Mr. Speaker, to the second significant amendment to The Urban Municipality Act. As a result of strong representation from SUMA and the urban law review committee, this bill provides for the three-year term of office for towns and for villages. Currently, councillors in towns and villages serve four-year overlapping terms. One-half of them are elected every two years. The mayor, however, is elected every two years. Yet in school divisions and in city elections we have had three-year terms for a number of years. This bill will bring in three-year concurrent elections for all urban municipalities and school districts. What will this mean?

First, it will give newly elected councillors and mayors an extra year to learn the ropes in local office. I think that a major benefit of the extension of a three-year term to towns and villages will be the impact it has on local leadership. It will give mayors and councillors more experience in depth. It will thereby strengthen the elected branch of local government, and that is a cornerstone of local democracy.

Second, Mr. Speaker, it will add to the convenience of voters who will vote in school division elections and in town and village elections, in the same polling place and on the same day, for the first time. SUMA maintains that this amendment will improve the turnout of voters because it will lead to an increase in publicity and generate more interest. I think they are correct in this view.

Third, Mr. Speaker, for the first time school and municipal officials in towns and villages will be able to co-operate by using only one set of election officials, such as deputy returning officers and poll clerks.

Let me turn now to another feature of the bill. It contains a number of amendments to The Controverted Municipal Elections Act. As members know, this act deals with corrupt practices and trials of controverted elections in urban and rural municipalities. It also applies to school divisions. The amendments contained in this bill relating to controverted elections are minor. They are confined largely to changes in language, in addition to a few definitions of terms.

The third statute which is amended by this bill is The Local Government Board Act. The amendment to this act simply requires that when the local government board orders a vote on a money bylaw, renters as well as burgesses will in the future be able to vote.

Let me conclude by saying that this bill brings benefits to three major groups. First, the bill should be of principal benefit to the many thousands of local electors. It not only extends full voting rights to renters, but also provides for a standard election date and a standard term of office throughout the province.

Secondly, this bill will benefit the many hundreds of candidates for school and municipal office with a three-year term in concurrent elections. This shall serve to strengthen the local government for the people of the province.

Lastly, it will be to the benefit of election officials to standardize the term of office with three-year concurrent elections.

Mr. Speaker, this is a bill resulting from requests from local government representatives. These amendments were prepared in close consultation with municipal and school board officials. I believe it will serve to strengthen local governments. Since the members opposite have agreed in principle to support The Local Government Election Act, I urge all members of the House to support this consequential 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. 1 — An Act to establish a Mortgage Interest Reduction Plan

Clause 1

MR. CHAIRMAN: — Would the minister please introduce his staff.

HON. MR. BERNTSON: — Mr. Chairman, on my left is Alan Carr, deputy minister of revenue and supply. Is that it? And services. And on my right is Ron Hewitt from the Attorney General's department.

While I am on my feet, Mr. Chairman, I want to point out that we will be introducing some House amendments here. Did we send a copy over?

Section 2(c) is an amendment to clarify that the plan applies to renters having trailers as well, i.e. mobile home-type trailers.

Section 2(f) we thought was clear. This makes it even more clear to clarify that it is only when a home-owner sells and repurchases. If you understand what I am saying on that one . . . (inaudible interjection) . . . You can ask that when we get there.

Section 4 is the one that deals with regulations. It is to provide for exemptions of either federal or provincial programs by regulation; that is the piggybacking clause as we called it. They are fairly simple and straightforward amendments. I hope the members opposite understand them as well as I do and we will get through this fairly quickly.

HON. MR. BLAKENEY: — Mr. Chairman, there are a number of general comments about the bill that I would like to address.

Firstly, on checking the amendments put forward by the minister, I note that there is no

proposal to limit eligibility. I am asking the minister of what basis he feels that it is appropriate for public funds to be available to a citizen who has an income of $100,000 and a mortgage of $50,000 on the assumption of an effective mortgage rate of, let's say, 19.25 per cent? That is a shelter, a mark down of 6 per cent. That citizen gets a benefit of $3,000 per year. I give that as a typical example, but I could give many other examples.

What I want to hear from the minister is why he believes it is appropriate to have legislation which provides a benefit of $3,000 a year for a person with an income of $100,000. Why does the legislation not contain some ceilings so that it does not provide very substantive benefits to the most affluent section of our society?

HON. MR. BERNTSON: — First, Mr. Chairman, I suppose that we do, in a sense, have a ceiling. We've said that the mortgage ceiling is $50,000, and I think there are a lot of people who make a lot less than $100,000 a year who would have a $50,000 mortgage.

Second, during the last provincial campaign when we announced that we were going to advance such a program, if and when we formed the government, we said that it would not be means-tested. We said it would cover the people of Saskatchewan, and that's precisely what this does.

HON. MR. BLAKENEY: — Mr. Chairman, I understand the argument. It is in no sense limited as to income. The relatively small number of people who may well have an income of $1 million and have a mortgage of $250,000 will still get this benefit of $3,000, as indicated in my example . . . (inaudible interjection) . . . Mr. Chairman, the question is directed to the minister.

The members opposite who suggest that wealthy people do not have mortgages are simply denying the figures put forward by Statistics Canada which indicate that, by and large, people with high incomes do indeed have mortgages. A good number of people with high incomes are in business and a good number of people with high incomes are heavily leveraged, and one of the things they lever on is their home. There is no question of that, and any of us who have been in business, or associated with business, are aware of that.

Very frequently the mortgage interest rate is lower than the interest rate at which the businessman will be able to borrow money for his business and, accordingly, he does indeed borrow on his house and mortgages it — not that he needs the money for the house, but he needs the money for his business. That's why he has a high income, because he's dealing with very substantial sums of money. It is clear that that particular citizen would be able to get the benefit and . . . (inaudible interjection) . . .

