

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 18, 1983

The Assembly met at 2 p.m.
Prayers

ROUTINE PROCEEDINGS

PETITION

Closure of Swift Current Offices

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. I rise under the provisions of rule 11 to present to this Assembly a petition on behalf of a large number of concerned citizens in Saskatchewan. The petition is duly signed by myself and 3,800 other people, fully 21 per cent of the people of Swift Current. We are protesting the closure of the offices in their community, and I present this petition.

REPORT OF COMMITTEE

Standing Committee on Public Accounts

Bill No. 48 — An Act respecting The Provincial Auditor

MR. GLAUSER: — Thank you, Mr. Speaker. As vice-chairman of the standing committee on public accounts, I present the third report of the committee which is as follows:

I am instructed by the committee to report Bill No. 48, An Act respecting The Provincial Auditor, without amendment.

MR. SPEAKER: — When shall this bill be considered in committee?

HON. MR. ANDREW: — Mr. Speaker, by leave of the Assembly, I move that consideration of the said bill in committee of the whole be waived.

Motion agreed to.

HON. MR. ANDREW: — Mr. Speaker, I move that Bill 48, An Act respecting The Provincial Auditor, be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

NOTICE OF MOTION

MR. SHILLINGTON: — Mr. Speaker, I give notice that I shall on Friday next, move:

That this Assembly heed the petition respectfully submitted by more than 3,500 petitioners, gravely concerned by the government allowing SGI to contract out the work of SGI motor vehicle division offices in Swift Current, North Battleford, Estevan, and Weyburn; and that this Assembly urge the government to reverse permanently the decision to close the motor vehicle division offices in those four cities.

WELCOME TO STUDENTS

MR. WEIMAN: — Mr. Speaker, it's again with a great deal of pride that I rise in the House today, Mr. Speaker, to introduce to you and to my fellow colleagues in the Assembly, 45 grade 8 students from Bishop Klein School in my constituency. And I'd like to point out, Mr. Speaker, that it is only the hon. member from Meadow Lake's humility that prevents him from bragging; however, he was wanted many times to express the keen interest his constituency has in its young people in the legislature when he outlines that his students come a distance of 400 miles. With that in mind, I would like to point out with equal humility as the member for Meadow Lake, that this marks the 1,500th mile and the keen interest shown by my students in the constituency of Fairview. A little point of clarification if I may. I don't know whether the general public is aware of the memos that we receive, but there is a clarification I would like the three accompanying teachers to take back to the city of Saskatoon with them, when they discuss this with their director of education in the Catholic school system.

When I was teaching there the principal used to be called the principal, and the vice-principal used to be called the vice-principal, and I noticed in my memo that the three accompanying teachers are Mr. Dick Neiman, (the director); Ray Weinkauff (the president); and Mr. Mitchell, the teacher. And just for clarification, take that back with you to Saskatoon. I'm sure that my colleagues will all join in with me in wishing them a good journey here, an informative session. I will be meeting with you at 2:30 after question period for pictures and refreshments. And I ask that you all join in greeting with me.

HON. MEMBERS: — Hear, hear!

HON. MR. ROUSSEAU: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and to the members of the Assembly, some 24 grade 8 students from the Birchwood School in Regina. They are accompanied by their teachers, Mrs. Branham and Mrs. Gabriel, and they're sitting in the Speaker's gallery. My colleague indicated a minute ago that he's meeting with them for pictures at 2:30, and it says here that I'm meeting with them at 2:30, so I don't know who's going to get to the stairs first to get their pictures taken. But I'll see them about that time in the lobby for those pictures, and then later on for some drinks. And I'd ask the members to join with me in extending a warm welcome to the students of the Birchwood School.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Char Inc.

HON. MR. ROUSSEAU: — Thank you, Mr. Speaker. It's in reply to a question that was asked of me yesterday by the Leader of the Opposition, and I would like to provide the answer to the question to do with Char Inc. from Estevan. I'll also, with your indulgence, Mr. Speaker, indicate the services that were offered to Char Inc. as part of the question that was asked.

First of all, the principal services that were offered by industry and commerce were to locate suitable available buildings in Estevan at the client's request. Two, we compiled import statistics on lump charcoal, wood char, lignite char, coke briquettes, etc. This

information was utilized in Char Inc.'s DREE (Department of Regional Economic Expansion) and Sedco (Saskatchewan Economic Development Corporation) applications to augment the company's own market information. Three, expedited DREE at the ministerial level, causing DREE to come to a decision on the project. Four, we assisted the client in obtaining various permits and approvals for the project. Five, we made the company aware it would qualify for Aid to Trade assistance, which it has followed up on.

And on the selected site, Mr. Speaker, the building acquired by the client is owned by George Hill, an Estevan lawyer. The building is adjacent to a rail spur and had been vacant for some time.

Now, the basis of the site selection, Mr. Speaker, the project, I may say, will obtain its principal raw material, lignite char, from M&S mines at Bienfait. In fact, Char Inc. will operate some material handling and crushing equipment on M&S's site. It was Char Inc.'s preference to locate the entire process on M&S's property in leased space, but this could not be arranged. Accordingly, the client asked industry and commerce to locate suitable buildings in or around Estevan. A search identified only three buildings which were considered suitable, and only Hill's building had a rail spur. Information on all buildings and photographs were sent to the client. The client carried out his own negotiations on terms. One building of interest situated at the airport is not connected to natural gas and would have required a propane as process fuel, which was a disadvantage.

Although the rail spur was an important factor, it is understood favourable lease rates, an option to purchase and an option to purchase adjacent property were in fact the deciding factors.

Closure of SGI Offices

MR. SHILLINGTON: — Thank you, Mr. Speaker. I welcome the mood of the minister, a change, apparently now willing to provide information. And I welcome that apparent change of heart, Mr. Minister.

My question has to do with the petition just presented on behalf of citizens to the minister responsible for SGI. Through this petition nearly 4,000 people have voiced their opposition to your plans to privatize part of SGI. My question to the minister is this: are you able to produce for this Assembly a single shred of evidence that these closures will save Saskatchewan taxpayers any money in the long run?

HON. MR. ROUSSEAU: — Well, Mr. Speaker, we have already, in fact, indicated that earlier when I was questioned on the subject some time ago. However, I'm surprised that the hon. member would bring up a question today on the issue. As he knows, it is before the courts, and I have no intention of discussing matters that are before the courts.

MR. SHILLINGTON: — New question, Mr. Speaker. The minister desperately grabbed for the Canadian version of the fifth amendment. Let me, Mr. Minister, ask you then about . . . Not about the decision of the board of arbitration, but about the proceedings. Is it a fact, Mr. Minister, that no cost-benefit analysis of these closures was done? And none was provided at the arbitration?

