

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

July 16, 1982

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

QUESTIONS

Hospital Construction Projects

HON. MR. BLAKENEY: — Mr. Speaker, I will direct this question to the Minister of Health. During the last couple of days the opposition has tried to ascertain the position of the government with respect to whether or not it should be proceeding with capital projects in order to stimulate employment and avoid layoffs. We have found out, I believe, that the courthouse project is one on which there has been no decision, similarly the rehabilitation centre, the provincial lab, the archives building, the Prince Albert technical institute, and nursing homes, in respect of which we are promised a public statement in August.

My question then, to the Minister of Health, with respect to hospital construction projects, is: would he indicate whether or not approval has been given for hospital construction projects at (and I will use three) Lloydminster, Yorkton and Melfort, and, if so, whether grant entitlements have been arrived at?

HON. MR. TAYLOR: — In answer to the hon. member's question, Mr. Speaker, the position of the department, at this point in time, on capital projects in the health field, is that hospital regenerations or additions to hospitals are presently under review. When that review is completed a decision will be made, followed by an announcement.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. Do I understand the minister to say that, with respect to all or virtually all of these projects at Lloydminster, Yorkton, Cut Knife, Melfort, Nipawin, Maidstone, Indian Head, Watrous, Saskatoon, and La Ronge, the projects are under review and we may expect an announcement when that review is completed?

HON. MR. TAYLOR: — That is correct.

HON. MR. BLAKENEY: — Supplementary. Would the minister be able to give us some indication of when he believes he will be in a position to make an announcement on all or most of these projects?

HON. MR. TAYLOR: — I would not want to give a definitive date by which time an announcement will be made, but I can assure the member that the review is going on, and we will make the announcement when the decision has been arrived at.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker, and this goes to the question of the grant formula. Have the hospitals and the hospital boards been given an indication that the grant formula will be on the basis of last year's grant formula, if I may put it that way, or the grant formula announced in the budget of March which did not go forward?

HON. MR. TAYLOR: — Mr. Speaker, the answer is no. They have not been given any indication. That is one of the areas that is under study and review at this time.

Sask Tel Project Array

MR. LUSNEY: — Mr. Speaker, I have a question for the minister in charge of Sask Tel. On July 5 I asked him if Sask Tel was going to continue with the placing of fibre optics cable to many communities in the province of Saskatchewan, as was proposed in the project array. Is the minister still going to continue with the programs which have been proposed under that project array?

HON. MR. LANE: — As I indicated in my answer of July 5, we intend to proceed with capital projects of Sask Tel as indicated for this year. We are reviewing the capital projects for Sask Tel or will commence the annual review later this fall. If the hon. member is referring to a story in the *Star-Phoenix* with regard (and I am perhaps prejudging his question) to what has happened in that particular matter (and I ask hon. members to not be confused as *Star-Phoenix* was) this is for next year's capital projects. This year's capital projects that were previously announced, as I said in the House, are proceeding.

All that happened was that prior to the laying of the broadband network, survey staking is done of routes. That tender for the survey staking was cancelled. The whole capital review will continue in the normal process which is done late this fall and early next year by the board. There is ample time, if the new board decides to proceed with the broadband network in future years, to continue with it. The only difference is, as the comment was made, the surveying will be done in less clement weather than at the present time.

MR. LUSNEY: — Could the minister send me a copy of the project array that he has proposed for 1982 so that we would know just what programs he is really going ahead with?

HON. MR. LANE: — I suppose I could obtain it for you. I'm sure that in your pre-budget discussions with the previous cabinet you would have had access to that information because we have indicated that we're continuing exactly the same capital projects as announced for the broadband network. So if you don't have that information . . . I can see why they kept you in the dark. I will endeavor to get that information for you.

MR. LUSNEY: — Mr. Speaker, supplementary question to the minister. If the department intends to continue with the projects that were formerly agreed on, then I find this article quite interesting because the vice-president of Sask Tel says that there will be a cutback, or at least some of the projects that were going to go ahead will not be going ahead this year but will be under review and may still go ahead in 1983. Is the minister saying that what was in there for this year may be held over until 1983 now?

HON. MR. LANE: — I don't know how you arrived at that conclusion. I indicated on July 5 (the position has not changed) that the broadband network, which was proposed by the previous government to be installed this year, is being proceeded with as per the plans.

AN HON. MEMBER: — The surveys.

HON. MR. LANE: — No, the capital installation this year. Let me explain. You do the

surveys a year in advance. Okay? The surveys for next year is the subject matter. That tender has been cancelled. We will be reviewing for next year.

AN HON. MEMBER: — Meaning you're not doing anything next year.

HON. MR. LANE: — No. The member's obviously not on the board. I'm advised by Sask Tel that, in fact, the capital projects for the next fiscal year are generally decided in the fall or, at the latest, in January of the year in question. We will be following the normal process. This fall a new board of officials will be reviewing the capital projects for next year. If the new board decides that the broadband network will be continued next year, the surveying obviously will then have to be done. I said that the only difference in that case is that the surveying would be done in less clement weather than if it were done now, so I fail to see the difficulty.

MR. LUSNEY: — A supplementary, Mr. Speaker. Since the minister has indicated that they might not review and might not continue with some of the projects . . .

MR. SPEAKER: — Order, order! Does the member have a supplementary. You have been making a speech on each one.

MR. LUSNEY: — My apologies, Mr. Speaker. My supplementary to the minister is: because of the cutback in the survey of some of the projects, does the minister expect that there might be some layoffs within Sask Tel — because of the cancellation of the survey that has been proposed for 1982 or for the 1983 projects?

HON. MR. LANE: — The survey is done, in my understanding, by outside contractors, so I don't see how there could be layoffs within Sask Tel. I believe that the president of Sask Tel has announced publicly, either earlier this week or late last week, if I recall, that there are no plans for layoffs within Sask Tel.

MR. LINGENFELTER: — The minister is indicating to the House that tenders calling for the survey of 10 routes, the longest being 160 kilometres between North Battleford and Meadow Lake, were returned unopened to the contract bidders because Sask Tel is experiencing financial difficulties. Now, if we are cancelling the survey for next year's projects, whether or not it's under review, what you are saying, in essence, is that the development and the project for next year is being cancelled because no surveying will be done. What I would like to know is if, in fact, the high technology area, and the only growth area in Saskatchewan since April 26, is being cancelled as well by the new government?

HON. MR. LANE: — Does the hon. member have the article in front of him? I know we are not supposed to use these in question period. If one looks at the second column, it says:

After the board has had an opportunity to review Sask Tel's financial projections for 1983, it could still elect to proceed with the cable service in the 10 areas.

It would mean that the surveys would have to work in the cold, though.

That's the only difference.

MR. HAMMERSMITH: — A new question to the minister, Mr. Speaker. It may be that I missed some of the detail of the answers of the minister, but I am not clear on whether

he said, unequivocally, that the 1982 capital projects would go ahead in 1982, or would some of that project array be delay until 1983? That, I think, was the question.

HON. MR. LANE: — Well, the projects, as announced previously for this year, are to be proceeded with this year. Now, whether they're going to be completed this year, I can't answer because it's going to depend on obvious factors. But, there was no change as far as the broadband network is concerned for this year. Next year is under review.

Transfer of Transportation Agency

MR. ENGEL: — I have a question for the Premier. In the biographies that were issued as a news release on the first page it talks about:

Mr. Berntson is a farmer in the Carievale district and a member of the Saskatchewan Wheat Pool and the Palliser Wheat Growers' Association.

In light of this biography and Palliser's known stand to support the Gilson Report: is this why the Premier is planning on moving the transportation agency down to the Department of Highways from agriculture?

HON. MR. DEVINE: — Mr. Speaker, the decision to modify changes in the administration internally from one department to another, whether it is DNS (Department of Northern Saskatchewan) or agriculture or transportation, is based on our best calculations as to how to carry out the programs and it has nothing to do with the membership in Sask Wheat Pool or Palliser Wheat Growers' or the farmers' union or anything else.

MR. ENGEL: — If that is the case, Mr. Premier, are you then saying that it's inevitable that the Gilson report will be recommended and that we need to combine the transportation agency with the Department of Highways because of additional emphasis that will be placed on highway transportation if this Gilson report is implemented?

HON. MR. DEVINE: — Well, I'm not sure I totally understand the question but I'll take a run at it. The question with respect to agricultural transportation and freight rates and so forth will stay in agriculture because it's such a major part of what we do here in the province. So, I don't think there should be any concern that it won't be addressed in agriculture regardless of what happens by the federal government. Because of the impact of agriculture and the combinations of grain and livestock and transportation on our provincial economy, it will stay with the Deputy Premier and it will stay in agriculture — if that's your concern.

MR. ENGEL: — That is my concern, Mr. Speaker. The question that arises is: are we prepared to fight the Gilson report? You closed down the crow office. That operation was shut down. The transportation agency had the people in place to do a total picture on all our transportation. Are you now saying that you're going to divide up that muscle they had in the transportation agency and move some to highways and transportation and leave some in agriculture where there is nobody to fight this Gilson report which really, according to a confidential document that the farmers' union raised earlier this week, was predetermined as early as January 12? It's exactly the same as the Gilson report.

HON. MR. DEVINE: — Well, Mr. Speaker, I'm not answering, and I will not pretend to answer for the federal government, but I want to remind the member opposite that the cabinet ministers here will deal with the problems, and I have no question about the extent of the muscle of the Deputy Premier. He is capable enough, and understands agriculture well enough, that he is not going to have to rely on the department agency of A, B, C, D or E. The agricultural transportation problems and opportunities are with him in his bailiwick in agriculture, and that's where they will stay. As for the combination of whether it may be transportation with respect to some other things — there may be other departments involved — in agriculture, with respect to livestock and grain, they will stay with the Minister of Agriculture who happens to be the Deputy Premier.

MR. ENGEL: — A final supplementary. Because of the stand that Palliser Wheat Growers' is taking to support the Gilson report, will you ask the Minister of Agriculture to resign from that group, from the Palliser Wheat Growers, because they are against the crowrate?

HON. MR. DEVINE: — Well, Mr. Speaker, I don't know how many associations the Minister of Agriculture belongs to, but I would not ask him to resign from any sort of membership. He may be visiting with all kinds and talking to all kinds of agricultural commodity groups.

I would like to point out, though, that the Minister of Agriculture here — as is my office and the rest of the cabinet and, indeed, the caucus here — is going to fight for the Saskatchewan farmers, and they know that.

The administration in Manitoba just recently announced that it is going to back away from the crow altogether, and throw it in the hands of the farmer. We are not going to back away from our responsibility; we are going to make darn sure that we fight.

World Assembly of First Nations

MR. HAMMERSMITH: — A question to the Minister of Intergovernmental Affairs. My information is that, with regard to the World Assembly of First Nations to begin next week in Regina, the federal government has changed its position on funding, and that funding from the federal government and from other provincial governments will exceed a quarter of a million dollars. Since the major benefits of this conference will accrue to the ailing Saskatchewan tourist industry, will the minister take steps to assure that the \$75,000 level of assistance from the Government of Saskatchewan will be substantially increased?