Well, obviously the member opposite, not the minister but the other minister, is suggesting that the number of people with an income of $1 million is a very small percentage, and I concede that out of hand. What I asked at the outset was with respect to people with incomes of $80,000 or $100,000, and that percentage is not small. There are a significant number of people in that income bracket who certainly by no standard need any benefit from the public purse. The question which I am asking is: given the fact that people with low incomes are shutout because they will not qualify (they are certainly shut out for new homes), would it not, at least for new homes where people with low incomes are shut out because they can't possibly qualify, be appropriate to say that people with high incomes would similarly be shut out?

HON. MR. BERNTSON: — Mr. Chairman, if the Leader of the Opposition is telling us that people on the lower end of the income scale are shut out, what he is doing is admitting that all of his previous programs for the lower-income people have, in fact, failed, because we haven't in any way altered any of the former administration's programs for those people.

Secondly, Mr. Chairman, the vast majority of mortgages in Saskatchewan are for $35,000 or less. So we are touching the people, the home-owners, at the lower end of the scale.

Thirdly, I don't know how, on the one hand, you can rattle us as you did last week, because the suggestion was that we wouldn't allow the federal program to piggyback on ours. It is also universal (if I can use that word) in that it touches everyone. You were rattling us because there was a suggestion that it wouldn't be allowed to be effective in Saskatchewan, that it wouldn't be piggybacked on ours. Now you are saying that even though it is universal it is good, but that ours, because it is universal, is not good.

The fourth point is that to translate your argument into the medicare field, neither poor nor rich pay medicare premiums.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Mr. Chairman, I understand the analogy which the minister is drawing. I don't think it is a valid analogy with a one-shot, one-grant program which has very frequently not been income-tested. When the previous government was operating the house building assistance grant program, it offered a straight $1,000. Then I believe this was ultimately increased to $2,000 for every new house built, regardless of the income of the occupant, because it simply wasn't worth while to income-test for a one-shot program. I think that makes sense.

When you start talking about a grant continuing for three years, which could easily reach $4,000 or $5,000 a year, depending upon what your estimate of interest rates would be (if you get a shelter of 8 percent, if you think that the interest rates may average 21.25 per cent, and that's not an outlandish suggestion, then the grant is $4,000 a year), these are significant sums. And if they go on for three years, why, that's a lot of money. However, I have the answer of the minister and it just shows what I think is a difference of view as to who the group in society is who most needs help in getting housing. I don't think it is those who have very large incomes and who . . .

AN HON. MEMBER: — Why are they excluded

HON. MR. BLAKENEY: — Well, they're excluded because they don't need help.

AN HON. MEMBER: — Okay, why are the low-income people excluded

HON. MR. BLAKENEY: — The low-income people are excluded because if they're building a house there's no possible way they can qualify for a mortgage. That's why.

AN HON. MEMBER: — Why

HON. MR. BLAKENEY: — Why? My earlier suggestion was with respect to building a house, and there's no possible way they can qualify. With respect to almost any house

you can think of that they would buy, they would similarly not qualify. So, obviously, I suppose, there are a few used homes (to quote the member for Regina South) on the market at $30,000 or less, but damn few. In fact, there will be remarkably few who will qualify.

However, I turn to another point. I ask the minister: how is it proposed that these grants will be financed? Under what authority will the money be paid?

HON. MR. BERNTSON: — While I'm waiting for the answer to that one, I want to comment on your earlier statement as to what group in society would most benefit from this program. I think a fairly broad sector in society would benefit from this program. I point out, Mr. Chairman, to all members in the House, that the NDP mortgage subsidy program did not, in fact, benefit those people without a home, because the only people it touched were those people with existing mortgages.

I guess what I'm saying is that this seems to be a new-found compassion that you've just recently developed. We think that the program will be well accepted by the people of Saskatchewan. It obviously was a very significant determining factor in the last general election and this is the way we said it was going to be implemented during the last election. This is the way we've brought it in.

Now, as it relates to your dollars: well, I guess the answer to that is that it's paid from the consolidated fund, as are most other programs. You know that's the way this place works, I guess, and I'm sure the former premier knows that.

HON. MR. BLAKENEY: — I'm just curious to know whether they were . . . There is no money. The bill says that it will be paid out of money appropriated. Since it is reasonably obvious that no money is going to be appropriated at this session, then we're thrown back on special warrants. I'm asking whether or not, in the opinion of the law officers of the crown, special warrants will apply in this case?

I want to refer members to The Department of Finance Act, with which I know members will be generally familiar and, in particular, to section 58, which deals with special warrants.

I will read what I think are the operative provisions and will raise the query as to whether or not special warrants are available when we are here in session. When we are passing a bill which says we are going to pay for this out of appropriations and then we leave without appropriating, is it then open to the crown to finance by special warrant? I will read the operative section, and I think it is far from clear:

> If, when the legislature is not in session, an expenditure not foreseen or provided for, or insufficiently provided for, is urgently and immediately required for the public good, then upon a report of the treasurer, a special warrant can be raised.

The operative words are, "If, when the legislature is not in session, an expenditure not foreseen or provided for, or insufficiently provided for, is urgently and immediately needed . . . "

Clearly, you can wait until the legislature is not in session, then assert that the expenditure was not foreseen or provided for. But it is heavy weather to suggest that

this is not foreseen, when we obviously do foresee it. We are here, available to pass an appropriation act, and it is proposed not to pass an appropriation act, but to let the legislature adjourn, then assert that the legislature is not in session and the expenditure was not foreseen or provided for. It clearly was foreseen. The question is whether or not those words are qualified by the word "foreseen." I suggest they are. I suggest that the law officers of the crown should consider this with some care, to see whether or not an appropriation act would not be the proper course of action.

HON. MR. BERNTSON: — Of course the Leader of the Opposition is right; it is not very clear. Our advice is that we are on good ground, that the basis for the special warrant (once this is passed) becomes a need on the public purse. It is not provided for and therefore must be provided for in order for it to be effective.