HON. MR. ROUSSEAU: — No. That is not true, Mr. Speaker. I don't know what was

provided to the arbitration, but I do know that cost factors were certainly submitted to me and to the board of directors, and were discussed and were researched by the management of SGI. And as I said earlier, I indicated this to this Assembly some time ago, what the cost savings would be. And I don't have the information with me today. However, I'd be happy to take notice and come back with the same information that I provided some time ago to the hon. member, based on the savings and the cost, and the comparison of the cost between doing it through the government and doing it through the private sector.

MR. SHILLINGTON: — New question, Mr. Speaker. In replying the, I'd ask you to address yourself directly to the Swift Current licence office, which is just by way of example. More than 3,100 people in that city signed the petition. Last year that office had two full-time and three part-time employees. Last year, according to my information, you paid out about 65,000 in salaries to these people. Are you telling me that your cost-benefit analysis indicated that commissions to private agents to handle the same work would add up to less than \$65,000?

HON. MR. ROUSSEAU: — Well, I just a minute ago indicated to the hon. member that I don't have the information with me. That's a fairly old story. It's one that's been around for some time, as you well know. So I don't carry this around day after day after day all year round. Perhaps I might say this to the hon. member, Mr. Speaker, that had it not been for some of the stupidity of the previous administration in the costs and the losses that were incurred as a result of some of the stupid moves by them, for example, on the reinsurance, maybe we wouldn't have taken some of the difficult decisions and actions that we had to take to tighten up the belts that we indicated we were going to do, and in fact are doing. And so, you know, for me to remember the information that the member is asking for is a little difficult, but as I said, I'd take notice and come back with the same information I provided him before.

MR. SHILLINGTON: — Mr. Speaker, the opposition has noticed how little that minister carries around with him; we've come to expect not much. In responding, Mr. Minister, would you address yourself to the SGI building in particular? I point out that the Swift Current motor licence office is part of the SGI claims centre in that city, and it has been heretofore assumed that you intended to keep the claims centre open. So, how can you claim a great saving on the building when the claims centre is still there?

HON. MR. ROUSSEAU: — Yeah, speaking of carrying very little on one's mind, it takes four answers to the same question and the same answer — he still doesn't understand it, Mr. Speaker. I've indicated to him that when he talks about the office of the issuer being in the same building, well, I can point out to the hon. member that the office of the issuer is in the same building as the SGI in Weyburn as well. And maybe you're not aware of that, and perhaps it's the same — I'm not too sure about Estevan, and I'm not too sure about North Battleford — but the costing was done. I've told him now four times that I don't have the information with me today. I've told him four times that I will take notice, and I will come back with the same information he already has that I provided some time ago. And if he wants to continue coming back with the same question again, I'll come back up and give him the same answer again.

MR. SHILLINGTON: — Let me ask you then about a different part of SGI operations, Mr. Speaker. Will the minister confirm that in March senior management at SGI asked 13 SGI claims centres in the province to send in information on the strength and weaknesses of having SGI claims service centres in their community? And will you

undertake to report on whether or not this is part of a larger plan to close the claims service centres as well?

HON. MR. ROUSSEAU: — Well, Mr. Speaker, I'm aware that there was a study done. I'm not sure that it was 13, or could have been 20. I don't know how many that there were involved, and as far as any future plans of SGI, they'll be announced in due course, not to the question by the hon. member from across.

MR. SHILLINGTON: — Mr. Minister, I want to refer you — and yet another new question — to a comment by your general manager, and we're picking one of his endless stream of comments. One of them says:

If it seems to work well in these four cities, then we may remove licence issuing offices in other cities as well.

Is that in fact, Mr. Minister, part of the policy of the board of directors of SGI to close licence issuing offices in other cities as well?

HON. MR. ROUSSEAU: — Mr. Speaker, the terms of reference of SGI is to operate efficiently, to make it an official Crown corporation which they're not very familiar with, and this was not the way they were operating it before we came to this government. The long-range plans of SGI will be announced in this Assembly at the appropriate time, When we've made some plans. And there are many ways of issuing licences that we could look at several ways. It could be done through appointed issuers throughout the province and there are other ways. When I'm ready to indicate to you, and management and the board have made decisions as to what is going to happen, and how it's going to be done, we will be happy to advise you of that.

Dismissal of Ron Hardowa

MR. SHILLINGTON: — New question, Mr. Minister, in yet another area of your sparkling record as head of SGI. Will you confirm that on April 18th, Mr. Ron Hardowa, the director of executive development and the acting director of human resources with the corporation was dismissed? Can the minister confirm that on April 18th, Mr. Ron Hardowa, the director of executive development and the acting director of human resources with the corporation was dismissed?

HON. MR. ROUSSEAU: — Mr. Speaker, I can advise the hon. member that Mr. Hardowa is no longer employed. Now whether he was dismissed, or whether he was resigned, and what date — I don't know whether it was April the 18th, or the day after or before that, or whatever time it was. As I said, I don't know whether he was dismissed or whether he resigned. I leave those matters to the management of SGI.

This government doesn't normally interfere into those decisions, as the previous administration so willingly did when they were the government, and particularly in the appointment of some of their friends to agencies, that were so blatant in the province of Saskatchewan. As long as they could find permissible favours to hand out, that's how they did it, Mr. Speaker. I could name several of them.

MR. SHILLINGTON: — Mr. Minister, new question, Mr. Minister, I'd advise the minister not to allow him to be side-tracked into the question of patronage. This government has written the book on that. My question, Mr. Minister, is: will you confirm that the job of executive development and recruitment at SGI is now in fact handled by a management

consultancy firm, Peat Marwick, under a contract with SGI?

AN HON. MEMBER: — How would he know? He's only the general manager; he's only the chairman of the board.

HON. MR. ROUSSEAU: — No, I'm not the general manager, and that's the point, Mr. Speaker. There is a president and general manager and chief executive officer of that firm. The appointments and the hirings of people in the corporation is done by management and the president and so on and so forth. It is not done by my office, and that's the difference between how we run that company today and the way you people ran it. You decided who was going to be hired over there. You decided what political appointees you'd put in, how many executive assistants you'd have in there reporting to you if you could bury their salaries, how many appointments or favours you handed out with licences or SGI agencies. And that's the difference between what they're doing now and what they did when you were the government. I don't interfere with that. This government does not interfere with the operation of the Crown corporations. They leave that to the boards and to the management and to the chief executive officer and the president of the company — not by the minister.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — New question. The difference, Mr. Minister, is that in the former administration ministers came able and prepared to answer questions. I was not aware that Don Black had a riding, and was therefore a member of the legislature and able to answer in this parliament. My question is, and I'll send you a copy of the ad for Peat Marwick, if you want; how long is that contract for, and at what cost to the taxpayers?