HON. MR. LANE: — Well, I question, first of all, whether the tourist industry is ailing. Our reports are that it is flourishing. One of the reasons is the reduction of the sales tax on gasoline in the province of Saskatchewan whereby Saskatchewan today has the lowest priced gasoline in the Dominion of Canada. If the hon. member would drive around any of the streets of Regina and see the number of tour buses and licence plates from out of province that are coming here not only to share in Saskatchewan hospitality but to get some of that cheap gas, he wouldn't have so attacked, I believe, the tourist industry by saying that it is in trouble. I suggest to you that it is not.

We have no present plans to change the grant we proposed for the World Assembly of First Nations. I will probably be meeting with Mr. Sol Sanderson of the Federation of Saskatchewan Indians either later today or early next week. He has requested a

meeting. I must say, as well, the grant announced, of course, does not include some of the other assistance given by various government departments, agencies, or crown corporations. I also remind the hon. member that if it had not been for the leadership of the Government of Saskatchewan, the federal government would not have put up one red cent.

SOME HON. MEMBERS: Hear, hear!

MR. HAMMERSMITH: — Supplementary to the minister. I am pleased to hear that you are going to meet with representatives of the conference. Could the minister inform us, since he has referred to a number of other sources of assistance to the conference, what the total amount of assistance to date committed to the World Assembly First Nations by the Government of Saskatchewan is?

HON. MR. LANE: — I will take notice and supply the information to the hon. member. I don't have the details or the amounts by each crown corporation. We are trying to pull that total together. I will supply it to you.

Economic Problems

MR. SHILLINGTON: — Thank you, Mr. Speaker. My question is to the Minister of Finance. As a minister, I think, he is representative of a number of ministers who have responsibility for economic affairs in the province. I will quote, Mr. Speaker, not from the article, but I will simply read the headlines. The economic news in this province is grim and it gets grimmer by the day. I quote from the *Star-Phoenix* of Tuesday, July 13 . . . (inaudible interjection) . . . Well, the minister may find this amusing. I don't think the public of Saskatchewan does. 'Record High Interest Rates Forecast by U.S. Economist Henry Kaufman.' In another article, 'Recovery Delayed,' the headline says. The next day it was 'Bankruptcies Soar — Disaster Comments Heard.'

By next year, Mr. Minister, the toll in bankruptcies and unemployment in this province is going to be grim indeed. Despite urgings by this side of the House, the government has reviewed and studied and considered every conceivable positive step that could have been taken. Would the minister not agree that the time has finally arrived when your government should end your eternal procrastination and take some positive steps to bring relief to the public of Saskatchewan?

HON. MR. ANDREW: — Mr. Speaker, there is no hiding the fact that the North American continent and much of the free world is in a deep recession. There's no hiding that. There's no hiding the fact that the province of Saskatchewan alone can not, in fact, solve all those problems — that is a clear fact. In the past, very often the provincial government simply sought to blame the federal government, which, in turn, sought to blame Washington or something like that.

Mr. Speaker, our new administration believes we have made moves. We believe that interest rates are, in fact, in a crisis situation; if they continue for another six months or a year they are going to become far more serious in this province and in the rest of the country. We believe we moved, and moved in a very dramatic way, by bringing in a 13.25 per cent mortgage program.

SOME HON. MEMBERS: Hear, hear!

HON. MR. ANDREW: — Mr. Speaker, I suggest that that mortgage program will clearly

touch something like 50,000 homes either this year or down the road. That program now, I understand, is even being studied by the government of the province of Alberta. We believe we have made a committed effort to assist home-owners on interest rates.

We are studying, and we are prepared to bring in next fall, a program to give interest assistance to farmers and to small businessmen. The problem is large. The economy is difficult. I suggest that we are moving like no other provincial government in this country is moving to solve the question of the interest rates.

SOME HON. MEMBERS: Hear, hear!

CIC Bathtub

MR. LINGENFELTER: — Mr. Speaker, I have question for the Premier in the absence of the minister in charge of CIC (Crown Investments Corporation of Saskatchewan). During the election campaign a great deal was made by the present government, of a bathtub supposedly owned by CIC which was worth a great deal of money. My question is: has this bathtub been found, and if it has, has it been sold and for how much money?

HON. MR. DEVINE: — Mr. Speaker, I'm not sure, but I believe we do have knowledge of where it is, but I don't believe that it has been sold, and therefore I can't say for how much.

MR. LINGENFELTER: — Mr. Speaker, supplementary to the Premier. In light of the fact that it has been found that it hasn't been sold yet, can you inform us who is using it at the present time?

HON. MR. DEVINE: — As far as I know, the same people who were using it before. There have been no changes.

WELCOME TO STUDENTS

HON. MR. CURRIE: — With your permission, I am pleased at this time to have the opportunity to introduce to this Assembly a group of 25 students who are presently sitting in the Speaker's gallery. This group of students comes from the bilingual centre of the University of Regina, along with their instructor, Mr. Dan Fletcher. They are presently on a tour of the Legislative Building and I wish to inform them that I would be pleased to meet with them in the rotunda area of the second floor at 11 o'clock for pictures. I would ask that the members of the Assembly join with me in extending to them a cordial welcome at this time.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 30 — An Act respecting The Department of Culture and Recreation

HON. MR. ANDREW: — This is Mr. Schoenhals' bill. He is not present. I move first reading of a bill respecting The Department of Culture and Recreation.

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

Bill No. 31 — An Act respecting the Consequential Amendments resulting from the enacting of The Department of Culture and Recreation Act.

HON. MR. ANDREW: — I move first reading of a bill respecting the consequential amendments resulting from the enactment of The Department of Culture and Recreation Act.

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

Bill No. 32 — An Act to amend The Lloydminster Hospital Act, 1948

HON. MR. ANDREW: — I move first reading of a bill to amend The Lloydminster Hospital Act, 1948.

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

Bill No. 33 — An Act to amend The Department of Revenue, Supply and Services Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Department of Revenue, Supply and Services Act.

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

Bill No. 34 — An Act to amend The Marriage Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Marriage Act.

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

Bill No. 35 — An Act to amend The Land Surveys Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Land Surveys Act.

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

Bill No. 36 — An Act to amend The Municipal Employees' Superannuation Act

HON. MR. PICKERING: — Mr. Speaker, I move first reading of a bill to amend The Municipal Employees' Superannuation Act.

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

Bill No. 37 — An Act to amend The Rural Municipality Act

HON. MR. PICKERING: — Mr. Speaker, I move first reading of a bill to amend The Rural Municipality Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

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

Clause 1

MR. CHAIRMAN: — Would the minister introduce his officials please?

HON. MR. LANE: — Mr. Chairman, hon. members, I would like to introduce my officials. On my right is Mr. John Whyte, director of the constitutional law branch, Department of the Attorney General. Cheryl Crane, behind me, is a solicitor with the constitutional law branch. Ron Hewitt, familiar to members of the Assembly, is acting co-ordinator of policy and legislative programs. Greg Blue is at the back. He will be involved on the consequential amendments. Dr. Dick Grosse, the deputy attorney general is seated at the back of the Chamber. Beside Dr. Grosse is my special assistant, Mr. Pat Carey.

Clause 1 agreed to.

Clause 2

HON. MR. BLAKENEY: — Mr. Chairman, I ask this purely from my own information. With respect to the definition of "initial rates schedule," I didn't find any rates schedule other than the initial one. I am just curious to know why it was called an initial rates schedule, when it is to include any amended rates as they go on from time to time. Was there any particular reason for that?

HON. MR. LANE: — It was just a desire to use a common phraseology. We realize that the initial rates schedule will be changed from time to time as they become amended. But it will always be referred to, basically, as a base-rates schedule — the operative one. It was a choice for that reason.

Clause 2 agreed to.

Clause 3

HON. MR. BLAKENEY: — I have an amendment.

HON. MR. LANE: — I believe we have a House amendment to clause 3 which has been forwarded to the Leader of the Opposition.

HON. MR. BLAKENEY: — Mr. Chairman, I am going to move an amendment to change the application of the act. The act now in section 3(1)(a), dealing with power rates, deals with Sask Power Corporation and North-Sask Electric. I am moving that we delete the words, "and North-Sask Electric," and insert, "North-Sask Electric, and Alberta Power Ltd.," which has the effect really of simply saying that the provisions shall apply to Sask Power, North-Sask Electric, and Alberta Power Ltd. with respect to their rates for the sale of electrical energy or gas within Saskatchewan.

Keep in mind, of course, we are not trying to deal with Alberta Power rates in Alberta, but to the extent that they serve customers in Saskatchewan. It is my information that Alberta Power Ltd. does serve electrical customers in Lloydminster in Saskatchewan,

and that the rates which they charge in Lloydminster are different from the Sask Power rates. It strikes me that any company which is retailing power in Saskatchewan, and there are special provisions for the municipal corporations and I understand that, but with respect to the retail sale of power . . . It ought to include the retail sale of power by Alberta Power Ltd. since it has not a large but a significant number of retail customers in Lloydminster.

HON. MR. LANE: — Our initial reaction to the proposal was one of having no difficulty, but as our officials got into the question of the operation of the various affected corporations, this, for some reason, did not come up. I wonder if the hon. member would withhold the amendment at the present time and allow us, once we operate and if we see a problem, to then bring the matter back and amend it and make sure it's included at that time. In other words, we're not attempting to . . . We want to make sure that they are all included but, for some reason, when the matter was reviewed that particular area was missed. We just don't know the import of the proposed amendment. I wonder if the Leader of the Opposition would accept that.

HON. MR. BLAKENEY: — Mr. Chairman, I take the minister's remarks to be an undertaking that they will look at the advisability of including Alberta Power Ltd. under the act and that they will consider it as they set up their commission, and that we might on some basis raise this question again six months hence, nine months hence or whenever, when the commission is set up and operating. On that basis, with the consent of the committee and my seconder, Mr. Koskie, I will withdraw the amendment on the understanding that this issue will be looked at.

HON. MR. LANE: — Thank you very much. I might say on that that if we do find out earlier that in fact it's desirable, we will undertake to advise you as to our position on it.

There is a House amendment to clause 3(1)(a) effectively removing the categories retail, wholesale and bulk sale. As we got into the development of the legislation and the operation of the power corporation, those simply became surplusage, and it's a drafting change more than anything.

In clause 3(1)(a), we're removing subclauses (i), (ii) and (iii) — on a retail basis, on a wholesale basis, on a bulk sale basis. Simply in drafting it became surplusage, and there is a consequential amendment to (d), in effect the same striking out the words "on a retail, wholesale or bulk sale basis" in the third and fourth lines of clause (d) of that, and again that's surplusage in operation.

HON. MR. BLAKENEY: — I am interested in the amendment, which I will not oppose. I just wish to ask the minister something. I thought the reason for the drafting was to exclude sales on an industrial basis to Ipsco (Interprovincial Steel and Pipe Corporation) or the pulp mill or the like, because you wanted to be able to quote a direct rate if someone came in with a large project.

That was clearly not the reason, as I was speculating yesterday in my remarks. That was one possible explanation. This now covers all sales, and if a mine comes in and wishes to negotiate and wishes to get the power corporation to quote a rate, they will have to quote one, subject to approval by the public utilities review commission. Fair enough, just so that I get a grip on it.

HON. MR. LANE: — And the same matter applies on clause (d). Do you have a copy of the act? Clause 3(1)(b), regarding Sask Tel, as I indicated . . .