HON. MR. BLAKENEY: — I agree with that conclusion, but where the expenditure is not "under extraordinary circumstances" (if I may quote the marginal note), it is one which is clearly foreseen, and one which the legislature is clearly talking about. Then you decide not to bring in any appropriation act or any provision whereby the nature of the financing can be debated, but decide you are going to do it by special warrant. I suggest this is a highly questionable procedure under The Department of Finance Act. It is clearly not an unforeseen expenditure. It is in some sense of the word unprovided for, since we don't have an appropriation act. I suggest that the reading of the first words of that section make the "provided for" depend upon (at least in part) whether or not it was foreseen. It is not possible, I suggest, to live up to the letter and spirit of that act by passing a piece of legislation which clearly foresees expenditures, then announcing at the end, "Well, it is not provided for; we'll finance it by special warrant," when the legislature is here and about ready to deal with appropriation acts.

HON. MR. BERNTSON: — Well, suffice it to say our advice is that we are on firm ground and by your own admission The Department of Finance Act is something less than perfectly clear. We believe we are on safe ground so we are proceeding on that basis.

MRS. CASWELL: — I'd like to ask something of Mr. Blakeney. It's about your area, Regina Elphinstone.

MR. CHAIRMAN: — Order, order! You can ask the question of the minister.

MRS. CASWELL: — Concerning Regina Elphinstone. I know you people are socialists and I hope . . .

MR. CHAIRMAN: — You're out of order . . . (inaudible interjections) . . . Is the question to the minister?

MRS. CASWELL: — Is it true that I not only can speak, but I may speak? Thank you.

Concerning Regina Elphinstone. I think it is difficult for you people to get away from being socialists and start dealing with reality, but as well as being the opposition you also have constituents and Regina Elphinstone is very similar to Saskatoon Westmount. It is an area for various reasons with which I am familiar. Every time the House is in session I go visit my friends in Regina Elphinstone. They are very happy to know that they can save their house in Regina Elphinstone. They are a very modest-living family. Shall I go back and say that the opposition isn't interested in the people in Regina Elphinstone? There are people on welfare; the welfare department pays for their mortgage, but the mortgage is at 20 per cent. The head of the household, who is a

woman, is getting an education so that she can get off welfare. But she knows that even with her limited education she can never afford to get off welfare because she cannot afford to have that house at 20 per cent unless welfare pays. So this mortgage plan will help that person get off welfare. At 13.25 per cent she can manage. At 20 per cent she will be on welfare forever.

There are old people who want to sell their home. They know they'll only sell their home to a young couple starting out, who need a 35 per cent mortgage. And I think if you people are continually talking about the working class and the north side of Regina (I'm sure you used to talk about the west side of Saskatoon but something happened there), I really think it's too bad you really don't understand the concerns of your constituents. The difference between our attitude to the poor and your attitude is that you love the poor so much you want them to stay poor. Some of us have been relatively poor; some of us have been relatively rich; and some of us have been both. We know, if we had our druthers, we'd rather be rich and we'd rather keep our home. We think other people operate the same way. So, somebody in Regina Elphinstone isn't worried that somebody in Regina South is going to get a little bit more money or going to get some tax money back from all the money that the government has expropriated from him, and which has caused the inflation in the first place. Government has caused inflation, not the unions, not prices, not wages. Government, more than anything else, has caused inflation.

So we're not worried that somebody with a fancy home is going to get a bit of his tax money back. We're happy that we're going to save our home. That's more important than socialist rhetoric. If you people can't be a decent opposition, at least learn how to be good MLAs.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — I'm tempted to answer that, but I look at members opposite . . . The house I live in, I've represented that piece of ground in Elphinstone for 22 years, I guess. While I may not understand the area, I've struggled on. If I struggle on equally successfully, however limited my knowledge may be, for another 20 years or so, I will be satisfied.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — I particularly want to raise with the minister the matter of the regulations. This is a general question. The reason I ask it on section 1 is because it is a general question. I find a good deal of difficulty understanding how the bill will apply, to whom it will apply, what classes of people will be covered, and what classes of people will not be covered, without the regulations. Understandably, the format of the bill is such that much of the flesh depends upon the regulations. I don't quarrel with that because much of it will have to be subject to change. What I'm asking is whether or not the regulations are drafted, whether or not we can have a look at the regulations to see what the government proposes for the application of the bill, at least in the first instance?

HON. MR. BERNTSON: — I'll give you a definite maybe on that. I think we could have the regulations ready by the end of the week. Part of the problem in drafting the regulations, as I understand it, was the uncertainty in Ottawa as to how their program would apply. You understand, of course, that we have several other programs in Saskatchewan, the co-op housing program, etc., that naturally shouldn't piggyback on this

program. However, we don't know what may happen in Ottawa. They've had two budgets in the last seven months, and we don't know when the next one might be. And so you can understand that the regulations, for that reason alone, were a little tough to draft in anticipation, but I understand that they may well be ready by the end of this week.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, can you advise the committee in general how you see this bill operating? More particularly, I'm dealing with the question of what the maximum rate will be. Let me try to phrase that differently. You are paying the difference between 13.25 per cent and a stated rate. Now, the stated rate is not the rate that the mortgagor is paying, although in many cases it may well be that. I guess it will be, in all cases provided however, that you will not pay higher than a particular rate set out in the regulations. Have I got that right in the sense that . . .

HON. MR. BERNTSON: — On the mortgages taken out on or after July 1, 1982, the maximum rate for first mortgages will be the average rate for one-year closed mortgages determined on a weekly basis, using the Saskatchewan Housing Corporation survey. For mortgages taken out before July 1, 1982, the maximum rate for first mortgages will be the average rate for five-year closed mortgages plus 2 percentage points. And it was explained to me why that 2 points was there . . . (inaudible interjection) . . . You understand it perfectly.

HON. MR. BLAKENEY: — For what I might call the pre-July first mortgages, the ceiling is going to be the five-year closed mortgage rate plus 2 per cent, or the amount actually paid by the mortgagor, whichever is the lesser.

HON. MR. BERNTSON: — The average for a five-year closed mortgage plus 2 per cent — that's the maximum.