HON. MR. ROUSSEAU: — Mr. Speaker, I will take notice of that question, but I want to tell the hon. member about coming prepared to answer questions. And I want to refresh him and take him back to a question period in Crown corporations in this Assembly when the minister sat right in this chair here. Seventy-six times he answered 'no comments' to questions that were asked by the opposition of the day. So don't talk to me about coming to this Assembly unprepared or prepared, when your government gave answers of 'no comment' seventy-six times in one session on one subject. So don't tell me about not being prepared.

Closure of SGI Offices

HON. MR. BLAKENEY: — A brief question to the chairman of the Saskatchewan Government Insurance Office — the SGI, the chairman of the board. This has to do with the proposals of the corporation with respect to claims service centres. He indicated earlier that the policy of the corporation would be announced in due course. The problem we have with that was that your policy of closing licence issuers was announced and implemented without anyone having any advance warning, even, if I may say so, the member for Estevan who had no advance warning. You privatized those functions without any advance warning. What I want to ask you is: do you propose to privatize adjustments? Do you propose to close the claims service centres and is your corporation considering the closing of claims service centres across this province as a matter of policy?

HON. MR. ROUSSEAU: — Mr. Speaker, the board of directors and . . . I'm sorry. The management of SGI, with the assistance from the board of directors, are conducting ongoing studies of better efficiency within the Crown corporation. I have no intention of

announcing any major changes at SGI without first consulting, particularly, the government members of this government. They will be advised as to the direction that perhaps the board of directors may, at any given time, want to take after certain studies and research. I give the hon. member my assurance that it will not be announced without thorough discussion by the members of this government — fully informed. I don't know what the basic plans are. There is a committee established to review many aspects of SGI.

You know, it's strange, Mr. Speaker, that the Leader of the Opposition would ask such a question, because it was under his administration, Mr. Speaker, that he allowed his chief executive officer of the day or the minister, and I'm not sure to this day who it was, to sign a blank cheque that has cost the taxpayers of Saskatchewan literally tens of millions of dollars because they didn't bother informing the legislature or their members or the opposition, and I doubt very much whether they even informed their board of directors. They took a unilateral decision on saying, 'We'll do business with this firm,' at the cost and the expense of tens of millions of dollars to the people of Saskatchewan.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker, to the minister in charge of the AAIA, and I note that the minister wants to talk about everything else but what's happening in the AAIA. And I ask him again: is it the policy of your government and your corporation of which you are the chairman to study the closure of claim service centres across this province?

HON. MR. ROUSSEAU: — Mr. Speaker, as I indicated to the member a few minutes ago, it is the policy of the board of directors of SGI to study the efficiency of the operation of SGI. We will continue to do that. We have been doing that and we will continue to do that until we have that . . . well, not until . . . we'll continue to do that on an ongoing basis. The efficiency of the operation of any Crown corporations will be of prime concern to this government.

HON. MR. BLAKENEY: — Mr. Chairman, a further supplementary. Then, Mr. Minister, you don't deny that you were studying the closure of claim service centres across the province.

HON. MR. ROUSSEAU: — Mr. Speaker, I indicated a minute ago, and I repeat the same . . . make the same comment again, and I want to stress that we will continue studying the efficiency of the operation of SGI no matter what area, whether it be in claims, whether it be in salvage, whether it be in issuing, whether it be in agency appointments, whether it be in advertising, or whatever it might be. The efficiency of the operation of SGI will be a major concern to this government and continue to be studying its . . .

Potash Discussions with the People's Republic of China

MR. KOSKIE: — Thank you, Mr. Speaker. I want to direct a question to the other minister, the chairman of PCS board . . . vice-chairman in the absence of the chairman, the Minister of Justice. And it has to do again once more with the government's proposals and discussions, particularly between PCS officials and a group of bankers from the People's Republic of China. And I want to ask the minister: can the minister confirm or deny that discussions with these bankers have progressed to the point where PCS has in fact presented them with a detailed proposal for investment by them in the PCS Lanigan mine?

HON. MR. LANE: — First of all, they were not bankers, and there was discussions with officials from the People's Republic of China. It being an objective of this government and the potash corporation to increase its sales of potash to the People's Republic of China, it is our view that they may well be the largest potential market for potash. We intend to pursue that market aggressively. We have already commenced pursuing that market with a very aggressive approach. We will continue that.

The discussions with the officials from the People's Republic of China are ongoing. We have made no commitments as to what investments or negotiations we're going to make with them, I'm sorry, what investments we're going to make with the People's Republic of China, but I urge the hon. member to keep in mind that it is a major market for Saskatchewan potash.

And secondly, I hope you're not asking me for details of negotiations because I remind the hon. member, I remind the hon. member that we spent six weeks in this legislature trying to get details of potash nationalization some years ago, and you never, ever, once would trust the people of Saskatchewan to give them the information on potash nationalization.

MR. KOSKIE: — As a supplemental, Mr. Speaker, I ask the minister to confirm or deny, on the public record, whether or not a detailed proposal was made from PCS to the China International Trust and Investment Corporation in Vancouver yesterday.

HON. MR. LANE: — I've indicated to you that this government is taking an aggressive position in pursuing the market in the People's Republic of China, and I suggest to you that we will do whatever is in the best interests of the people of Saskatchewan to pursue that market. As I've indicated on a couple of occasions, that is a significant market. It is a market that PCS must crack to maintain viability in the future; it is a market that we put a very high priority on, and we will be taking the appropriate actions to make sure that Saskatchewan has a fair share of that market.

MR. KOSKIE: — I notice that the minister is very evasive, but I want to indicate that my information is that a proposal has in fact been presented.

I ask the minister a new question, Mr. Speaker. As we have in the past urged you to get out of Canpotex and indeed to sell the potash from Saskatchewan, and now, clearly, because of your previous actions, the only way that you can secure markets, because of destroying Potash International and joining Canpotex, is in fact to turn over ownership to a potential large customer, the Chinese republic. I want to ask you: do you not agree that the people of Saskatchewan should in fact own this important resource and gain the maximum benefits from it? In other words, I think, Mr. Minister, that your duty is to sell potash and not potash mines.

HON. MR. LANE: — Well, that may be your opinion. I remind the hon. member that on one day he stand up and accuses us of not doing enough to sell potash and then, secondly, we get accused of not maintaining our contacts with the People's Republic of China. So we go out and maintain our contacts with the People's Republic of China; we aggressively go out to try and improve potash sales — and we've had a great deal of success. Then the hon. member stands up in public and says that he doesn't object to a financial arrangement with the People's Republic of China, providing he would like to see it first, but in principle. Well, that government was over negotiating and discussing potash and whatever with Russia, which has a great surplus of potash, when the former

premier was over in Russia. Here we are aggressively going out to sell potash, not stockpiling it during an election. We're going out to sell it. And that's our objective.