MR. CHAIRMAN: — Shall we take this matter first? The question before the House is on the amendment, moved by the minister, on clause 3 of the printed bill. Is this agreed?

Amendment agreed to.

HON. MR. LANE: — If the Hon. Leader of the Opposition has a copy, regarding subclause (b):

Saskatchewan Telecommunications with respect to its rates for non-competitive telephone services wholly within Saskatchewan.

It will be changed to:

Saskatchewan Telecommunications with respect to rates charged within Saskatchewan for non-competitive telephone services.

That is the jurisdictional question over long distance rates and we did not want to indicate to the CRTC, in any jurisdictional dispute we may have in the future, that these were necessarily beyond the jurisdiction of the province of Saskatchewan. It may have given them an argument, and it simply excludes that argument from the federal agency.

HON. MR. BLAKENEY: — Mr. Chairman, I will have no objection to the amendment. It is my understanding that this act is not meant to touch upon Trans-Canada Telephone rates and the rates set by that body. It's just too hairy.

HON. MR. LANE: — That's right. But technically we don't want to exclude ourselves, and that's the protection we are putting in.

MR. SHILLINGTON: — I am not just sure I understand it. Do I understand that the body will review rates for long distance services, as well as local rates, but not the Trans-Canada rates? Or what precisely is it that it will set for Sask Tel? Would you just tell me what rates this commission will be reviewing for Sask Tel?

HON. MR. LANE: — The procedure, as we see it, is that all rates will be filed. Those subject to the TCTS (Trans-Canada Telephone System) agreement will not be reviewed but we, again, have brought in amendments so that we're not excluding a jurisdiction in case there is a jurisdictional dispute in the future which we don't foresee in this particular area.

MR. SHILLINGTON: — The rates set by TCTS are rates for calls which do not originate or end within the province. Is that right?

HON. MR. LANE: — Or in a contiguous province.

Amendment agreed to.

HON. MR. BLAKENEY: — On section 3 as amended, I'd like to ask what types of competitive telephone services, in broad terms, are thought to be excluded by the term, "non-competitive"?

HON. MR. LANE: — Well, telephones are sometimes defined so broadly that they

include telephone answering services. Perhaps some of these computer hookups — McLean-Hunter, for example — have phoning agencies.

MR. SHILLINGTON: — I'm curious as to subsection 3(1)(d). What corporations do you have in mind at the moment?

HON. MR. LANE: — We have the provision in subsection 2 to exempt. We do generally include Saskatoon and Swift Current, but we have been assured by officials in both of those cities that, in fact, their municipal power companies just follow the SPC rates. We don't want to put them to the additional expense if that's all they're doing. But if they refuse to follow then they are in and they can be exempted providing they are just following the normal practice.

MR. KOSKIE: — Just with respect to subsection 2, it indicates there the Lieutenant-Governor in Council may make regulations to exempt a corporation from compliance with any provisions of the act. Can the minister indicate the scope of that particular section? In other words, at a given time — say, going into an election — can you suddenly indicate that the particular crown corporation will not have to go before the utility board? What particular exemptions are you contemplating with respect to the use of subsection 2?

HON. MR. LANE: — The obvious is the TCTS and, secondly, the two municipal corporations. My response to the question by the hon. member is that I would suspect that if an election situation developed and a government wanted to exempt it at that point, I would think that problems would arise. I would think that a government would be more inclined to make sure that the decision in that matter stays before the commission. But those are the two areas where we believe that the provision is necessary.

MR. KOSKIE: — Just for clarification, does the scope of that provision provide that the Lieutenant-Governor in Council can, at any given time, exclude a corporation from submitting its application of initial rates to the commission? In other words, has it the power, at a given time, to allow a corporation to be exempted from going before the commission?

HON. MR. LANE: — I would suppose it certainly has that effect, but that's not our intention. The intention, as I indicated, was for the obvious ones — the municipal corporations and TCTS.

Clause 3 as amended agreed to.

Clause 4

HON. MR. LANE: — I believe there is a House amendment. After discussing the matter further with the corporations, this was at their request in that they felt that there might be a situation, through inadvertence, because "rates" is so broadly defined, where they may have missed filing a rate; so it is for their protection. You'll notice that clause 4 added is specifically providing that it is through error or inadvertence that they did not file. Otherwise the corporation is bound by the rates filed. That is the reason for both subclause (a) and (b) of the House amendment.

MR. SHILLINGTON: — I have a question for the minister with respect to subclause 3,

SGI. I wonder why that exemption was felt to be necessary? It is not a narrow exemption, it is a very broad exemption. As I understand the procedure at SGI, each year, unless there is to be a general overall rate increase, SGI will set new rates for this year ('82-83) vehicles. The other rates will remain the same, they'll just add on a new section for the '82-83 rates. This is not a section which will come up on occasion, when somebody brings out a new type of three-bladed snowmobile or something, this section will be available to SGI each and every year as it sets the premiums for the new vehicles. I am wondering why it is felt to be necessary that SGI should not have to have rates for new vehicles approved? Now, perhaps I am misunderstanding the section.

HON. MR. LANE: — The reason is that there are constantly new vehicles and new models coming out during the course of a year and SGI has to be able to respond fairly immediately. Or, there may be cars brought into the province that are not presently covered by the rates. So, it allows SGI to be able to respond to that. Remember that those can be reviewed subsequently by the commission, but it does allow SGI to adjust to new models, new cars which come out during the course of a year. That's all it is designed to do.

MR. SHILLINGTON: — Is the minister saying that SGI, when it sets the rates for the new vehicle year, will have to come to the commission for that general rate increase for the new vehicles? Are you saying this will only apply to the three-bladed snowmobile that comes into existence in the middle of the year, or will it also apply to the general rate increases which are set each year for the new vehicles? It's a very broad exemption.

HON. MR. LANE: — During the course of the year, SGI, when it is looking at setting rates for the on-coming year, can include new models which may come out and which may require a new rate so people can insure them. That is all this is designed to do — to allow them to be able to respond when either a new car comes into the province or new models come out so that SGI can in fact set the rate immediately, insure them, and then subsequently the commission will review.

MR. SHILLINGTON: — I don't have a proposed amendment ready. I don't intend to try and write one. I don't know if the minister understands my question. Every manufacturer of automobiles, each year, brings out a new model. It is the 1983 model. It will come out this year in the fall. Will the rates for all the 1983 models be exempt from the operation of this statute?

HON. MR. LANE: — SGI will impose the new rate and then will have to get approval after, so that there is no break in the insurance as new models come out. When you say that they will come out this fall, that is no longer correct. I suggest that we are now getting new models introduced all throughout the year by the manufacturers. It just allows SGI to set the rates. They then, subsequently, have to be approved so that there is no break in the insurance coverage.

MR. SHILLINGTON: — I think the minister is right. Under what section do they then, subsequently, have to be approved? I am sure you are right. I just don't see it offhand.

HON. MR. LANE: — Section 5, subsection 2.

Clause 4 as amended agreed.

Clause 5

HON. MR. LANE: — In meeting with my officials and the Consumers' Association of Canada, they simply wanted the word "public" inserted after the word "give" in the first line. They just wanted some assurance that in fact they would have public notice so it wasn't missed. So we agreed to their proposal.

Amendment agreed to.

Clause 5 as amended agreed to.

Clause 6

HON. MR. LANE: — The proposed amendment to clause 6, subsection 2, subclause (a) is adding "in so far as those costs can, in the opinion of the commission, reasonably be identified," after "proposed" in the last line.

That is obviously in cases where the costs are applied across the board or with different facilities, for example, and so it is just a question as long as they reasonably can be identified.

Amendment agreed to.

HON. MR. BLAKENEY: — Mr. Chairman, I think clause 6 is in some ways the heart of this bill. We are here determining what rules or what instructions we are giving to the commission in order to arrive at what is a proper rate. The commission is given the responsibility of deciding whether the proposed new rates are reasonable and justified in the circumstances. That's scant assistance for them.

Then we go on to say that the rates should cover costs, or rather should have regard to costs, the revenue requirements of the corporation, including the amounts required to meet the costs. I think it is worth-while to note there that we are not saying that the rate should cover the costs with respect to each individual rate. We are saying that the rates should have regard to the costs with respect to each individual service, and that the overall rate package should cover the revenue requirements of the corporation, or at least should have regard to the overall revenue requirements of the corporation, including amounts required to meet the costs incurred to provide the regulated services. Obviously, there are a few little problems there with respect to Sask Tel, but I think they are not since the unregulated services are a large part of their business.

Then we come to 6(2)(b)(ii):

the earnings necessary to insure the financial health of the corporation, including the earnings necessary to finance a reasonable proportion of the corporation's capital investment program in a manner consistent with sound financing practices.

It is my submission that there is hardly such a thing as sound financing practices in this regard — not a single one. There are a good number of opinions as to whether corporations of this kind should be operated substantially on a break-even basis, or on a basis to provide a relatively significant earnings contribution. This is rather key. The previous government of Mr. Thatcher, I think, used to operate on the principle that it wished to get the debt equity ratio probably in the 80-20 or 70-30 range. He wanted the retained earnings to amount to perhaps 20 per cent or 30 per cent of the total capital. Our government was a little less prudent than that and tended to feel that in the

debt-equity ratio the debt should be perhaps up in the 80 or 90 range, but still there ought to be some earnings to make some contribution to capital investment. I can't remember whether those figures are approximately right, but they're not far off.

The government opposite, during the course of the campaign and at other times, appeared to indicate that in its view the corporations ought to operate at roughly break even, but they ought not to make a profit. There ought not to be any additional rate charged in order to make a contribution to future capital investment. The rate ought to cover expenses including interest and including fair depreciation or capital cost allowance, but that's the end of it — no profit or surplus for future investment. That is a sound financing practice, if you accept the view that these utilities ought to operate on a break-even basis. I have never fully adopted that, as a person. I tend to feel that we ought to be just a little bit more prudent than that. I would be interested in knowing what the government's view is since it is pretty key to what we're asking the commission to do.

HON. MR. LANE: — It's key in terms of what the rates, subsequently approved or disapproved, will be. It's not key, I suggest to the operations of the commission itself. I assume that the corporation will make its decision as to its financial situation and what the debt-equity ratio and other factors are going to be. It's then up to the commission, when the corporation applies for rate increases, to decide whether that's reasonable and justified. So it's still incumbent upon the corporation and the government to set some of that financial criteria. It's then up to the commission to decide whether the rates filed as a result of that or including those factors are reasonable and justified.

HON. MR. BLAKENEY: — I concede that point. Certainly if the corporation is left to its devices, I'm sure that it would try to have slightly higher rates or give it a slightly higher margin. If the government intervenes, as it would be perfectly proper for the government to do, to set a policy with respect to rate setting, then it presumably will have to make a judgment as to whether or not it includes an element to cover a proportion of the corporation's capital investment program. I take it that we are saying to the commission that it is to provide that the rates include some element for capital. As a practical matter I think I probably accept what the minister has said. If you read the act you will find that the commission can raise the submission. There is no requirement that the commission only allow the rates which are asked for, but the commission can, in fact, allow a higher rate or lower, indeed. Accordingly, if they are given the mandate to see that the rate covers part of the capital, then at least in theory they can say that even if the corporation doesn't ask for it, the rate won't cover capital, and that's what the legislature has told us to do. That may not happen, but legally that is what they are told to do.