HON. MR. BLAKENEY: — Just so I'll understand this, because I'm going to get asked and other people may get asked. As has been pointed out, I have in my constituency some people with mortgages. Suppose there is somebody with a 16 per cent mortgage rate and somebody with a 22 per cent mortgage rate (I'll use a very high figure) and that the five-year closed average rate is 17 per cent. Your ceiling then is 19 per cent. Then, do I understand that citizen A with the 16 per cent mortgage will get the difference between 13.25 per cent and 16 per cent, and citizen B with a 22 per cent mortgage will get the difference between 13.25 per cent and the five-year average closed mortgage rate of 17 per cent, in my example, plus 2 per cent?

HON. MR. BERNTSON: — Essentially what you've said is right, if that is the rate at which you took the mortgage out.

HON. MR. BLAKENEY: — Yes. In the example, in each case the person with (did I say 15 or 16?) the low mortgage . . . That's the rate he took it out at. Also the 22 per cent fellow will have to take it out at that rate and there is no way that he can move his rate up.

AN HON. MEMBER: — Right.

HON. MR. BLAKENEY: — All right. I think I understand how that is going to work. With respect to the five-year closed mortgage rate we now can state (I don't know whether we can now but probably you can tell us) what the five-year closed mortgage average rate is.

HON. MR. BERNTSON: — It depends on the date that each mortgage is taken out. Going back in time it varied somewhat, I suppose, as to when the mortgage was taken out.

HON. MR. BLAKENEY: — Oh, I don't have it clearly in my head then, because you don't need the "plus 2" if it's going to vary with the date each person took a mortgage out in the past.

HON. MR. BERNTSON: — I understand that "plus 2" then is to cover the variation between institutions. Some institutions had a point or two among other institutions in the five-year average prior to July (whatever it was). That "plus 2" was to give some flexibility for those people who were paying the additional . . .

HON. MR. BLAKENEY: — Let me try that once again then so I get it into my head. Now I am dealing with the pre-July 1 ones. Take my citizens A, B and C; one of them took out his mortgage in January 1, 1980, and another on January 1, 1981, and another on January 1, 1982. In each case, you would go back and find out what the five-year average was on January 1, 1981 and the five-year average on January 1, 1982, and add 2 per cent to that. That is that citizen's ceiling and the difference between that and 13.25 is the basis of calculating his payback? As for forward ones, it's going to be what I might call the published rate. You're going to put it out weekly or whatever.

It is appreciated that even if the bill is passed, we are going to have to explain this and I think it is fair to say it is not simple, although I think it is getting clearer to me.

It would help me if the minister were able to make the regulations available.

Mr. Chairman, with respect to the bill generally, do I understand, with regard to its broad eligibility, that it applies to residences, to single family dwellings? I understand that it applies to mobile homes, whether or not the owner owns the pad or the ground. I understand that it applies to duplexes if the owner owns them.

Is it prorated if he owns a duplex and lives in one side and rents one side? Is it prorated — I mean, to half the mortgage? Is it similarly prorated with triplexes or quadruplexes to one-third or one-quarter, as the case may be? Are further multiple units not included if he happens to live in one apartment of an 18-suite block? With respect to condominiums, to sole title under condominium property — I mean the guy owns the unit — is that also covered?

How about the fellow with the store and living quarters over it — that type of tying — the combined living quarters and business premises, is it prorated as well

Are farm homes covered where the mortgage is on the house, and the mortgage on the house is deemed to be the mortgage on the home quarter, if I may put it that way? If it is a mortgage on a farm, on six quarters, let's say, one of which is the home quarter, is there any prorating or any eligibility?

HON. MR. BERNTSON: — Everything you have said is exactly, precisely right on, except the part about the six quarters. It's only the home quarter, and then it's prorated on the basis of deductibility for income tax purposes.

HON. MR. BLAKENEY: — Well, I suppose there will be farm mortgages out there at more than 13.25 per cent. Some of the newer farm credit corporation ones are. But the great

bulk of them out there, I suppose, are older farm credit corporation mortgages, which are a little less than 13.25 per cent.

AN HON. MEMBER: — A lot of credit union ones . . .

HON. MR. BLAKENEY: — Yes, I suppose there are a lot of credit union ones. A lot of the newer ones now will be over 13.25 per cent.

AN HON. MEMBER: — They're all covered.

HON. MR. BLAKENEY: — Well, I'm just trying Paul. One always hopes that you'll understand this legislation.

MR. HAMMERSMITH: — I have a couple of questions. What about the case of someone who has simply agreed to make mortgage payments on behalf of a vendor in return for some ownership interest, but who has not executed a formal agreement for sale? He has not formally assumed a mortgage, but he is the person making the payments and to whom the cost is accruing. Is that person covered, or can that person be covered?

HON. MR. BERNTSON: — I guess the short answer is that they are not eligible unless it is a registered instrument or caveat.

HON. MR. BLAKENEY: — Mr. Chairman, I suspect I could find this if I went over it with sufficient care. I am asking about the separation agreement which provides, let us say, that the husband will make the mortgage payments, and the wife will keep the matrimonial home, and then there is a divorce and the separation agreement is really made part of the divorce settlement, so that the husband continues to be obligated to pay the mortgage payments. The wife probably turns up as the registered owner of the matrimonial home. Is that situation covered? I was not clear, but I suspect it's there if I dug.

HON. MR. BERNTSON: — Mr. Chairman, the separation of spouses situation is covered in the regulations, and I understand that the reason for that is there are so many variations of separations that it was difficult to weave it into legislation.

HON. MR. BLAKENEY: — I can see the separation, because that is going to have to be dealt with in some detail because of the fact that you are saying that only one spouse can get it, and in separations, as you say, there are going to be a large number of variables. When we come to a divorce, here we have a home-owner with a mortgaged home, and the home-owner is not paying any mortgage payments. It is the person under the decree, and I didn't follow where that was covered, although it may well be.

There are a fair number of those. You start out with a separation agreement, and you start out with the husband paying the mortgage payments, and then it sort of just clangs its way into the divorce settlement.