And I suggest to you that you would be far better off supporting the government in its efforts instead of trying to take both sides of the issue. One day you say it's all right to sell to mainland China, and the next day you say it's not. I wish you'd make up your mind because you're confusing each other over there and you can't quite make up your mind as to what you want done.

SOME HON. MEMBERS: — Hear, hear!

MINISTERIAL STATEMENTS

Committee to Review The Mechanics' Lien Act

MR. LANE: — Mr. Speaker, I rise today to announce the establishment of a special advisory committee designed to review The Mechanics' Lien Act and make recommendations for its improvement. The committee will be chaired by Gary Semenchuck, Q.C. The other members of the committee are Mr. Ted Zarzeczny and Mr. W. Kirk Banadyga. Both Mr. Semenchuck and Mr. Zarzeczny are Regina lawyers with considerable experience in acting as counsel for those involved in the construction matters. Mr. Banadyga, a registered Saskatchewan architect, is past president of the Saskatchewan Association of Architects. The secretary to the committee will be Mrs. Georgina Jackson, the province's master of titles.

The Government of Saskatchewan is interested in having a mechanics' lien system which strives to achieve a balance between the interests of the owner, secured parties, and the expectations of those persons providing goods, services and labour in relation to a construction project.

The major objective of the review is to ensure that the construction industry, including credit grantors, are allowed to function in the most efficient and effective manner. The present legislation has certain shortcomings, some of which have been drawn to my attention in a brief recently presented to me by the Saskatchewan Construction Association, and it is that association that has asked for a review of The Mechanics' Lien Act.

This act has not been reviewed in its entirety in some time. We expect the committee to invite interested organizations and individuals to express their views. We are particularly interested that small contractors have the opportunity to be heard.

The purpose of the legislation is to provide some protection for the payment of accounts of those persons who supply materials and services in the construction industry. The legislation provides that the contract price constitutes a trust fund and creates a lien against trust funds for work performed. It also provides for a percentage hold-back on a contract as a protective measure against the possibility of failure by the person responsible under the contract to pay his creditor, and for the registration of liens for unpaid accounts against the land involved.

Hundreds of billions of construction dollars are subjected to the procedures in The Mechanics' Lien Act every year. It is in the interest of all parties, including consumers, that the cash flow should not be unduly restricted by these procedures. In times of high interest rates, in particular, to tie up funds unnecessarily simply adds to the cost of

construction.

It is my expectation that the committee will report to me in the fall, after which the government will consider implementing the committee's recommendations. Because of the number of past studies, including the most recent very comprehensive study by the province of Ontario, it is proposed that the committee limit its sitting days to 20, which we expect will be ample to review and make sure that Saskatchewan's laws are concurrent and similar in nature to the other laws throughout the Dominion of Canada.

STATEMENT BY MR. SPEAKER
Filming of Proceedings for Department of Education

MR. SPEAKER: — Before orders of the day, I would like to advise the Assembly that I have a request from members in the Department of Education who would like to develop a film strip to be used in the school system depicting some of the operations of our Chamber. I have advised both caucuses of the request from this group. And they would like to take pictures in the Assembly tomorrow, both on the floor and from the galleries, behind the rail, not anywhere else on the floor. And they have one additional request and that is that a photographer be allowed today to take a picture during Royal Assent. Do I have agreement from the Assembly to proceed?

Agreed.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

**Bill No. 47 — An Act respecting the Administration of the Finances of Saskatchewan and to repeal
Certain Obsolete Statutes related to Financial Matters**

Clause 1

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

HON. MR. ANDREW: — Yes, Mr. Chairman. The officials are: Ron Davis, assistant to deputy minister; Gerry Kraus, the comptroller; Tom Lane, from investment and financial services; and Keith Mackrill, director of administration.

Clause 1 agreed to.

Clause 2

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I direct my attention to clause 2 and to the definition of 'bank,' and it includes 'any financial institution that the minister may designate,' and accordingly, I think for the first time in our history, permits the minister to deposit public funds in all manner of financial institutions without the concurrence of the legislature, which heretofore has been the custom, or the Lieutenant-Governor in Council which might, perhaps, be some safeguard, but it permits a minister of finance to use and deposit public funds in any financial institution. It will be observed that 'financial institution' is not defined, and accordingly, any trust and loan company, or mortgage company, credit union — however small or large — or

any other institution which might call itself a financial institution can now be a repository of public funds. I ask the minister why he is not satisfied with simply having 'bank or credit union' there.

HON. MR. ANDREW: — I'm advised that the reason for this particular act — which will become consistent with the acts in both Alberta and Manitoba now — the reason for it is that if you have to make payments on foreign debt and deposit money in those accounts in, let's say, United States, for example, you would use the Royal Bank. The Royal Bank in New York is Royal Bank and Trust Company, and that would be the reason for it — so that the money could in fact be deposited there. That would not necessarily fall into the definition of 'bank' as one would have it. So the reason for that amendment is to be able to cover the deposits that are being made to pay that foreign debt in banks of countries other than Canada. And that's the reason for the change. And it is consistent with both the legislation in Manitoba and the legislation in Alberta.

Clause 2 agreed to on division.

Clauses 3 to 8 inclusive agreed to.

Clause 9

HON. MR. BLAKENEY: — The question that I wish to raise has to do with disclosure generally, and I could raise it under 7, 8, 9, or 10, and I raise it here. As I read these . . . Let us take 9. The minister may make grants. If they are more than \$10,000 he shall get cabinet approval, and that will show up in an order in council. If they are not, presumably they show up in *Public Accounts*. And the question I ask the minister is: are there separately noted in *Public Accounts*, any grants made pursuant to the power provided by section 9 and, if so, is that required by statute or simply custom?

HON. MR. ANDREW: — I am advised that normally all grants would be shown in the *Public Accounts*. Some of the grants that we would make, some of the normal ones might not be — property improvement grant, that type of thing. But all grants would normally be shown in the *Public Accounts*.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I note you are advising me that that's the normal practice. I see, for example, in section 10, and I relate this to the section we are now discussing, saying that:

The minister may, for any purpose relating to any matter under his administration or for which he is responsible, provide financial assistance with respect to programs, in accordance with terms or conditions set out in regulations to any person or body within or outside Saskatchewan.

And I go back to section 8, and it says that the minister shall be responsible for the preparation of *Public Accounts*.

As I read those, the minister can under section 9 make grants of \$10,000 or under; under 10 he can make further financial assistance available, and under 8 he can determine the form of *Public Accounts* and can determine that none of that would be disclosed. Do you agree with my interpretation of those three sections?