Can I ask whether or not the government accepts the view that rates should include earnings necessary to finance a reasonable proportion of the corporation's capital investment program, in a manner consistent with sound financing practices? If they don't accept that view I don't think we should put it in the act; if they do accept that view, I would be interested in knowing.

HON. MR. LANE: — I think that would depend on the decisions of the individual crown corporations. The commission as well can take into account any other matter. It is not just restricted to the items left out. I suppose the argument is that if the crown corporation appeared before the commission with a rate structure, the commission could go back and decide that the debt-equity ratio was not proper or impose a debt-equity ratio. I suppose it would have that power. We don't foresee it happening, in that

we expect that to be a decision for the corporation to make before it sees its rates. Certainly, that power is there. It is broad enough to do that. But we just don't see it happening.

With regard to the question of whether the corporation should take into account in its rate proposals enough earnings to pay debts or to cover capital increase, yes, we, as a general rule, would expect that to be the case.

MR. KOSKIE: — I'm just interested in knowing the new government's position in respect to the crown corporations making a profit. When you were in the opposition, one of the things that we heard consistently was the criticism of the power corporation because of a small profit. Across the province there was criticism of Sask Tel because it had a profit, or a loss.

I wonder if the minister could indicate whether their position has changed from when they were opposition and they opposed any profit. Now being the government, are you instituting in an act a consideration for a profit to cover part of the capital cost?

HON. MR. LANE: — I suppose the commission would have the power as well to look in and see whether a bathtub is necessary.

The question of profits, whether it should be a cost: I suppose I could give you a cost requiring a certain return, and you could say that they are at cost. The policy as to whether specific crown corporations should earn a profit: we don't see it, and it's not covered by the act, but we would like to see the potash corporation, for example, earn a profit. The question of utilities and their return: we have indicated that we like to see it at cost. That cost takes into account all sorts of factors, including the debt-equity ratio, and provision for capital.

I'm talking about satisfying the debt to the Leader of the Opposition. Whether there's going to be a profit in the generic sense or not is a matter for discussion, I suggest, with the crown corporation committee, and I think it would be a question for the board of each of the new crown corporations. I'm sure that is the place to argue whether the crown corporations should or should not have a profit in the conventional sense.

MR. KOSKIE: — One follow-up. In respect to your review of the operation of, let's say, Sask Power, during the course of the year, can the minister indicate whether or not he generally agreed with the business practice of the general ratio of profit that existed during the past number of years over which he has been reviewing the Sask Power Corporation, or did you indeed, as you said in opposition, think that it was a rip-off of the people of Saskatchewan?

HON. MR. LANE: — Well, we could debate this for some time. I have indicated that I don't think that this is the correct forum, and I don't want to get into a procedural debate, but the question of profit or not . . . (inaudible interjection) . . . We're talking about what the public utilities review commission can take into account. We're not talking about the corporation policy as to profit or not. I would like to call to the attention of the hon. members that the question will not be determined today by either myself or this forum, for the very simple fact that we have established a commission, headed by Mr. Wolfgang Wolff, which is reviewing the financial position and what would be a sound financial position and policy for the government to take. Until such time as we have that report, I simply can't comment.

MR. SHILLINGTON: — I am earnestly seeking information here. In opposition, I think your views were, by and large, that utilities should operate at a break-even point. Now let's assume for the moment that you carry those views forward into government and that those are still your views. Is there any way, under this legislation (this is a question), that you can ensure that the commission follows that general philosophy of a corporation breaking even? Or, if the commission should decide that that's not the way the world should turn on its axis and that it should make a 10 per cent return on its assets, can you effect that general philosophy in the commission, or is the commission free to set whatever general guidelines it wants, or that it sees appropriate with respect to profit or break-even?

In other words, assuming you are consistent in government, how do you effect that with your commission? Maybe there is a way of doing it, I don't know.

HON. MR. LANE: — You know, part of it is being talked about in different ways here as well, but the financial position with regard to the corporation and what our expectations are will be assessed after we have received the report of Mr. Wolff and his committee.

If you are asking if once a decision is made by the government as to an expectation of whether the crown corporation should break even (and I am talking in the general sense), or make a profit, you then go to clause 24(2). That would be the provision for government policy as to what it expects could be the return or if it should be at cost, or whatever it may be, and I'm sure that that would be well debated in the crown corporations committee or in the Assembly.

HON. MR. BLAKENEY: — Mr. Chairman, I understand what the minister is saying, but I think we should understand what the bill says as well. The bill says that the commission shall have regard to a return which provides a reasonable proportion of the corporation's financial investment program. It shall do that. And if the corporation doesn't put forward a proposition which does this, under section 11 the commission may substitute anything it likes for whatever the corporation puts forward. So the commission is given a statutory requirement that it shall have regard to earnings necessary to finance a reasonable proportion of the corporation's capital investment program.

Section 24 certainly does allow the cabinet to give directions, but I think it is highly questionable whether any direction given pursuant to section 24 could be at variance with the specific provisions of section 6(2). It is at least arguable, and pretty damn convincingly arguable, that you can't put in an act a provision which says that the cabinet may give direction, and say that they may give direction to effectively nullify sections 6, 7, and 8. I think that that is a doubtful proposition in law, and that is really what we are being asked to agree to.

I want the minister to advise us whether or not he thinks that with the provisions of section 6(2) in there (section 6 subsection 2) it is still possible for the commission to approve rates which do not provide a reasonable proportion of the corporation's financial investment program.

HON. MR. LANE: — That's possible.

HON. MR. BLAKENEY: — Under what provision?

HON. MR. LANE: — You're reading it.

HON. MR. BLAKENEY: — That will be in defiance of the act. It is not that the commission is given the discretion. They "shall have regard to" this. And how can you say that the commission had regard to what the legislature said, but didn't like it and said to the legislature, "Get lost. I will not provide any rates which provide a reasonable proportion of the corporation's capital investment program." I don't think the commission is in that position.

HON. MR. LANE: — Well, they can have regard to it. They don't necessarily have to come to a conclusion from it. They have regard to it. They could still make a ruling contrary to those provisions.

MR. SHILLINGTON: — Just one brief comment. I'm sure it was true before April, but sometimes the drafting of these statutes leaves something to be desired. It seems to me this section would be a lot clearer if 24(2) were a part of section 6 and if 24(2) said: " . . . notwithstanding anything contained herein."

It strikes me that the problem referred to by the member for Regina Elphinstone, the Leader of the Opposition, is a real one but could be cured by some better draftsmanship.

HON. MR. LANE: — I suppose we could debate that. The way the legislation is set up as to the establishment of a section of powers and duties of the commission, it certainly is a logical place for the provisions of section 24. I don't think the hon. member disagrees with that. They are not, 24 and 6, necessarily conflicting provisions and I don't think you are saying that.

I suppose a better argument would be to put the powers of the commission as it was set out in section 24 (that heading and all that) at the front. I suppose we could debate that for some time but I believe, as the commission becomes more and more familiar with the operation of the crown corporations and its own operation, its own powers, that that will be somewhat academic.

MR. KOSKIE: — A further question with respect to section 6 (2)(b)(ii). Just take this position. You have allowed the commission and the commission shall, in its consideration, have regard to the earnings necessary to ensure the financial health of the corporation. Let us assume that they do that and they make a substantial amount to include and to cover the capital expansions. Let us assume that. Would you say that what you have done, then, is to turn over and delegate to the commission policy decisions with respect to the operations of the crown corporations?

HON. MR. LANE: — Perhaps the hon. member is emphasizing the word "shall" as opposed to "regard." Regard, of itself, is not a mandatory word in statutory interpretation. Those are things that can be taken into account. Supposing a government said that there shall be zero earnings under 24(2). I would expect the commission would have regard to that.

I think perhaps the hon. member is taking the emphasis on the word "shall" and its mandatory nature, and not the word "regard." I suspect that may have something to do with the member's argument.

MR. KOSKIE: — That's true. But even assuming what you have said, that the government under section 24(2) could, in fact, give direction, then let us assume that you have an independent commission (which I hope it is) looking at it and you give it the right to consider earnings. Now if, in fact, having had the direction from the government, they do go ahead and consider earnings and set it even higher than the policy that you directed did, then aren't you, in fact, delegating to that commission the policy decisions of the corporation?

HON. MR. LANE: — Except that 24(2), not using the word "regard," is, in our view, mandatory. They have to take that input so that it can't make the policy, so that it can't override. It can't override the government; section 24(2) prevents that.

Clause 6 as amended agreed to.

Clauses 7 to 12 inclusive agreed to.

Clause 13

HON. MR. BLAKENEY: — Mr. Chairman, I was curious to know why it was provided that:

On appeal, the commission is entitled to be heard by counsel or otherwise, but is not liable to any costs in respect of an application or appeal.

I was curious about that. I was just curious as to why the commission was not made liable in costs if it was clearly its error.

HON. MR. LANE: — I gather it is based more on the tradition that most of these tribunals don't in fact pay costs on matters under appeal. There is no magic to it. I gather that has been the past practice.

MR. KOSKIE: — If you take a look, Mr. Minister, as to the grounds of appeal, they are so narrow; they are very, very narrow. You are setting up a commission which is essentially and supposedly allowing the public to have input. Here you have what is to be a public service commission, and, at the same time, you narrow the grounds substantially, and at the same time, you eliminate the right of cost against the commission. I think it is inconsistent with what you are setting forth on the basis for setting up this commission.

HON. MR. LANE: — In fact, the grounds for appeal on the question of jurisdiction is a very, very broad one, and is not narrow. I suggest that "it may appeal to the court from the order or decision on a question of law or jurisdiction" is extremely broad. I suggest that it is more than adequate to protect the applicants.

Clause 13 agreed to.

Clauses 14 and 15 agreed to.

Clause 16

MR. KOSKIE: — On clause 16, I would just like to direct a couple of questions. This section is the "Constitution and Staff," and I was wondering whether the minister could advise me as to the cost to the province with respect to the payment of the seven commissioners?

HON. MR. LANE: — I have no idea. We haven't considered the matter. It's going to depend on the quality of the people that we can attract. I think that will have a bearing on it. But we have made no decisions, no commitments, and haven't considered it.

MR. KOSKIE: — In setting up the commission have you at least taken a look at what type of range and quality of people might conceivably be appointed as commissioners?

HON. MR. LANE: — Not in specific terms. We had indicated that we would consult with the consumers' association and various groups interested in the question of a public utilities review commission. We have made that commitment and we intend to do that. But I would suspect in general terms that we would want someone who has an understanding of the need to make sure that the public has confidence in both the commission and the rates subsequently set. Other than that, we have certainly made no commitments. We haven't consulted with anyone as to any position and there has been nothing done other than the general consideration.

MR. KOSKIE: — With the appointment of the seven commissioners, are you likely to have representatives, within the appointments, of the civil service and from government?

HON. MR. LANE: — We hadn't considered it. If it is a recommendation, we will take it into account. We have made no commitment or consideration. Our primary expectation, now that you raise it (and I hadn't considered it), would be outside the public service. But if it is a recommendation we would be prepared to consider it.

MR. SHILLINGTON: — I am getting ahead of myself but it is relevant to this section. I might, with leave of the committee, ask: when do you expect to have the commission operative? When do you expect it to be operating?