HON. MR. BERNTSON: — I understand that that is in fact covered in regulations.

HON. MR. BLAKENEY: — Is that also going to be in the regulations, Mr. Minister?

MR. HAMMERSMITH: — There's another case where it's not clear whether the legislation applies, and that is to those mortgage loans which are not accompanied by registered documentation, such as a loan granted by a credit union which is secured by

an unregistered document such as one utilized by the credit unions that are called mortgage in charge upon lands. Would that be covered by the legislation?

HON. MR. BERNTSON: — The short answer is that they are not covered. In all cases, the debt must be secured on the property and registered at the land titles office or the personal property registry. The stipulation is designed to prevent potential abuse; primarily in cases where mortgages are arranged between individuals for the sole purpose of receiving assistance under this program.

MR. HAMMERSMITH: — I know that they should register them but there are a lot of them out there that aren't registered.

AN HON. MEMBER: — Fewer and fewer.

MR. HAMMERSMITH: — Yes, well, it's going to be important that that be clearly communicated so that people don't get mad at the government because they didn't qualify.

AN HON. MEMBER: — You're looking after our interests, are you?

MR. HAMMERSMITH: — That's right. The other thing that's not clear is if corporations are included under the definition of home-owner.

HON. MR. BERNTSON: — I suppose, in a technical sense, they can be. But bearing in mind that any portion of that corporation that is a deductible under The Income Tax Act will not qualify. I would say, in a practical sense, no.

MR. HAMMERSMITH: — It's just that there are some variations with regard to how the property may be registered that could leave that door open. I don't think that it's intended.

In the area of section 2 (I'm not sure exactly where it is) where the principal residence is defined, a strict reading of this definition would appear to exclude from consideration all buildings except the house in which the home-owner actually resides. So you could have a situation where you have a detached garage and yet the mortgage includes all buildings on the property. Will the application of the act require a prorating or proportioning of the mortgage so that there is that exclusive literal interpretation? That becomes even more of a problem, I think, with regard to dwellings on farm property where you could be excluding garages, granaries and other farm buildings that, strictly speaking within the definition of the home quarter, are there and are part of the mortgage.

HON. MR. BERNTSON: — You hold the mortgage on the property not just the house, leaving the detached garage out of the picture. The reason, I understand, that dwelling is in there, as it is, is to cover the situation of, as the Leader of the Opposition raised a while ago, the mobile home-owner who doesn't own the pad the mobile home is sitting on.

MR. HAMMERSMITH: — What if I'm out there on my dad's quarter and I don't own the land, but under a mortgage I have a mobile home there that I'm making the payments on, and included in that mortgage is a garage and other things. The agreement for sale, or whatever the registered document is, is against all parts of that property, but it's not

against the land.

HON. MR. BERNTSON: — I understand you would qualify under the program, but I think I would want to know how many other buildings you had planted out there in your dad's south 40.

Clause 1 agreed to.

Clause 2

MR. CHAIRMAN: — There are two sets of proposed amendments. In clause 2 of the printed bill, strike out clause 2(c) of the printed bill and substitute the following:

> (c) "home owner" means the owner of a principal residence that is subject to a mortgage and includes his heirs, successors or assigns;

And amend clause 2(f) of the printed bill by adding "repurchased" after the word "sold" in the second last line.

HON. MR. BLAKENEY: — I am not sure what we are doing here. Are we moving the amendments now? Are you reading them or are we passing them?

HON. MR. BERNTSON: — We just read clause 2(c) amendment.

HON. MR. BLAKENEY: — Well, there is clearly another one here and on that basis it should equally be read. Although I fear it won't fare as well, we certainly shall have it read. I don't know what procedure we are following.

MR. CHAIRMAN: — There are two sets of House amendments. Would you like to deal with them both at the same time, or deal with them separately?

HON. MR. BERNTSON: — I don't know if we can deal with them both at the same time.

MR. CHAIRMAN: — I read the House Leader's amendment first.

HON. MR. BLAKENEY: — All right, do we have clause 2 before us?

HON. MR. BERNTSON: — Okay, clause 2(c) House amendment is to strike out clause 2(c) of the printed bill and substitute the following:

> (c) "home owner" means the owner of a principal residence that is subject to a mortgage and includes his heirs, successors or assigns;

If I have to move that, I'm moving it now. The reason for that was just to clarify that it also covers the owners of mobile homes or trailers. The previous clause just said:

> (i) the registered owner of land that is subject to a mortgage . . .

This one goes beyond that to include the situation for the mobile home owner.

HON. MR. BLAKENEY: — Mr. Chairman, the amendment before us means the owner of a principal residence subject to a mortgage includes heirs, successors and assigns, and we certainly have no objection to that. But we also would like to include our

thought of having a person's making payments required by the terms of the mortgage. I guess I'm asking for a ruling from the Chair. If we pass this, does this preclude — and it should logically preclude — our moving our amendment? Therefore, in order to get at the problem, I am going to move a subamendment which will say:

> and includes a person who is making the payments required by the terms of a mortgage on a principal residence.

And we can vote on that one . . . (inaudible interjection) . . . Oh, I think it's the problem of the fellow who was making the payments on behalf of his former wife. And you tell me it's covered in the regs. I have not sort of seen any regulations which . . . (inaudible interjection) . . . Pardon? No, but I just don't . . . (inaudible interjection) . . . Right, that's true. I think I acknowledged fully the point made by the hon. member. I am saying that this definition of home-owner will preclude your including in the regulations people who are making payments on houses which are in no sense their principal residence and who may have no principal residence on which there is a mortgage. They may well, indeed, be living in rented accommodations and paying those mortgage payments on what used to be their principal residence. I am attempting to ensure that they are covered, or attempting to have this at least considered by the legislature.

My situation is one wherein that person, a former husband living in an apartment, is not a home-owner because he's not the owner of a principal residence, and I'm trying to get him covered. I am saying that, accordingly, I am proposing to move this subamendment. I'll have to write it out because, while I have my other amendment . . .