HON. MR. ANDREW: — I'm advised that the reference that the Leader of the Opposition

makes is that there are standard recording practices in government, and these are not something that I simply, as the Minister of Finance, set out each year as to what they're going to be. They are basically historical. There is common practice pretty much across the entire country. It's a system of reporting that is not simply peculiar to the province of Saskatchewan, and I would suggest to you that if we in any way tried to do that, I'm sure the public accounts committee and the Provincial Auditor, as well as they should, would certainly bring that to the attention. It would clearly not be our intention to do it. There's a standardized format of reporting which I would undertake that it would continue that way. And I think there is the safeguards and balances against what the hon. member might try to see as some devious means that we are going to do to hide information. And that's not the case at all.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. Mr. Chairman and Mr. Minister, I'm not trying to ascribe motives or devious intentions to the current minister, but all men are mortal and all ministers are mortal in their particular portfolio. And we are passing legislation which will govern ministers, not necessarily the present incumbents, and I think it's worth while therefore to point out what is permitted.

I accept your assurance that you will not change the past practices and that the past practices would require the publication in the *Public Accounts*. And I therefore will say no more about this, except to say that I take it, it is the common understanding of this committee that these matters will be reported in *Public Accounts* and that if they're not, we invite the Provincial Auditor to note that fact, to give us an opportunity to debate it when that situation arises.

Clause 9 agreed to.

Clauses 10 and 11 agreed to.

Clause 12

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, what is new about this clause appears to be 12(b) and, while this has been something of a practice that the treasury board can obviously evaluate the programs of the Government of Saskatchewan in some sense of the word, it struck me as a rather curious provision to put in a statute which says that the board, that is the treasury board, is responsible to the cabinet for all matters relating to the evaluation of programs of the government. And we've just passed a whole series of departmental statutes which say that the department 'shall do this' and the minister 'shall preside over the department' and presumably outline and evaluate the programs. That is a ministerial responsibility. And here we have a board which is responsible for all matters relating to the evaluation of programs.

How do you see the treasury board's legal responsibility as squaring with the ordinary responsibility of a minister for evaluating the programs of his department?

HON. MR. ANDREW: — The purpose of this section, number one, is to make it consistent with most other jurisdictions across the country — to make it into a modern thing that, in fact, happened under your administration with regard to the bureau of management improvement. Obviously the treasury board does perform a function of looking at how departments are performing and how they are spending. With regards to that, it would be really just to be consistent with what has in fact been happening for many years and will continue to happen over the next period of time.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I don't mean to belabour this — what is curious to me is that the treasury board will be given responsibility for all matters relating to evaluation. Obviously they are going to evaluate but so are a whole lot of other people, and I'm puzzled by this assigning to the treasury board the entire responsibility for evaluation. Certainly the treasury board and its staff evaluate programs. No one denies that I would have thought that a good number of other people evaluated programs as well, and that it therefore was curious to assign to the board the total responsibility. I won't pursue that point further, but that's the point I make.

Clause 12 agreed to.

Clause 13

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I ask here a question and I direct it to section 13(d), that the board — that's the treasury board — may:

notwithstanding any other Act, designate a board, commission, Crown corporation or other agent of the government that is to be subject to its regulations and directive;

And my question here is: how does the minister see the treasury board relating to the Crown corporations, particularly the big Crowns — I'll say, Sask Power and PCS as two examples? Clearly, the current organization as I understand it, is that in their operating budgets, in their operating spending in all matters dealing with, you know, administrative policy, management practices, accounting, those corporations would either (a) make their own decisions, or (b) make their own decisions subject to general direction by CIC, or in some cases, particularly with respect to accounting, make decisions also as approved by treasury board.

What I'm trying to find out is what the minister sees as the likely relationship between the treasury board, the CIC, and let's say, the board of directors of the power corporation or PCS. Is it proposed to change that relationship which is a little ill-defined at the moment, and I suppose must always be so, or is it meant to regularize it and change significantly the role of CIC as I would see it?

HON. MR. ANDREW: — It's not designed to change CIC whatsoever. There's certain Crowns, obviously, that report to treasury board we refer to as the treasury board Crowns. The treasury board would deal with those much in the same way or perhaps more like a department than perhaps CIC would deal with the major Crown corporations. The only involvement that the treasury board would have with regards to the major corporations would be to determine questions like borrowing limits, questions with regard to dividend policy that perhaps would be worked out — that type of thing — nothing more than that.

Clause 13 agreed to.

Clause 14 agreed to.

Clause 15

HON. MR. BLAKENEY: — This is a . . . I raise a question with respect to clause 15, section 15(b). I have two types of questions, and they're quite narrow questions.

The accounts of the Government of Saskatchewan are: to show the financial condition of the Government of Saskatchewan, and of all trust and special accounts that are managed by the minister.

The first question: does he assume that that includes the . . .

AN HON. MEMBER: — The revolving accounts.

HON. MR. BLAKENEY: — . . . revolving — that's the word that I was reaching for; I was calling them the advance accounts and knew that was not correct — the revolving accounts, let us say of the Department of Highways? That's question number one.

And question number two: (and perhaps this could be better asked in another section later on but I'll ask it anyway), does he see trust accounts of the legal aid clinics coming under the direction of the Department of Finance and the Provincial Auditor?

HON. MR. ANDREW: — I'm advised that this is identical to the legislation that was there before, that our position would be that we would continue to account in the same way that we did before, only to say that under the revolving accounts, that they will now be shown in the *Estimates* and therefore there will be more disclosure, as opposed to less disclosure.

With regard to the legal aid clinics, trust accounts, certainly I'm not sure where that would apply with regards to this because the legislation has not changed in any way, shape, or form. I know the issue that has been debated on the question over a large period of time. I would have no intention to getting into it, and I would, quite frankly, have no interest in controlling . . . (inaudible) . . .

Clause 15 agreed to.

Clause 16 agreed to.

Clause 17

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to clause 17, I think that — and I'm reading section 17, para 2; paragraph 2 is what I'm looking at — I just want to confirm what I think is the clear meaning of the clause, and to discount what could be a meaning of it which would be quite unacceptable. The section says that every government employee who handles money under any circumstances whereby he is not supposed to reveal the nature of the accounts, and there are many of those throughout the government, shall furnish to the treasury board any information or records or the rest. Let us say, MCIC, where there are a good number of requirements of non-disclosure of information, shall make the information available to the treasury board staff, and I have no quarrel with that.

Then I think the purpose of number two is to say, every person who receives information (and I'm stressing the words 'under the section') from a person whose right to disclose the information is restricted by law, holds that information under the same restrictions. I obviously would agree that if the treasury board staff picked up this information, then they have to be bound by the same rules in respect to non-disclosure. An admittedly somewhat strained interpretation would say that every person who picks up inside

information from the government, being a member of the press, and wishes to use the inside information, would be bound by the same rules of non-disclosure as would the public servants. Now I take it that that's not the meaning. I'd want you to confirm that 'under this section' means that those who are bound are those public servants who are acting as agents of the treasury board and nobody else.