HON. MR. LANE: — Well, as soon as possible. I expect some time early this fall or the middle of this autumn to have the commission in place. That's what we would wish.

MR. SHILLINGTON: — I gather then that the members of the treasury bench have no one in mind for a commissioner at this point in time, as the chairman or otherwise.

MR. KOSKIE: — Just one further question to pin it down a little bit. The minister indicates he is going to put this into effect as soon as possible. Has he any time frame that would be more specific than "as soon as possible"? This is a high priority of this government. It has made a lot of to-do about it. Could the minister indicate at least a time frame rather than "as soon as possible"?

HON. MR. LANE: — Well, we would certainly want to implement the appointing power as soon as possible so we can start to seek out and appoint people. I've indicated as soon as possible. I've indicated that we would hope to have the commission operating in either early or middle fall.

One of the things we determined when we got into it is that it's an extremely complex field. Commissions, themselves, are extremely complex. But the very fact that we were able to get it before the House within two months, I thought, was a pretty good indication of the priority we place upon it. It's our objective to get it in place as soon as possible. We want to go through the consultative process of members of the commission, and we, above all, want to have a commission that the public will have

confidence in. That's our objective.

MR. KOSKIE: — Just on that point, in order to assure the confidence of the public in the commissioner, what sort of consultation process have you in mind?

HON. MR. LANE: — We obviously have already talked (not in terms of individuals) with the crown corporations and consumer associations. We talked to them regarding the legislation itself. If you have other organizations that you wish us to talk to, we would be more than pleased to do it. We're open about it. I'm not sure that the member isn't making an application. If he is, would you kindly let me know?

Clause 16 agreed to.

Clause 17

HON. MR. BLAKENEY: — I have just a very short comment. I note that this act seems to borrow in spots fairly liberally from the Alberta act, although I may be inaccurate there. I noted that the Alberta act provides that the commissioner shall have a fixed term. This one provides that the commissioner shall be appointed at pleasure. I was curious at that. I don't particularly object to that because I think the commissioners are, in fact, nominees of the government and are carrying out government policy, whatever trappings of independence we give them, but I'm curious to know why you went a different route than the Alberta route.

HON. MR. LANE: — We wanted to keep in compliance with the debate we went through yesterday and make it clear that whoever the appointee is a new government would have the right to make the change. That was the objective.

Clause 17 agreed to.

Clause 18 agreed to.

Clause 19

HON. MR. BLAKENEY: — Mr. Chairman, I will be along later, pointing out some of the very extensive powers that these commissioners have. We now have temporary commissioners, and we have people who don't need to be commissioners, having power to subpoena and all the rest. I will be making that point a little later. I note that there are temporary commissioners here.

HON. MR. LANE: — The concept behind the temporary commissioners is that in some very technical areas, you might need an engineer, or someone of that nature. That was the reason for the appointment of temporary commissioners.

Clause 19 agreed to.

Clauses 20 to 23 inclusive agreed to.

Clause 24

HON. MR. BLAKENEY: — I want to speak of clause 24 a little bit. It is clear here that the commission shall perform the duties assigned to it, and that the commission shall comply with any general or special direction of the Lieutenant-Governor in Council

with respect to the exercise of its duties and powers.

Mr. Chairman, we have what is going to be given the trappings of independence, or given the (I don't mean to use a pejorative term) — it's going to be set up as an independent tribunal, and then it's going to have to comply with general or special direction of the Lieutenant-Governor in Council. Because of my views of these commissions, I don't particularly object to that although I know a good number of people would object. However, I think the public is entitled to know who is making the decision. The public is entitled to know whether the commission is operating on the basis of its judgment, or the Lieutenant-Governor's judgment, and, accordingly, I am going to move an amendment that section 24 of Bill 17 be amended by adding the following subsection after subsection 2:

(3) Any direction given pursuant to subsection 2 is to be given in the form of an order in council published in the *Gazette*, and where the direction was relevant to the commission at arriving at its decision, shall be referred to in any written reasons for decision provided by the commission pursuant to section 32.

It doesn't make it independent and it is not meant to make it independent. It is simply meant to say that when the cabinet gives direction to the commission, it must be up front. It will not work any other way. If the cabinet is saying, "You follow these rules," the public should be able to know that those are the rules cabinet is laying down; fair enough. The commission should be able to say, and should say, "In this matter we are following the direction we got from cabinet." Then everybody knows who's making the decision. That's fair, right and reasonable.

For reasons which I have already said, I don't object to the cabinet making these decisions. I do believe that when they make the decisions, it should be clear they are making the decisions, and not the commission. There ought, therefore, not to be any secret or unpublished directions to the commission. They should be open directions. If order in council is perhaps the wrong way to do it, then it ought to be in some other way. I would be happy to listen to another way. I think the idea is there and clear.

HON. MR. LANE: — In fact, that can be done now under section 24. It has to be under the direction of the Lieutenant-Governor in Council. We are assuming order in council.

AN HON. MEMBER: — I don't know of any other way that the Lieutenant-Governor in Council can . . .

HON. MR. LANE: — No, neither do we, in which case it is public. When I say that, we don't object to the amendment. I am just questioning whether or not it's redundant.

The only provision we see in the amendment that perhaps doesn't apply otherwise is the publishing in the *Gazette*. We don't have difficulty with that. As I say, I tend to the view that it would be redundant.

Now, the question of section 32 in terms of written reasons, of course, would normally cover the same. We would expect, in the operation of the commission (and it's an expectation) that if they were making a decision and the decision was largely based on the directive of the government, it would make that quite clear. However, we don't object to the amendment, so we will allow it. We do tend to feel, except for the *Gazette* problem, that it is probably redundant.

MR. KOSKIE: — I would just like to ask a question of the minister. How does he, in fact, guarantee the independence of the commission in light of section 24(2)?

HON. MR. LANE: — At some point there has to be a policy decision. Every provision of the bill is designed to minimize the relationship between a government and the commission. At some point in your operation of crown corporations you do have policy decisions and this act is not designed, in any way, shape or form, to get away from that. I'm sure the hon. members would support us on that.

I think, given that, we have done everything possible to make the commission independent given the need for the policy decisions in crown corporations. I think that the act very pointedly and very specifically does that.

Amendment agreed to.

Clause 24 as amended agreed to.

Clause 25

HON. MR. BLAKENEY: — Mr. Chairman, I have some reservations about this and I have some reservations about the in camera meetings. I am going to move an amendment. This may not be the way to approach the problem, but I will move that clause 25 of Bill 17 be amended by striking out clause (b) and substituting the following, "subject to subsections 2 and 3 hold proceedings, including hearings, in camera." Then 2 and 3 will be: where the commission considers it desirable to hold hearings in camera, and it applies to a Queen's bench judge.

So I will read it so we know exactly what I'm saying. Perhaps I will just put it in and then hand a copy to members opposite.

I don't have strong objection to the commission having hearings in camera in the event that disclosures to be made may harm the financial interest of a corporation or other person. That seems a reasonable provision. It's clearly open to abuse, but none the less reasonable.

The other one just saying "in the public interest" strikes me as a little startling. While I would not object, I think, to the commission exercising that power, I think I tend to object to individual commissioners, temporary commissioners and people appointed by the commission, any person then, having the power to hold hearings in camera. For what this unnamed person (and I will be facetious now and name one) Mr. Jack Harrington, who you might wish to name as a person who may wish to get a look at some records. I wouldn't really wish to think that he had power to be named, to have the whole meeting in camera, and to say, "Bring your books. I want to talk to you about them."

Obviously, that is a facetious example, but extend it a little beyond that. That is a very broad power, to give a commission power to appoint another person, not a commissioner, who will have the power to subpoena people, to hold meetings in camera, to tell them to bring their books, and to cross-examine them. I do feel we ought to limit that in some way, and this is my attempt to do so. What it says is that if you are going to hold the meetings in camera, then you have to apply to a Queen's bench judge.

HON. MR. LANE: — Well, I'm going to ask the hon. members to defeat the proposed amendment. We attempted throughout to minimize the need for the commission to go to court. Time is a significant factor. I suppose situations could develop during the course of a hearing where the financial implications could come up, and then you would have to go through the delay to make an application for an in camera hearing. I suppose I could see situations where an individual applicant would come forward, perhaps with personal information that the commission would decide, in the public interest, should be heard in private. I am prepared to at least see how the commission operates, to assume that it will use its good judgment and realize that this is not a practice to be desired. I believe we agree that sometimes it is going to be necessary, but we are concerned very much about the time delay for the applications. For that reason I am going to ask the members to defeat the amendment.

MR. SHILLINGTON: — Well, thank you. I have a question that I will preface by a few comments. The minister will know, from practising law as he did, that ministers of the crown and governments may refuse to supply written material requested on a subpoena if it is contrary to public interest. Thus cabinet documents cannot normally be subpoenaed, and so on. It has been a constant ongoing problem for the courts, because what has happened, both in the British Isles and here, is that governments have refused to supply documents which they claim to be contrary to public interest when in fact it's patently obvious. They didn't want to supply them because they were embarrassing.

My fear in looking at this is that where a matter is before the commission which is embarrassing to the government, the hearing might be held in camera, not because it's contrary to the public interest, but because it's contrary to the interest of the government in power. I wonder why, and this is the question, we have that section in at all — "in the public interest." What kind of situations or scenarios might arise where it would be contrary to the public interest to know what the commission is doing?

I can see subsection 25(b)(ii). My problem is I can't envision any other circumstance in which it would be contrary to the public interest, and I wonder why we can't eliminate subsection (i), "in the public interest," entirely. It's just too broad. Or we could try and define it a little more narrowly.

I would remind the minister that this commission is not independent in the sense that the members have a fixed term, and I can imagine — not by any of the present incumbents — pressure being brought to bear on the commission to hold a meeting in camera, where it wasn't contrary to the public interest at all but it was simply contrary to the interest of the government in power. And I wonder how we are going to ensure that this power is not abused.

HON. MR. LANE: — Well, I suppose that there can be situations where the activities of the corporation being reviewed, in the general scheme to review the rate proposals, could include property acquisition matters, where you would want in fact that the matter be held in camera. I could foresee situations where individuals appearing before the commission to object to a rate increase may be required to give some effect on themselves personally, which maybe the public need not know. So I can see situations arise where in fact the commission should have that flexibility. I agree with you, it's broad, but I suggest to you that should the commission not have the support of the public in its operations, the government of the day is going to feel the brunt anyway, so it will be incumbent upon the commission to get the support and the confidence of the

public. When it has the support and the confidence of the public, I suggest that any government that tries to abuse it would be subject to a fair amount of criticism.

Any provision can be abused, of course, but we can see situations where in fact the commission should have that flexibility to make that determination, and I have already indicated that the time delay is another consideration for the courts.

I think that's a general answer, and I think it's a fair provision. If it's abused, then obviously this Assembly will have to look at it again.

Amendment negated on division.

Clause 25 agreed to.

Clause 26

HON. MR. LANE: — Mr. Chairman, we have given consideration to subclause (a) of section 26 and are prepared to delete subclause (a) and reletter clauses (b), (c) and (d) as clauses (a), (b) and (c). That takes away the power of investigation to "enter on and inspect any place, building, works or other property."

Our original feeling was that that would primarily apply to corporations themselves. Perhaps attendance of all persons it thinks fit is adequate to cover that. That was the thought behind the provision, but we are prepared to amend the bill accordingly.