If you will refer to the copy of the House amendments which we provided, you will see that our definition of "home-owner" means a person who is making payments. I have just added to yours to include a person who is making the payments required by the terms of the mortgage on a principal residence.

That is our proposal. I move the subamendment. I have already, in effect, given the reasons for it. If the minister feels that it is sufficiently covered by the regulations, I am not going to rag it. I do wish the minister to direct his attention to the narrow point I raised.

MR. CHAIRMAN: — Section 2(c) is an amendment by the House Leader and a subamendment by the Leader of the Opposition, and the one before the House is the subamendment to be taken as read.

HON. MR. BERNTSON: — Mr. Chairman, I think the suggestion made by the Leader of the Opposition in fact has some merit. As a matter of fact, maybe it has a great deal of merit. And the argument that he advanced is, of course, of some concern to us in that we feel that it could open too many doors, too many avenues to abuse, and we think it would be better covered off in regulation as opposed to legislation. I would therefore urge all members, with some degree of reluctance, to defeat the subamendment.

HON. MR. BLAKENEY: — Mr. Chairman, as I indicated, we won't press the point, and it may well be that our drafting will, in fact, include people that neither of us intend to include. I simply ask the minister to consider the point we raised, particularly when he is drafting the regulations.

Subamendment negatived.

Amendment agreed to.

MR. CHAIRMAN: — Clause 2(f), we have the same problem with two amendments. How would the House like to deal with them?

HON. MR. BERNTSON: — Yes, amend clause 2(f) of the printed bill by adding "and repurchased" after sold in the second last line. This is to clarify that it is only when a home-owner sells his home and purchases a different one that he can receive the benefit. Is that right? Right. Okay. I don't think that it's at all different or at least much different than the amendment offered by the Leader of the Opposition, in that respect at least.

HON. MR. BLAKENEY: — Let me try to see if I understand it. As it originally read, I must say it puzzled me, because dealing with a particular house, 3000 Albert Street (and I have no idea who is at 3000 Albert Street), it's suggested that if I sold 3000 Albert Street after April 26, 1982, then there never could be a mortgage on 3000 Albert Street that would qualify. Now that clearly was never intended . . . (inaudible interjection) . . . I'm instructed to use 3005 Albert Street. There isn't any; it's the wrong side of the road. Well, I'll say 3005 Albert Street, which is a safer location. What you're now saying is that if 3005 Albert Street is sold and repurchased by the previous owner or his spouse they are disqualified. But in all other respects the owner of 3005 Albert Street could sell his house and buy another one after April 26, or somebody else could buy 3005 Albert Street.

HON. MR. BERNTSON: — In this House amendment, that's exactly what will happen.

HON. MR. BLAKENEY: — Mr. Chairman, I have some amendments to move with respect to clause 2(f) as amended by striking out (f) and substituting the following:

> "Mortgage" means a charge on the principal residence of the home-owner that is evidenced in writing and created for securing the purchase price of the principal residence of the home-owner where the improvements were commenced on or before April 26, 1982, or a charge that is substituted for one described in clause 1 or 2 without increasing the total amount of the indebtedness, and includes an agreement for sale of the principal residence, but does not include a charge created with respect to a principal residence that was sold and repurchased by the home-owner or his spouse on or after April 26, 1982.

Since we are incorporating, I think, precisely the words of the previous amendment, this one is in order since it proposes to amend different provisions of clause (f). I so move and the reasons for moving have already been alluded to and they are to include mortgages which are secured by hypothecations of duplicate certificates of title of the type that credit unions habitually take and where they all too frequently do not register the mortgage or a caveat based upon their charge form.

I am sure all of us who have done any legal work on behalf of credit unions have badgered them often enough at least to register the caveat, but in a goodly number of cases they simply do not do it. In fact, the matter could be remedied by some registration of caveats now or in the future, making them effective to be a mortgage as of the date when the mortgage, in fact, was executed. That may solve the problem. But, while I am not current on this, when I used to do a good deal of work for credit unions, I know that this situation prevailed, and prevailed in far too many cases. And I am advised

that it took another resurgence when, some years ago, the land titles fees were changed and the cost of registering a caveat was made the same as the cost of registering the mortgage which it protected. So that, in a fair number of cases, people will have mortgages where they will not be registered.

The purpose of our amendment is to cover those people. They ought not to lose their advantages under this act because the mortgagee doesn't take a step. It's not the mortgagor's problem if the credit union or some other mortgagee does not register a document. And if the mortgagor has executed a mortgage and in the form provided, and the mortgagee doesn't see fit to register it, then it seems to me that this is no reason for depriving the mortgagor of his rights under this act.

HON. MR. BERNTSON: — Our officials, in designing this particular piece of legislation, had some considerable outside consultation with the credit unions and the banking industry, and they were not concerned about that particular problem you raise. As a matter of fact, they didn't see it as a problem, because it's just not happening that often where a mortgage is not registered these days. And we felt that we simply had to have that provision in legislation to prevent abuses that we had alluded to earlier.

HON. MR. BLAKENEY: — I understand the point made by the minister. The private, domestic mortgage, the details of which would take a good deal of investigation to find what the real facts were, you want to stay away from those, and you want to have them . . . Let me try to put it this way: you want the registration as evidence of the arm's length nature of the mortgage, if I may put it that way. May I then have this assurance: if there are instances of this (credit unions or other arm's length), mortgagees can get busy and register caveats or mortgages, as the case may be, and the fact that they may have registered them in September will not prevent the people from getting their benefits effective in July, if I may put it that way?

HON. MR. BERNTSON: — You have my commitment, sir.

HON. MR. BLAKENEY: — By the way, I'm delighted to hear that the credit unions have sharpened up their practices. Somebody is having more luck with them than I had when I used to advise the old credit union league. With respect to this, I move another amendment.

HON. MR. BERNTSON: — I wonder if we shouldn't vote off that other subamendment first.

MR. CHAIRMAN: — Are we dealing with subsection (f)?