HON. MR. ANDREW: — I think your interpretation with regard to treasury board is a correct one. I am sure of that, even though I would not want the members of the media to get information from me. If they do, there's precious little I can do about it, and precious little any other minister of finance can do about it, as we have seen across the country in the last year and a half.

HON. MR. BLAKENEY: — And you are not asserting, Mr. Minister, that if they do find it then they hold the information under the same restrictions restricting disclosure that govern the person from whom the information was obtained. You're not attempting to burden them with the clear burdens which rest upon the public servant, and quite properly so.

HON. MR. ANDREW: — That is correct, and I would not want to burden the members of the media with anything.

Clause 17 agreed to.

Clause 18

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, here I am asking a question for information. I didn't have time to confirm it. Was it previously true that the investment board was made up only of members of the Executive Council? Or was the investment board a group of officials?

HON. MR. ANDREW: — Members only of Executive Council.

HON. MR. BLAKENEY: — That was previously the case? And then the people who actually did the work then, who managed the investment decisions, were in that case staffed to the treasury board, and the treasury board was in fact the investment board? That was the previous arrangement? Thank you, Mr. Minister.

Clause 18 agreed to.

Clause 19

HON. MR. BLAKENEY: — I come now to the point which I raised earlier, and I do not know whether this represents a change in the law, but I regard it as very restrictive to say that no agent of the Government of Saskatchewan, or Crown corporation may make an investment without the approval of the investment board. And I think one will be aware that the corporations are making all manner of investments every day of the week without approval from the investment board in any specific sense. I will give one simple example, and then we can perhaps address it as an example.

I will take Sedco. Sedco in the course of its operations in dealing with X company may well undertake to buy a property, and may well even undertake to take some equity in the company; buy a property and lease back to X company, X manufacturing company, and agree to take some shares in X manufacturing company. I'm not aware that we've

ever, that any of those had previous approval from the investment board. I would suggest that on reading of the section, they would need that, and I'm suggesting it's undesirable and would ask the minister to comment.

HON. MR. ANDREW: — I'm advised that the practice, this particular section was drafted to try to get the practice. Obviously, the investment board is not going to be dealing with the example you used of Sedco, or perhaps some other examples. Potash corporation, I think you raised in the second reading question with regard to investment in short-term bank accounts, that type of thing.

The problem we have here is the definition of 'investments' and while the previous government had no definition of investments, I suppose we're no wiser to be able to define that word well enough to make it happen. I believe under the previous legislation there was certain Crowns that were earmarked that had to come to that investment board for approval. We simply blanketed it. The intention of that is basically to deal with the government trust pensions and this type of investments; and that's really what the investment board does. Any involvement I've had over the last year with regard to the investment board has basically been to deal with questions of investing pension dollars and that's exclusively what it does. I think that is clearly the intention of the act. It certainly would not be the intention of treasury board to get in to try to run some of the Crown corporations. It's tough enough to keep a handle on all government without getting into them.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I would invite the minister to consider that section, or get his lawyers to consider it, from this point of view. I'm not now interested in the arrangements that the government makes internally, but I'm interested in the position of the citizen. And if in fact a Crown corporation agreed to buy a building which is clearly an investment — and we could all think of a purchase of a building which could be an investment — and it fails to get the approval of the investment board . . . And the provision of section 19, subsection 2, is very, very forthright, 'Notwithstanding the provisions of any other Act.' So that it doesn't matter what powers the power corporation has, if there's no approval of the investment board, the argument could be that this is an ultra vires transaction and that therefore the power corporation, in my analysis, could renounce the contract or purchase and the citizen wouldn't have any recourse — because how is he to know that it requires investment board? You follow my line of argument. I won't pursue it further. I would ask the minister whether he will have his lawyers look at that.

HON. MR. ANDREW: — Now, I follow the nature of the argument. I will undertake to talk to a lawyer with regards to this question, or have someone talk to a lawyer with regards to this question, or have someone talk to a lawyer with regards to this particular question. We don't have many lawyers in our department and they indicate now they don't want any more.

Clause 19 agreed to.

Clauses 20 to 22 inclusive agreed to.

Clause 23

HON. MR. BLAKENEY: — I just ask a question of the minister and this is purely for information. How does the minister see the relationship between the Provincial Auditor and the auditors who are engaged, the private sector auditors who are engaged by a number of the corporations? More particularly, does the Provincial Auditor (a) set the

general rules or parameters of the audit, (b) have legal authority to do that, and I think that the new act will do that, and (c) does he regard it as either his right or his obligation to satisfy himself that the audit job was done properly, whatever words one wishes to use?

HON. MR. ANDREW: — With regard to the new audit act, we set out in that act, for the first time, that in fact the Provincial Auditor now sets the guide-lines by which the private sector auditor doing that Crown would in fact perform that function. In other words, the private sector auditor might use different rules because he's reporting to his board of directors, and through them to the shareholders. The Provincial Auditor, of course, is responsible to the legislature. Therefore, there could be different rules.

The new act sets out that the Provincial Auditor sets the rules for the audit of that Crown corporation that would be consistent with the rules that he would use. So in response to that, I would see him with that type of authority. I know this morning in the public accounts committee the question was put to the auditor. And he was happy with that particular type of legislation, and comfortable with the mechanism now in place to deal with the private sector auditor dealing with primarily the resource Crowns, now as to where they're dealing with, and that that seemed to be acceptable as a practice.

As well, there is a board of audit committees in the act similar to . . . And it as again advanced by the Provincial Auditor as an audit committee composed of the private sector auditors — perhaps a lawyer, perhaps somebody in data processing — that they could bounce new ideas off and work systems off, if you like. So I am confident that the new act will cover that problem and clearly put the Provincial Auditor in control with regard to the audit of those Crowns.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I appreciate the statement made by the minister. We will have observed — and this may not be strictly in order, Mr. Chairman, but it's not far out of order — that as the annual reports of the Crown corporations come in, and they all have notes attached, and the notes almost invariably start out with a statement of the accounting principles incorporated into the financial statements upon which the auditor expressed his opinion, they're getting more and more complicated, at least for the lay person. And I would like to think that they were uniform to the extent that uniformity is appropriate, having regard to the different types of operations, and that someone had the job of seeing that they were uniform, because I am aware that with respect to depreciation, depletion, and a number of other areas which are key to the assessment of the . . . or key to interpretation, at least, of the financial statements. There are a good number of different policies which are defensible, and I understand the minister to say that the Provincial Auditor is going to do that for the Crowns. He's going to do it for the rest of the government, and always has. But for the Crowns, for the major Crowns, where these different approaches could make a difference, that will be acknowledged as a role of the Provincial Auditor.