HON. MR. BLAKENEY: — Mr. Chairman, I want to thank the minister for bringing this in. Without being sanctimonious about it, I think we should try not to include in legislation too many powers to go into people's houses and buildings and the like and this is a useful addition.

HON. MR. LANE: — I have to agree with the Leader of the Opposition. As I said, our thought behind it was that it would apply to corporations as opposed to anybody else. So we are more than pleased to withdraw it.

Amendment agreed to.

Clause 26 as amended agreed to.

Clause 27

HON. MR. BLAKENEY: — Mr. Chairman, I propose to move an amendment to this section which will have the effect of amending subsection 1 by striking out all of the words after "commission" in line 4, and I so move.

Again, the problem here is that there is a wide group of powers of requiring attendance and requiring production of books and administering oaths and having hearings in camera and the rest, which, if exercised by the commission, is undoubtedly necessary for a commission to perform its functions. If one so authorized a commissioner . . . I don't provide for that, but I don't think I would object if it was a person who was appointed as a commissioner. It includes anybody — any officer, any employee, or anybody appointed. Those seem very, very broad powers, for the commission to be able to authorize just anybody (and certainly it is just anybody) to perform these functions.

Keep in mind that the authorization doesn't need to be public. If a person comes to you and says, "I want to see your books," and you say, "Who are you?" and he says, "Don't ask me that question: I want to see your books." he is a person who has a private authorization from this commission. He obviously is not a commissioner. He is the accounting clerk, and he has this right, and although you don't know it, you don't have a right to deny him. Again, it is unlikely to be abused. I think if we just tidied it up a bit, even to say that the person had to produce a written authorization from the commission if he was around demanding to see your books, that would be one step forward.

HON. MR. LANE: — I wonder if we couldn't possibly solve the concern that we have, and that the hon. member has, by simply striking out the words "or person" where they occur in the fifth line?

HON. MR. BLAKENEY: — That would be a very large step forward. For my part, if you want to give the commission this power, or an individual commissioner that power, that is fine with me.

HON. MR. LANE: — We have no difficulty with that. The problem is that if we take out the commissioner, then they are going to have to go back and hold another meeting to go through the real appointments. So, if we could strike out the words "or person," where they occur in the fifth line (if that would be satisfactory to the member), perhaps we can expedite this.

HON. MR. BLAKENEY: — With that, I would withdraw my amendment.

HON. MR. LANE: — I wonder if we could come back to that after we prepare an amendment.

Clause 27 stood.

Clause 28

HON. MR. BLAKENEY: — Mr. Minister, what was the reason for having The Regulations Act not apply? What sort of regulations will they make, which will not be public?

HON. MR. LANE: — It was primarily to avoid possible problems. We don't foresee any, but we would hate the commission to get caught up in some procedural matters that may occur in other areas that weren't foreseen. That was the only reason for the provision. We expect the commission to set its own rules, which would be its guiding force. That was the only reason for the proposal.

HON. MR. BLAKENEY: — Not to delay this, but may I ask the minister to ask or, perhaps go farther and instruct, the commission, when it sets out a set of rules, to make them public, and available? Then if it failed to make one rule available it wouldn't be struck down on that account. But as a general rule of practice, the rules respecting the practice and procedure before the commissions clearly ought to be public, because they are like the rules of court, virtually. Whether they are published under The Regulations Act is perhaps secondary because they may make rules which are of an informal nature, which they wouldn't publish. If the general idea is that the broad rules would be published then we'll leave it at that.

HON. MR. LANE: — I wonder if the member would take an undertaking that we would be

probably inclined to make that a regulation, under the regulation published — that they in fact be public. We don't find fault with that. If we subsequently have a problem we will raise it with you, if we may. But that would be the way to go in our view.

HON. MR. BLAKENEY: — That's fair enough with us. If we find there is a problem, we undertake to raise it too.

Clause 28 agreed to.

Clause 29 agreed to.

Clause 30

HON. MR. LANE: — There are two amendments. The first takes away from the commission the power to decide who is not an interested party. This was at the request of the consumers' association so that that question will not have to be determined, and as a consequence, clause 4 as well would be removed. With regard to clause 4:

Where a class of persons has a common interest the commission may order that the representations of those persons be consolidated, and may designate a person to represent a class . . .

I think this is self-explanatory; it's to speed up matters and to make sure that the issues are brought before the commission.

Amendment agreed to.

HON. MR. BLAKENEY: — Mr. Chairman, I'd like to move an amendment. This is section 30 and there are two amendments. Basically one of them says:

With the approval of the Attorney General, the commission may appoint counsel to represent a class of persons . . .

I seek to strike out "with the approval of the Attorney General." With respect to subsection 6, where:

The commission may fix the costs of counsel appointed pursuant to subsection 5 and may order by whom and in what amount or proportion they be paid.

I want to add, "but may not require an interested party" (and I may have a problem now because "interested party" may not be the right term) "to pay the costs of counsel appointed by the commission without the prior approval of the interested party." Perhaps I need a word like "intervener." All I am saying is that I don't (and this may be a picky point) think the commission should have power to appoint counsel for the consumers' association that they didn't have, then order the consumers' association to pay for it. This is quite possible there.

HON. MR. LANE: — The only reason for the approval of the Attorney General was to put in a restraint so that it is not an everyday occurrence. That would still be a concern of ours. We can accept the other amendment, subsection, if we can agree with that. We'll get something written out to take that into account.

HON. MR. BLAKENEY: — Could we stand this one?

HON. MR. LANE: — Certainly.

MR. KOSKIE: — One further question for the minister. We indicated some concern with respect to in camera hearings, and the limitation on it. The act does spell out the right to have in camera hearings. In section 30(2) you go beyond what is spelled out in the act and also include that "in camera" can be designated by regulations. Do you think that beyond the powers which are spelled out in the act you still need further powers within the regulations to have further in camera hearings?

HON. MR. LANE: — The only answer we have is that, as the commission develops and its procedures are developed, there may be at some time a class that continuously or regularly is before it. It may want to be codified in regulations. That's the only reason for it.

Clause 30 stood.

Clauses 31 to 35 inclusive agreed to.

Clause 36

MR. KOSKIE: — I just want to make a comment in respect to subsection 2. It says, "No prosecution may be instituted pursuant to this section without the consent of the Attorney General." I would like the comments of the Attorney General in respect to why this was deemed necessary.

HON. MR. LANE: — Well, I suppose at some point we want to be assured, primarily officials within the department, that the prosecution has a chance of success. That's the only reason for it. I think that is not uncommon.

Clause 36 agreed to.

Clauses 37 to 42 inclusive agreed to.

HON. MR. LANE: — I gather when we went through section 31 . . . We just wanted to make sure that the reference "on a retail basis; on a wholesale basis; on a bulk sales basis" is struck out. I think it's acceptable to all members.

Clause 27 (continued)

HON. MR. LANE: — The amendment just rewrites the line 5 taking out the words "or person." I move the amendment.

Amendment agreed to.

Clause 27 as amended agreed.

Clause 30 (continued)

HON. MR. LANE: — Mr. Chairman, could I read the proposed amendment to the Assembly. We don't have an extra copy — I will take it through. But it pertains to clause 30(6). Basically, after the word "paid":

but may not require a member of the class referred to in subsection 5 to pay

the costs of counsel appointed by the commission without the prior consent of that member.

Is that acceptable? I so move the amendment.

Amendment agreed to.

HON. MR. LANE: — I wasn't clear. Did the hon. member withdraw his proposed amendment?

HON. MR. BLAKENEY: — Yes.

HON. MR. LANE: — Okay. Thank you.

Clause 30 as amended agreed to.

Clause 43 agreed to.

The committee agreed to report the bill as amended.

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

Clause 1

MR. SHILLINGTON: — Sorry, may I just ask . . . Maybe we can speed this process up a bit.

Am I correct in my assumption that all of these amendments simply say something to the effect that this act is subject to The Public Utilities Review Commission Act? In each case, is that what it is saying?

HON. MR. LANE: — That's correct.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the bill.

THIRD READINGS

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

HON. MR. LANE: — Mr. Speaker, I move that the amendments to be now read a first and second time.

Motion agreed to.

HON. MR. LANE: — By leave, I move this bill be now read a third time.

Motion agreed to and bill read a third time.

**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, by leave now, I'm going to move this bill be now read third time.

Before speaking on third reading of this bill, following a long established practice of the Assembly, and before an expected adjournment, I have a few comments about the legislative session.

Mr. Speaker, today was a significant milestone in the history of the province of Saskatchewan. For the first time, Saskatchewan has established a public utilities review commission.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — That obviously was not the first of several major initiatives of the new Conservative government that have come to the fore and have become public in this session. Mr. Speaker, today, Saskatchewan is the first province, the first jurisdiction in North America, to have 13.25 per cent mortgages for its citizens.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — Saskatchewan has the lowest gas prices in Canada today, because of the actions of the new Conservative government in removing the road tax on gasoline.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — That alone, Mr. Speaker, by our estimates, has created 500 new jobs. We believe the 13.25 per cent mortgage proposal will create an additional 4,000 housing starts over the program proposed by the former government. This is another significant initiative in creating jobs for the people of Saskatchewan.

Mr. Speaker, there has been some criticism of our mortgage program. We know the members opposite did not want the 13.25 per cent mortgage. They made it clear several different times during this debate. It supposedly helps the rich. Mr. Speaker, by the third year in operation, as mortgage renewals come forward, at least 155,000 Saskatchewan families will be taking advantage of the 13.25 per cent mortgage program.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — Mr. Speaker, they are average citizens of this great province who are struggling in the fight against inflation. This government is honoring its commitments to help the average citizen of Saskatchewan fight inflation. That was our objective. That was our commitment. That is a commitment that we will continue to honor with a great deal of pride.

Mr. Speaker, there were other significant initiatives. Amendments were made to property improvement grants, for more money for renters and seniors. New policies were initiated with regard to adoption. A new policy was announced with regard to civil service pensioners and their spouses. A renegotiated Nipawin power project was announced.

Mr. Speaker, all of these bills and proposals, of course, fit right into the context and the direction as established by Bill No. 18 — An Act respecting the Consequential Amendments resulting from the enactment of The Public Utilities Review Commission Act. The bill is evidence of the direction of this government. We were accused of paralysis by analysis. In fact, Mr. Speaker, what we have seen over and over again is analysis and action from this new government.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — We will continue to analyse, and we will continue to act action.

Mr. Speaker, we have analysed other matters. We have made changes to SHC (Saskatchewan Housing Corporation) so that more Saskatchewan forest products are used. DNS (Department of Northern Saskatchewan) will be changed to reflect the maturity of northern Saskatchewan and our belief that the people of northern Saskatchewan should be and can be treated equally.

MR. SPEAKER: — Order! It's a little hard to relate some of the remarks of the hon. minister to the bill that is before the House, and I would ask him to stay on the subject of the bill.

HON. MR. LANE: — Mr. Speaker, I accept your ruling. I thought the issue of the end of paternalism in northern Saskatchewan was endemic to the approach taken by this government — an approach reflected in Bill No. 17, An Act to establish a Public Utilities Review Commission.