HON. MR. BLAKENEY: — Yes, subsection (f) and the one that I just moved by substituting the following:

> Mortgage means a charge on the principal residence . . .

And the minister quite properly says that's before us, and we should vote on it before I move the next one.

Subamendment negatived.

HON. MR. BLAKENEY: — . . . (inaudible interjection) . . . It's rough. I move an

amendment to clause (f) by striking out subclause (ii) and substituting the following . . .

AN HON. MEMBER: — That's the one the member for Prince Albert . . . (inaudible . . . It has already been covered.

HON. MR. BLAKENEY: — It has already been covered? Okay. I'll not quarrel with it. He has suggested that, so on your assurance, we'll drop that.

Clause 2 as amended agreed to.

Clause 3

HON. MR. BLAKENEY: — Mr. Chairman, I am moving that we add a subclause (4) to clause 3 which will read as follows:

> Where the combined annual income of a home-owner and his spouse exceeds the prescribed amount, the interest reimbursement payment to which he is otherwise entitled is to be gradually reduced in proportion to the excess in the prescribed manner.

Mr. Chairman, the purpose of that is to provide in the bill that the government may set up a prescribed amount over and above which a home-owner would not be entitled to gain benefits under this act and to provide that, where the benefits are terminated under this, it may be done in a gradual way so that there will not be a sharp drop of benefits.

To give an example, this would permit regulations to say that no one with a family income of over $70,000, for example, would be entitled to benefits, and would provide that where a person had an income between $60,000 and $70,000 the amount to which he might be entitled would be decreased by $300 per year for every $1,000 of income, or some other method of gradual reduction. The figures are pure examples.

The proposal of the amendment simply leaves all amounts and ceilings to be set by regulation as the government might think appropriate. This incorporates the idea which I was putting forward earlier, that it is reasonable and logical to provide that where people have high incomes, the government be at least empowered to lessen or terminate their entitlements pursuant to the act. On that basis, Mr. Chairman, I so move the amendment.

HON. MR. BERNTSON: — We touched on this on clause 1, Mr. Chairman. I think that you will see a sharp drop-off at the income levels that you're alluding to, in any event, because, quite frankly, many of those people don't have mortgages. As I said earlier, the average mortgage in Saskatchewan is somewhere in the neighbourhood of $35,000 or less. The vast majority of mortgage holders in Saskatchewan are at the lower end of the spectrum that we're talking about. The other point that I would like to make is simply that when we went to the hustings last May we told the people of Saskatchewan that we were going to bring in a program of this nature and it would not be means-tested; it is not means-tested and it will not be means-tested. I would, therefore, urge all members to vote against the amendment.

Amendment negatived on the following recorded division.

YEAS — 8

Blakeney	Engel	Lusney
Thompson	Lingenfelter	Yew
Koskie	Hammersmith	

NAYS — 41

Devine	Schoenhals	Caswell
Andrew	Smith (Swift Current)	Young
Berntson	Boutin	Gerich
Land	Hampton	Domotor
Rousseau	Weirman	Maxwell
Muirhead	Tusa	Embury
Pickering	Sveinson	Dirks
Sandberg	Sauder	Folk
Hardy	Schmidt	Morin
McLeod	Parker	Myers
McLaren	Smith (Moose Jaw S.)	Zazelenchuk
Katzman	Hopfner	Johnson
Martens	Klein	Baker
Currie	Rybchuk	

Clause 3 agreed to.

Clause 4

HON. MR. BERNTSON: — The amendment to section 4 that I will move now is to strike out the last two lines of clause 4(1)(a) of the printed bill and substitute the following:

> less any amounts deducted in the prescribed manner that are received by him with respect to his mortgage from other prescribed government sources.

The reason that that amendment is offered is, as I explained earlier, to cover up by regulation the variables that might come from, say, the federal government in another budget. You understand that we do not want these people to receive double benefits, say, through co-op housing and then through the Bill 1 provision here. At the same time we want to take full advantage of any federal program that we can take full advantage of. So we decided that it's best this be covered up in regulation as well.

HON. MR. BLAKENEY: — Mr. Chairman, as I look at this I think that the amendment moved by the hon. minister improves the bill and basically covers up the point we were trying to raise in our amendment. I, therefore, will be supporting the amendment and will not be moving the amendment which I had given notice of.

Amendment agreed to.

Clause 4 as amended agreed to.

Clause 5

HON. MR. BLAKENEY: — Mr. Chairman, I move that subsection 4 be added to section 5 to be as follows:

> (4) In considering the ability of an applicant to pay for a mortgage, every mortgagee shall consider as part of the applicant's gross income: (a) the full amount of the interest reimbursement payment to which the applicant would be entitled under this act, and (b) the full amount of any subsidy to which the applicant would be entitled from any other government sources.

Mr. Chairman, I move the amendment, and the argument that we advance is that the amendment will, in our judgment, add to the number of people at the lower end of the income scale who will be entitled to the benefits under this program. It will also require mortgagees to take into account in considering eligibility the amount of interest reimbursement under this act and the amount of subsidies which the mortgagor might obtain from other government sources. Clearly, it is desirable to make the benefits under this bill available to as large a group of people as possible, and we think this would enlarge the number who would benefit at the lower end of the income scale.

HON. MR. BERNTSON: — Mr. Chairman, in speaking to this amendment, the major lending institutions — banks, credit unions, etc. — have already indicated that when they are calculating serviceability they will look upon the subsidy as income when making that calculation. And, Mr. Speaker, since we are not in the banking business, or the credit union business, I think that we are ill-advised to tell them how to run their business. I would, therefore, urge all members to defeat the amendment.

There is also the question, Mr. Chairman, of the banking institutions falling under the jurisdiction of the feds, and it may, in fact, be unconstitutional to have that in the legislation.

Amendment negatived.

Clause 5 agreed to.