HON. MR. ANDREW: — That is clearly my understanding of what that was designed to do.

Clause 23 agreed to.

Clause 24

HON. MR. BLAKENEY: — I'm not sure whether I'm in the right section again. I want to

raise the question of whether or not the minister feels he could commit himself to a date for the tabling of the *Public Accounts*, or the completion, or the making of them public, whether six months after the end of the financial year or eight months And this one deals with the annual report. This one happens to deal with investment funds, but it would be the same for all of them.

HON. MR. ANDREW: — I'm advised it's difficult to tie down given how long it takes to do the audit for the entire operation. As a rule, what we would hope is that if we are able to get back to the normal cycle wherein the legislature would come in in the fall with a throne speech, the session would last a short period of time, and then come back for a budget in March, it would be our intention that the *Public Accounts* would be tabled in that fall session for two reasons. Number one is: the public accounts committee now has the authority to sit intersessionally, as opposed to when the House is not on, and some of that work could be done by the public accounts committee as soon as we can get it moving and flowing through. I wouldn't want to be tied down because of those limitations, but it clearly would be the intention of getting back so that the *Public Accounts* were tabled normally in November, December type period of each year, which would be roughly six, seven months after the close.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I'm pleased to hear that comment. That used to be a problem before we started having regular fall session. There was always the issue of whether or not you mailed out the *Public Accounts* or whether you waited until the first day of the session, or the second day, or third day, and tabled them. And the latter arrangement worked badly because people then were scurrying around going through the *Public Accounts* and getting ready for estimates in 10 or 15 days; and the practice solved itself when we had the fall sessions, and when you then tabled them during the fall session. And ordinarily you didn't have the budget until the 1st of March, and people had eight weeks or so to wander through that pile of material and made what they could out of it.

It is my understanding that you hope that that system will repeat itself and that the material will be available the 1st or 15th of November, or the 1st of December or thereabouts. I would welcome that, and would say one further comment: that if for any reason it did not become available, then I would invite the minister to mail out or make available in the *Public Accounts* even though the House is not in session, so that And that gets to be a problem of whether or not you can send them out before they're tabled. I will ask the minister to inform himself on that matter, and I will raise it with him on the 1st of November, or something, when we next gather, if that in fact is the case.

HON. MR. ANDREW: — I undertake to do that.

Clause 24 agreed to.

Clauses 25 and 26 agreed to.

Clause 27

HON. MR. BLAKENEY: — Mr. Minister Mr. Chairman and Mr. Minister, I have a couple of points to make here, and they are on section 27, subsection (1), clauses (a) and (c). With respect to (c), I note that it's going to be provided that classes of investment may be added by the Lieutenant-Governor in Council rather than by the legislature. I have made my objection to that, and I realize the desirability, the flexibility, and the constantly changing types of securities which are offered, and I will say no

more on that. So I can see the desirability of some flexibility, but I would like to think that the legislature still had a voice.

My primary point in rising is to speak to (a), and I must record my objection to that type of drafting which says that the minister may invest in any class of investments mentioned in the pension benefits regulations. I never know when I read that whether it means the pension benefit regulations as they exist on the date of proclamation or as they may be changed from time to time. And I think that a statute like this, and will state my view, should not be changed almost by accident by someone changing the pension benefit regulations later on for quite a different purpose. I don't think that I object to the minister having power to invest in any class of investments mentioned in the pension benefit regulations as they now exist, although I haven't reviewed them in detail. And I acknowledge the logic which says that if the cabinet can give you authority under (c), they should be able to give you authority under (a).

I just say that that type of drafting bothers me, because the people who are drafting changes to the pension benefit regulations may, in all good faith, put changes in there which are not meant to change The Department of Finance Act, but had that effect. I make my point, and say no more about it.

HON. MR. ANDREW: — The reason for the classes was basically to be able to take an advantage by the government of new types of investments that come along without having to wait a full-year period for that to happen. With regard to the, I suppose, the legal question of drafting, I think the point obviously is made by them and certainly it's not the intention to go through the process of regulation changes. I think the regulations dealing with that would tend to be very cognizant of the investment part of it. I wouldn't anticipate that type of slip-up, although, I suppose, anything can happen.

HON. MR. BLAKENEY: — I just will not say more about it, except to say that I would clearly prefer (a) to be deleted; the class of investments to be listed in the act as they now exist. Then if wish to proceed, as you're now doing, (c) permitting you to add to it. Then it would be nice and clean, and self-contained in the finance act, and not be depending upon the regulations under another act. But that is basically a drafting point, rather than a policy point, and on it I will say no more.

Clause 27 agreed to.

Clauses 28 to 31 inclusive agreed to.

Clause 32

HON. MR. BLAKENEY: — With respect to virements — and I should know this, but I ask it any way — the virements are recorded in the *Public Accounts*. I know you can find the effect of them in the big sideways table, but are virements as such recorded in *Public Accounts*?

HON. MR. ANDREW: — I am advised that the net virement between subvotes are now shown. Last year was the first time that in fact happened. That does in fact reflect now.

Clause 32 agreed to.

Clauses 33 to 40 inclusive agreed to.

Clause 41

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, this is another reflection of the same point that I had made earlier. I venture to think that Crown corporations borrow money, or engage in activities which could be called borrowing money, fairly frequently — running an overdraft or whatever it is. If they are going to need the approval of the investment board for one part of the activity, and the minister for yet another part of their activity, I understand that when we're talking about arranging a major overdraft facilities, fine, but for the day-to-day borrowings and ordinary conduct of business. I question the wisdom of wording it as section 41 is worded.

HON. MR. ANDREW: — Well, in response to that, I think the main and fundamental rule is that the minister is responsible as the guardian of the credit rating of the province of Saskatchewan, and in that sense has to have control over borrowings that quite frankly would reflect upon that credit rating. With regard to temporary borrowings — you refer to overdraft and that type of thing — those are tended to be allowed to take place, but we would assume it on a temporary basis only. That would not, therefore, impact on the credit rating. And that's the function. I don't think it's any different than it was before, and that's certainly the process that we would be using.

Clause 41 agreed to.

Clause 42 as amended agreed to.

Clause 43 as amended agreed to.

Clause 44 agreed to.

Clause 45 as amended agreed to.

Clauses 46 to 51 inclusive agreed to.

Clause 52

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, I perhaps should properly have asked this question earlier. It deals with borrowings and it deals with borrowings by the minister. And I assume that the minister borrows money in all sorts of manners, by selling treasury bills, if that's borrowing money — in a practical sense it is — and similarly . . . I take it that does not require the approval of the investment board.