Mr. Speaker, as I said, the act and the public utilities review commission under debate is an example, and one of many, of some very significant changes that have been brought about by this new government in only two short months.

Mr. Speaker, never before in the history of this province has so much been done in so short a time to help the people of this province.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — More help has been given to the people of Saskatchewan in the last two months than in the previous 11 years of the administration opposite. Mr. Speaker, the public utilities review commission act, is just one example of many. The public utilities review commission is the first for Saskatchewan, and, much to my regret and that of the members on this side of the Assembly, it's the last public utilities review commission to be established in North America. It's not an enviable record for the people of Saskatchewan. Mr. Speaker, it is a problem that has been rectified by this new government. We now have a new public utilities review commission which we believe, Mr. Speaker, will in fact restore the confidence of the people of Saskatchewan in the

rates proposed by the crown corporations.

As well, it is another example, as is the recent announcement of public hearings on freedom of information, of open government for the people of this province, Mr. Speaker, — another commitment made by the Progressive Conservative Party of Saskatchewan, and Grant Devine, and another commitment kept, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

HON. MR. LANE: — It's just the beginning, and this bill is just the beginning. We will be bringing proposals before the people of Saskatchewan and this Assembly in the future to further emphasize our commitment to open government. We will, as well, be bringing proposals before this Assembly to further help the people of Saskatchewan in that fight against inflation. We believe — and let there be no mistake about it — that the financial problems of Canada are caused by the Government of Canada and its allies, the New Democratic Party, but we believe as well, Mr. Speaker, that there are powers within the Government of Saskatchewan, such as the public utilities review commission, and actions which can be taken by the Government of Saskatchewan to help the people of Saskatchewan.

As I say, it's a start. I suggest to all hon. members that it's a tremendous start to a long, fruitful relationship between the people of Saskatchewan and the new Progressive Conservative Government of Saskatchewan. The very major proposals we have already implemented — I know that the people of Saskatchewan are going to support not only the public utilities commission, but every other significant piece of legislation and policy proposal taken by this new government.

Mr. Speaker, I move third reading of the consequential amendments to The Public Utilities Review Commission Act.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, I would like to add a few comments on this important bill. I know that the public will be overjoyed to hear that clause 34(2) of The Rural Electrification Act has been repealed, and I know that it will be very pleased that the government opposite has found time to deal with these provisions of The Rural Electrification Act, and all the other important changes in the law made by this Bill.

However, I think they will be disappointed that the government opposite, while finding time to deal with this public utilities review commission consequential amendments act, did not find any time to review hospital projects to the extent that it would be able to say yes to a single hospital since it took office. They did not find time, while they were dealing with provisions of clause 3 of The Rural Electrification Act, to deal with any of the issues about nursing homes in their first two months of office. All of these projects are stalled. They are indeed suffering from a paralysis by analysis, and I think we will have to call it consequential analysis in order to bring it into order, Mr. Speaker.

Mr. Speaker, all the while that they were dealing with this act which is before us, and were spending their time in caucus reviewing its provisions, they were not dealing with letting tenders for the Department of Highways. So far as I can find, there is less than \$10 million in tenders let by this government for the construction program this year, and, as a result, we are going to have a much smaller highway construction program.

Let me also tell you about some of the consequential results of their dealing with some of this legislation, and not dealing with any construction projects for courthouses, for the rehabilitation centre . . .

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Order, order! I think when the hon. member isn't even taking himself seriously, the rest of us are also having trouble. If you are going to make remarks, will you make them on the bill, please.

HON. MR. BLAKENEY: — Mr. Speaker, I will certainly make them on the bill, but I know that you would not want to deprive me of the opportunity to reply to the remarks, all in order, made on the bill by the member for Qu'Appelle Lumsden.

I simply want to point out that consequential to many of the activities being embarked upon by the government are some very deleterious consequences for so many people in Saskatchewan. There are, in fact, some thousands of people who, because of the activities of this government in dealing with these sorts of things, and because of the inactivity of this government in dealing with other sorts of things, are not working and are out of jobs.

There were 9,000 more people unemployed in Saskatchewan in June 1982, than there were in June, 1981. I think we are going to see, because of their interests in utilities with respect to rates, and their lack of interest in utilities with respect to service, a curtailment of the fibre optics program, and more people laid off at Northern Telecommunications. I'm sure that those people will be glad to know that, pursuant to this legislation, and the bill which preceded it, their telephone rates will be controlled. They would also be a great deal happier to know that Sask Tel was carrying on programs of bringing service to people, and providing jobs for them in Sask Tel, but more particularly in Northern Telecom. And that will not be done because we are spending our time dealing with telephone rates instead of dealing with vital issues of telephones.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — We are spending our time in dealing with power and gas rates and consequential amendments relating thereto and not any time on taking natural gas to smaller centres in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — And I think, therefore, that when people assess the merits of having their telephone rates, which are about the lowest in North America, subject to another tier of democracy and bureaucracy pursuant to these two pieces of legislation, they will think, "Well perhaps it's all right, but I would much sooner have a higher rate of service. I would much sooner have jobs for my son and daughter." These are the things which have been denied. No one denies that the government has taken action (and some of it valuable action), action which we agreed with. What we are saying is that while it was dealing with the consequential amendments dealt with in Bill 18, it was failing to deal with many of the most vital issues facing the people of Saskatchewan.

I think that when the unemployment returns come forward for the month of July, we will find that once again we have, indeed, dealt with consequential amendments to inconsequential matters and we have failed to deal with the most vital issues facing the

people of Saskatchewan, and that now is jobs and economic activity, an area which has been conspicuously and singularly avoided by this government in its first term of office.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Notwithstanding those shortcomings, Mr. Speaker, I still intend to support this bill in third reading.

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

YEAS — 39

Devine	Taylor	Andrew
Lane	Pickering	Hardy
McLeod	McLaren	Garner
Martens	Currie	Duncan
Smith (Swift Current)	Boutin	Hampton
Weiman	Bacon	Tusa
Hodgins	Sveinson	Sauder
Glauser	Schmidt	Parker
Smith (Moose Jaw South)	Klein	Rybchuk
Caswell	Young	Gerich
Domotor	Maxwell	Embury
Dirks	Hepworth	Myers
Zazelenchuk	Johnson	Baker

NAYS — 0

STATEMENT BY SPEAKER

MR. SPEAKER: — There was a point of privilege raised yesterday in the Assembly. I am prepared to bring in a ruling now, if it is the pleasure of the Assembly. I realize the time. What is the pleasure of the Assembly?

A point of privilege was raised yesterday by the hon. member for Saskatoon Riversdale, that a representative of a Saskatoon law firm was in contempt of the Legislative Assembly for his actions in posing as an official or an employee of this House, and thereby interfering with the member in the conduct of her duties, and interfering with the proper access that the Legislative Assembly office ought to have to the members of the Legislative Assembly.

I am satisfied that the member raised the matter at the earliest opportunity, which she is required to do, see Erskine May's *Parliamentary Practice*, 19th Edition, page 347.

Yesterday I deferred my ruling. Today the member for Saskatoon Riversdale tabled the note which the member received in this Chamber, and which was referred to yesterday. Upon examining the facts of the case, I find that it is possible to rule on the matter now

without any further deferral.

Parliamentary privilege can be defined as:

the sum of the peculiar rights enjoyed by each House collectively . . . and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. (From Erskine May's *Parliamentary Practice*, 19th Edition, page 67.)

Specific privileges of parliament have been established over the centuries, including freedom of speech, freedom from arrest and molestation, right of access to the Crown, and the right to punish breaches of privilege.

Parliament has also claimed the right to punish actions which, while not breaches, are offences against the authority and dignity of parliament and are more properly called "contempts."

Contempt can be defined as:

any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence. (From Erskine May's *Parliamentary Practice*, 19th Edition, page 136.)

And further, Erskine May states, page 155:

Houses will treat as breaches of their privileges, not only acts directly tending to obstruct their officers in the execution of their duty, but also any conduct which may tend to deter them from doing their duty in the future.

The information place before me indicates that an individual misrepresented himself as a representative of the Legislative Assembly office. It is up to the Assembly to decide whether this misrepresentation could interfere with the members and House officers in the performance of their duties, and, therefore, constitute a contempt of this House. I find that privilege appears to be sufficiently involved to warrant the immediate consideration of this matter, and rule that a prima facie case of privilege has been established.

MS. ZAZELENCHUK: — Mr. Speaker, I would like to make a motion today and add a few comments to what I said in the House yesterday. Before entering the Assembly I did not need any of my colleagues to point out to me in their maiden speeches just how irresponsible and disrespectful the NDP can be. I've had my own experiences with them. Upon entering this Assembly, I was hit hard with the awesome responsibility now before me and the importance of the Legislative Assembly, and I would think that every elected member and anyone directly involved in government should feel that way.

So, I think it is a serious contempt of this Assembly that a former deputy minister of labor and, I believe, a gentleman who held other senior portfolios with the former government would deliver a note to me in the House that read, "Could you step out to the corridor outside of the House for a message? Thank you. Legislative Assembly

Office." The note should have read: "Could you step out to the corridor outside of the House for the issuance of a writ?" And to be really truthful, "Looking forward to giving it to you, Don McMillan."

This instance doesn't make it hard to imagine how Roy Romanow, the former member for Saskatoon Riversdale, could say well before an election was under way that he thought in his opinion it would be a tough and dirty campaign. Perhaps the petition will result in a controverted election in Riversdale, and so we'll have a good contest. But I'd like to urge it to be respectable.

Mr. Speaker, I'd like to move, seconded by the Hon. Minister of Finance:

That this Assembly deems the representative of the firm of Mitchell, Taylor, and Ching, barristers and solicitors, to be guilty of a grave contempt of this Assembly in representing himself as an employee of the Legislative Assembly office.

HON. MR. ANDREW: — Mr. Speaker, I would like to make a very brief comment with regard to this particular motion. I think it would be important and incumbent upon all of us as members of the Assembly to look at this question not so much as to who did it — who the personality was — but as to what in fact happened. I think that is the key point. With regard to the names, I would think that we should tend to play those down, Mr. Speaker, and see what has in fact happened.

I think the type of action that is being done is not peculiar to the Legislative Assembly. It's been done by process servers in other areas, and I don't think we can accept that. But as members of the Legislative Assembly we should not accept someone passing himself off as a member of our employees, and that's who the clerks are. The members of the Assembly office are the employees of the legislature and that is fundamental. And it is so fundamental that no one in fact ever tries to pass himself off.

I suggest that a reprimand is in order. I think that will do the job and do the function. I think it is the principle involved, and perhaps it is a small principle that many people won't realize and understand, but it's a principle that members who have the privilege, quite frankly, of sitting in this Assembly should not look at unfairly.

HON. MR. BLAKENEY: — Mr. Speaker, we have dealt with a number of items of privilege, a couple in this session. Our side of the House, our corner of the House, has attempted to put them forward as appropriate questions of privilege, dealing with the traditions, customs and prerogatives of this House.

We have here, today, a motion, but more particularly a speech in support of that motion, which makes clear that we are engaged in quite another operation. We have (as I think was clear from the remarks of the member who moved the motion) an attempt to deal with, in a less than flattering way, the name and reputation of a former member of this House, the former attorney general and former deputy premier, who is in no way involved. This is just exactly what I am saying. This, as the titters from members opposite made clear, has nothing to do with the privileges of this House, but is an attempt to deal with the former member for Saskatoon Riversdale, the former attorney general, who doesn't need any defence from me, but is going to get one in any case.