Clause 6

HON. MR. BLAKENEY: — I move an amendment to clause 6 by adding after "and" in the third line of subsection 2 the words:

> subject to subsections (3) and (4)

And then by adding the following subsections 3 and 4, which will read:

> (3) Where the minister determines that a home-owner is not eligible for interest reimbursement payments, the minister shall send to the home-owner by registered mail a written notice: (a) stating the reasons for the determination, (b) advising the home-owner of his right to appeal the determination in accordance with subsection (4), and (c) advising the home-owner of the manner in which overpayments might be recovered from the home-owner pursuant to section 7.
>
> (4) A home-owner who is aggrieved by a decision of the minister relating to his eligibility for

> interest reimbursement payments may appeal to a judge of Her Majesty's Court of Queen's Bench for Saskatchewan . . .

And please note that there is an option here, and I am selecting a judge of Her Majesty's Court of Queen's Bench of Saskatchewan.

> . . . within 30 days of the date on which he receives the written notice described in subsection (3).

Mr. Chairman, I so move.

HON. MR. LANE: — We have no difficulty with the provision except that when we refer to the Court of Queen's Bench, that becomes potentially very expensive for the people that it is designed to help.

I wonder if the Leader of the Opposition would accept the provincial court as opposed to the Court of Queen's Bench?

MR. CHAIRMAN: — According to rule 3, subsection 4, I have to announce that it is 10 o'clock.

HON. MR. BERNTSON: — Mr. Chairman, I wonder if we can stop the clock and continue until this is finished?

HON. MR. BLAKENEY: — Mr. Chairman, the comment made by the Hon. Attorney General raised the question of whether or not the citizen's appeal should be to a judge of Her Majesty's Court of Queen's Bench. As the amendment which we had circulated indicated, we were not fixed on this. Indeed we had provincial mediation or a judge in brackets, and we were trying to settle in our own mind what the right form was. I think perhaps the provincial court is a suitable alternative — whatever is expeditious, whatever gets the job done, and whatever permits the citizen to have some sort of hearing if it is decided that he is not entitled. I think that meets the issue which we were raising. And if someone on the other side were to move a subamendment to delete "a judge of Her Majesty's Court of Queen's Bench for Saskatchewan," and to say "a judge of the Provincial Court of Saskatchewan," I would not object to the amendment.

HON. MR. LANE: — If I can make a comment to the Leader of the Opposition, we've been discussing with the officials and there is a concern about how the procedure would develop to the provincial court because this is not near normal habit. The advantage of course to Court of Queen's Bench is that the chamber's application of procedures are set. It's not as accessible as the provincial court but rather than get into the problem, we would suggest that we proceed with the amendment as proposed by the opposition.

HON. MR. BLAKENEY: — Mr. Chairman, my colleague the member for Quill Lakes and I were wondering just how it would work before the provincial court because you don't have a set of rules of court as you were saying. Let's go this route and, if something occurs to us between now and the next session which would make a nice expeditious way to do it, I'm sure you would bring it forward.

HON. MR. LANE: — The officials as well felt that was precisely the procedure they would follow in terms of notice and that was accepted as a given and they didn't feel it need be

in the legislation. But it's acceptable.

Amendment agreed to.

Clause 6 as amended agreed to.

Clause 7

HON. MR. BLAKENEY: — Mr. Speaker, I'm just going to record our concern about the certificates with the minister. I know that they are in under some other legislation; in all cases it is only following an appeal procedure. I think it may well be now that the appeal procedure has been acceded to in section 6 and some of my earlier comments which I had noted here on the certificates of the minister are less in force. I would ask the government to review section 7 if you are going to review the act again to see whether or not that particular certificate procedure is necessary. But I'm not going to move the amendment that I otherwise had in mind.

Clause 7 agreed to.

Clauses 8 to 10 inclusive agreed to.

Clause 11

HON. MR. BLAKENEY: — Mr. Chairman, I had an amendment of which I gave notice to clause 11(1)(b), the effect of which would be to strike out b. Before moving that, I would ask the minister to give a brief explanation as to when he felt that b would come into use. Under what circumstances would you pass a regulation making some home-owners ineligible? On the face of it, it's broad and I was wondering about the criteria which would apply. What sort of things were you thinking of?

HON. MR. BERNTSON: — I'll give a couple of examples, Mr. Chairman. I understand that it would be used to cover off the situation where foreclosure is going on, or to cover off the many variables in the separated spouses' situation that we were talking about awhile ago. As I understand it, there was a similar type of provision in The Home-owner's Protection Act brought in by the previous government. I thought it was a good idea then and I think it is a good idea now.

Clause 11 agreed to.

Clause 12

HON. MR. BLAKENEY: — Now, here again, I repeat all the arguments I had on section 1 with respect to money appropriated by the legislature. We're obviously not going to appropriate any, but I take it the theory is that we'll finance it by special warrants.

HON. MR. BERNTSON: — Yes, I repeat all the arguments that I gave at that time as well.

Clause 12 agreed to.

Clause 13

HON. MR. BERNTSON: — We have an amendment here, Mr. Chairman, coming into force. Strike out section 13 of the printed bill and substitute the following:

This act comes into force on the day of assent but is retroactive and is deemed to have been in force on and from July 1, 1982, and remains in force until June 30, 1985.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BERNTSON: — We thought we could probably have the legislation in place before July 1 and the effective date of it should be July 1. That provides for that.

HON. MR. BLAKENEY: — I just have a small quibble here. Do you anticipate any problems in having the bill sunset on June 30, 1985, when undoubtedly there will be payments to be made later than June 30, 1985, and is there any technical problem in paying out money in July and August on a bill which has sunsetted?

HON. MR. BERNTSON: — My understanding, however thin it may be, is that The Interpretation Act covers off that very thing and so we don't anticipate any problems.

Clause 13 as amended agreed to.

The committee agreed to report the bill as amended.

THIRD READINGS

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

HON. MR. BERNTSON: — I move first and second reading of the amendments.

Motion agreed to.

HON. MR. BERNTSON: — I move by leave of the Assembly that the bill be read a third time and passed under its title.

Motion agreed to and bill read a third time.

The Assembly adjourned at 10:18 p.m.