If there was, in fact, impropriety on the part of a law firm, a representative of a law firm, then we should deal with it on that basis. But it is not dealt with on that basis. It is dealt

with on the basis that the person from the law firm was serving a controvert petition on behalf of a petitioner, and neither the law firm, nor the person who is involved, nor the petitioner was the former attorney general. No one is suggesting that. No one is suggesting that the former attorney general was, in any way, involved in this, save only that he was a candidate in that particular constituency in the last election. None the less, his name is brought in it.

The particular prior employment of the person who is alleged to have committed this offence, whether or not he worked for the prior government, may be of interest. But I would not have thought it was relevant to a motion dealing with the privileges of this House. I regrettably reach the conclusion that the motion while certainly directed, undoubtedly, to protecting the traditions of this House is more clearly put forward, at least by some of its proponents, for its potential value in future electoral activities, if any. I find that, while not in a technical sense a contempt of the House, an inexcusable approach. It is inexcusable to say, "I stand here to protect my rights as a member and the rights and traditions of this House," and then proceed in a way which makes clear that the objective is not to deal with the rights and privileges of this House, but to carry on an electoral battle which was carried on previously and perhaps will be carried on again. I find that a most unfortunate manner in which to frame the motion which we are dealing with.

I wish that I felt that the consideration uppermost in the minds of the persons propounding this motion was in fact the duties of the member and the traditions of this House. I would have been prepared to believe that, I think, until I heard the remarks this morning. I don't think anyone could hear the remarks and reach any other conclusion than that there were other objectives in mind. I will leave that subject and move on.

There is, throughout, an assumption that the facts are as assumed when the conclusion is arrived at, there is throughout an assumption that this particular note was in fact sent into the Legislative Assembly by the person whose name was given by the hon. member for Saskatoon Riversdale.

I don't know whether that's accurate. I have no reason to doubt its accuracy, but I find myself in some considerable difficulty being asked, in effect, to judge that Mr. X has committed a grave — I believe the words of the motion — grave contempt of this House without having any opportunity to know whether Mr. X has anything to say on his behalf. I'm not in any way denigrating this, but I have only the conclusion arrived at by the hon. member that the note that she received was in fact directed to her by Mr. X.

There are obviously two or three other factual explanations which might explain this. I am not asserting any of them to be accurate. I am saying that the House should consider with a little care whether or not it decides that Mr. X is in contempt of the House, on the factual basis we now have. We do not have before us a motion which is fairly standard in these sorts of circumstances, asking that the matter be referred to the committee on privileges and elections, because that, of course, is the committee which can hear evidence, and people can make their reply.

I am not necessarily suggesting that, except I find it a little curious that that course of action was not taken. I am not urging it because in all likelihood we will not be here for very long today, and it may in fact make it difficult for the House to dispose of this matter.

I am making those two points, and I make the first with great regret. The motion appears to me to have motives other than the protection of the House, at least in the minds of some of the proponents of the motion, and I regret the use of the proceedings of this House for that purpose. Secondly, I am concerned about the form of the motion, which in effect calls upon the House to condemn Mr. X for alleged improprieties without us having a complete factual basis. It is calling upon us to make the assumption that the note received by the hon. member — and I don't for one moment doubt that the hon. member received this note — was in fact prepared, handed in, and delivered to her by and at the request of Mr. X.

For those reasons I find myself unable to support the motion, and I would frankly ask hon. members to question the propriety of voting on the motion at this time.

HON. MR. LANE: — Mr. Speaker, I have a comment or two. As the Leader of the Opposition has indicated, the member for Saskatoon Riversdale received a note purporting to be from someone who was an employee of the Legislative Assembly. I frankly find the fact that anybody, no matter who it was, would undertake or presume to use that type of ruse or fraud to entice a member of the Assembly out, very disconcerting. I find it highly dangerous that anyone would be in a position where an attitude could develop that this is service in the ordinary course of process.

I believe though, Mr. Speaker, that an adoption of the motion would make it clear to anyone that this is a practice not to be condoned, but to be condemned. I suggest that we have, not only an obligation, but a duty to support this motion. The motion does not indicate any penalty, but it does condemn and hold in contempt that type of activity. If we fail to support the motion, and I suggest we support it unanimously, we are then making it permissible for people, in a partisan way or otherwise, in the future to use ruses to get members of the Assembly out of the Chamber, and perhaps other activities, and we would be condoning such action.

As I mentioned, the motion doesn't give a penalty, but I think it is incumbent upon all members to make a clear statement that this Assembly does not support that type of action. It condemns that type of action and does not want to see that action happen again by anyone to any member of this Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Thank you, Mr. Speaker. I wish that the motion did, in fact, say what the Attorney General just finished saying: that it is condemning a practice. I don't suppose any of us appreciate being impersonated for any reason, whether the episode be trivial or catastrophic. I don't suppose the officials of the Legislative Assembly office want to be impersonated or have their name or their office used without their permission.

That, in fact, is not what the motion does. It doesn't condemn a practice which I think would be extremely hard to defend. Regrettably, the member for Saskatoon Riversdale took the matter even beyond the scope of her resolution to condemn an individual who has not had a chance to offer an explanation — and we all know that these things can appear to be something they are not. Just as a matter of human decency, we should not be condemning an individual without giving him a chance to be heard. Surely that is the minimum that anyone is entitled to.

This went beyond that and condemned someone who is a former member of the House.

There is no evidence of his involvement and no credible scenario that he might have been personally involved.

Regrettably, what should have been a fairly routine matter is going to get out of hand by virtue of the fashion in which it has been moved. And, I say, by virtue of the fashion in which the thing was attempted to be used.

The privileges of this House are important. They are vital to the continuation of this body as an effective democratic Chamber. And the House ought to guard against abuse of privilege, but it also ought to guard against abuse of the procedure of privilege to accomplish an ulterior motive — an attempt, if I may so, to fire the opening salvo in a battle that the member sees coming.

I would suggest that to get this discussion back on course, we should eliminate from the discussion any suggestion of any individual involvement, since that is condemning someone without giving him a chance to be heard. We should be talking about the procedures and privileges of the House and not about individuals who may or may not appear to have the same self-interest as we do. I think that's probably not going too far.

I say to the House that if we, in condemning a breach of privilege, condone an abusive process, then we have not accomplished a great deal. I am afraid that the manner in which this has been put forward has, while condemning the breach of privilege, condoned an abusive process. The privilege was never meant to be a means of fighting an election or a by-election. It was intended to preserve the dignity of the House. You cheapen it and you cheapen this House when you use the process of privilege in the fashion in which it has been used.

MR. KOSKIE: — Mr. Speaker, following my remarks I will be proposing an amendment to the motion. Much of what I was going to say has already been said. Certainly, as I have indicated, we need to protect the integrity of this House and its members. That, I think, we can agree upon. I also think that in protecting the integrity of the House and its members there is for ourselves, as members, a breach of privilege or a contempt.

We have an established method of handing this type of situation. Certainly, when there is a *prima facie* case of a breach of privilege, we have said, "Fair enough." Then it is up to the House to determine it.

I don't think that normally an opportunity is always given for the individual who is charged to be heard. I think what is missing, certainly in the resolution, is the omission of that consideration. I think that for an offence to have been committed, we normally think that associated with it is an intention. Was there an intention to misrepresent? We don't know that. Was there a *mens rea*, normally what we talk about in a court of justice?

I want to say that we seem here to hastily jump to a conclusion vis-a-vis the motion. While handling similar breaches of privileges with respect to the members, we move quite cautiously, allowing either an apology or a hearing before the elections and privileges committee. It is not very befitting for this House to use one standard with respect to the discipline of breaches of privileges by members of this House, and then, with respect to a citizen of Saskatchewan, to say we will not provide the same rights as we would for our own members.

If it was a member of this Legislative Assembly (and we have had some experience at that), we would look at the basis on which to determine whether or not it should be proceeded with, and we have the mechanics for that. Here, obviously, with a citizen of Saskatchewan, we are not prepared to look at the same procedures and the same protection.

I just want to say, Mr. Speaker, as has been said, that I was most hurt to be a member of this Legislative Assembly dealing with a matter of concern and having it presented to this House in the manner that it was presented. I think it cast a shadow over the sincerity, and the real reason for the submission of the resolution.

As has been said, nowhere could it be possible for the member to infer the involvement of the former attorney general, Roy Romanow. Yet, that was brought in. Why was there the need to bring forward the name and position of the individual who served? I want to say that I do treat this House with a lot of respect. I hope all hon. members, similarly, are indeed protecting the integrity of this House and not advancing some other ulterior motive.

In concluding, I want to move an amendment that would delete the words after "deems" and substitute the following:

the person who delivered a note to the hon. member for Saskatoon Riversdale under the name of the Legislative Assembly office be guilty of a grave contempt of this Assembly in representing himself as an employee of the Legislative Assembly office.

I so move that.

HON. MR. ANDREW: — Speaking to the amendment, Mr. Speaker, I would encourage all members of the Assembly to support the motion as amended. I think its the proper way to go.

Motion as amended agreed to.

MR. SPEAKER: — I would like to inform the Assembly that His Honor the Chief Justice is here.

ROYAL ASSENT TO BILLS

At 1:37 p.m. His Honor the Administrator entered the Chamber, took his seat upon the throne and gave royal assent to the following bills:

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

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

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

His Honor retired from the Chamber at 1:39 p.m.

HON. MR. ANDREW: — Mr. Speaker, I move, seconded by the Attorney General, by leave of the Assembly:

That when this Assembly adjourns at the end of this sitting day, it shall stand adjourned to a date set by Mr. Speaker, upon the request of the government, and that Mr. Speaker shall give each member seven clear days notice, if possible, by wire and registered mail, of such date.

Motion agreed to.

HON. MR. ANDREW: — Mr. Speaker, each of the four years that I have been in this Assembly, when the House adjourned it was always at the members' going home for Christmas, and everyone always wished everyone else a Merry Christmas. Perhaps this year we're not going home for Christmas, but maybe we are going out to one of the nice, fine lakes in the province of Saskatchewan. I would wish all members of the House well, and I hope that everyone has a fine summer.

That's prior to moving that motion, Mr. Speaker.

HON. MR. BLAKENEY: — Prior to concurring with the hon. member's motion, I join with the Acting House Leader in expressing the wish that all of us enjoy the summer, refresh ourselves to come back on a later occasion, and have even more vigorous debate on the public issues.

HON. MR. DEVINE: — Mr. Speaker, before the minister makes the motion, I would just like to say to all members of the Assembly, in every corner of the Assembly — government and opposition — that I appreciate the good debate and the spirit of debate that has taken place in this Assembly. We're finally in a position now to know who's who, after on occasion calling members opposite "ministers" and ministers opposite "members opposite" and calling some ministers the wrong kind of minister. We have been a little rough around the edges, but it has been a healthy debate, and I just want to join with other members here in saying that I hope everybody has an enjoyable summer, and we look forward to the session in the fall.

HON. MR. ANDREW: — Mr. Speaker, I move this House do now adjourn.

Motion agreed to.

HON. MEMBERS: Hear, hear!

The House adjourned at 1:42 p.m.