HON. MR. ANDREW: — No, it does not.

HON. MR. BLAKENEY: — I think that makes sense and I think that as I read section 19(2) — notwithstanding the provisions of any act, no agent of the Government of Saskatchewan shall make an investment without the approval of the investment board — I guess that does not involve borrowings but rather investment, but it's the same operation. What I'm trying to say is that the people in your treasury and debt management . . . What do we call that? . . . (inaudible interjection) . . . The investment and financial services branch are every day of the week investing and have to — indeed every hour of the day. They're agents of the Government of Saskatchewan. They're certainly not doing it with the approval of the investment board, nor should

they. And I really query the provisions of 19(1) which start out with: notwithstanding the provisions of any act, etc., etc.

HON. MR. ANDREW: — What the investment board does is, rather than sitting on each investment that would be happened, what we would do is set out guide-lines for the people in investment areas to follow, and any that are not followed or would be contrary to the guide-lines then would have to come to the investment board for approval of that type of situation. That, I suppose, is a response as to the way the situation works. Other than trying to set out some regulations to put that further into line would be the only way I could suggest that we look at it.

Clause 52 agreed to.

Clauses 53 to 59 inclusive agreed to.

Clause 60 as amended agreed to.

Clauses 61 to 71 inclusive agreed to.

The committee agreed to report the bill as amended.

WELCOME TO STUDENTS

MR. BAKER: — Mr. Chairman, I would request leave of the Assembly to introduce some guests. Thank you, Mr. Chairman. Today we have 33 students from the Mosquito School in my constituency. They range from grade 4 to grade 9. They're accompanied by their teacher, Mr. Poole, and Ricia Kozak. I'd like all members to give them a nice warm welcome, and I'll be meeting with them at 4 o'clock.

HON. MEMBERS: — Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 46 — An Act respecting the Consequential Amendments resulting from the enactment of The Department of Finance Act, 1983

Clause 1 agreed to.

Clause 2

HON. MR. ANDREW: — Mr. Chairman, being that we have 60 pages, I wonder if the hon. member has specific questions, and we could try to deal with those if we could, and then perhaps pass the rest by number. It would perhaps move a little faster. I just throw that out because it's a consequential bill.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, this is a consequential bill and all the questions I had, that occurred to me with respect to this bill, I had really asked under the previous bill, and nothing remains for me to ask. I would be prepared to agree with them. The bill as a block, or however you would wish to do it, Mr. Chairman. I have no comments.

MR. CHAIRMAN: — Does the committee want to pass it page by page?

HON. MR. ANDREW: — Yeah, if we could, Mr. Chairman. There is one amendment to section 60, but otherwise we could pass it; page by page would be fine.

Pages 1 to 11 inclusive agreed to.

Page 12 with amendment to clause 60 agreed to.

The committee agreed to report the bill as amended.

THIRD READINGS

Bill No. 47 — An Act respecting the Administration of the Finances of Saskatchewan and to repeal Certain Obsolete Statutes related to Financial Matters

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

Motion agreed to.

HON. MR. ANDREW: — Mr. Speaker, I move with leave of the Assembly that the bill now be read a second and third time and passed under its title.

Motion agreed to and bill read a third time.

Bill No. 46 — An Act respecting the Consequential Amendments resulting from the enactment of The Department of Finance Act, 1983

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

Motion agreed to.

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

Motion agreed to and bill read a third time.

ROYAL ASSENT

At 3:50 p.m. His Honour the Lieutenant-Governor entered the Chamber, took his seat upon the throne and gave Royal Assent to the following bills:

Bill No. 33 — An Act respecting the Department of Revenue and Financial Services

Bill No. 02 — An Act to amend An Act to incorporate The German-English Academy of Rosthern

Bill No. 03 — An Act to incorporate the Sisters of Mission Service

Bill No. 48 — An Act respecting the Provincial Auditor

Bill No. 46 — An Act respecting the Consequential Amendments resulting from the enactment of The Department of Finance Act, 1983

Bill No. 47 — An Act respecting the Administration of the Finances of Saskatchewan and to repeal Certain Obsolete Statutes related to Financial Matters

His Honour retired from the Chamber at 3:52 p.m.

SECOND READINGS

Bill No. 49 — An Act respecting Co-operatives

HON. MR. SANDBERG: — Thank you, Mr. Speaker. I'd also at this time like to be recognized as the Minister of Co-operation and Co-operative Development.

Mr. Speaker, The Co-operatives Act is of major importance to the province of Saskatchewan, because it deals with a subject which affects every resident of our province, a subject which affects Saskatchewan's economic future. We're very proud of the co-operative sector and its many contributions to our province. Co-operatives are being established by people who see the potential co-operative development. They know the co-operative business method is different from other types of enterprise and that it has its own distinct value and part to play in our province. They know co-operatives are a viable and valuable way of doing business.

Co-operatives, Mr. Speaker, are creating jobs, providing goods and services, selling Saskatchewan products and broadening the ownership of community business. They are giving Saskatchewan people another way to take part in the business community, a way to meet their own needs through member owned and controlled businesses. And I assure you, Mr. Speaker, that Saskatchewan has been experiencing the benefits of co-operative development since before the turn of the century.

In 1896 three creamery co-operatives were established, followed by the Territorial Grain Growers' Association in 1901, and the Grain Growers' Grain Company, five years later. And that, Mr. Speaker, was only the beginning.

During the years, the co-operative business method has been applied to a variety of purchasing, to marketing, production, financial and service areas. Today more than 60 per cent of Saskatchewan residents are members of co-operatives and credit unions, and their member owned and controlled businesses are vital factors in the provincial economy.

Co-operatives are involved in such diverse areas as grain handling, dairy products, retail trade, oil refining, flour mill, livestock handling and sales, financial services, insurance, and recreation services. They have also entered many non-traditional areas such as child care, farm machinery sharing, medical and health services, cable television, housing, ambulance and transportation services, and employment.

Mr. Speaker, Saskatchewan's co-op members are good business people, and our government is proud and honoured to have them so involved in the economic development of this province. This government welcomes their participation in economic affairs and is giving them our active support. And they deserve this support.

Look at what our retail co-operatives have accomplished. We have about 200 co-op retailers in Saskatchewan, and they handle about 15 per cent of the retail market. Their

total annual sales for the past year was \$677,632,000, and they employ more than 4,300 people. About 35 per cent of our provincial population are members of retail co-ops.

Look at our credit unions, they handle almost 50 per cent of the financial transactions in this province. They employ about 2,600 people, and have roughly 600,000 members.

Co-operatives, such as the Saskatchewan Wheat Pool and the United Grain Growers and Federated Co-operatives Ltd., each play a major role in our economy both as employers and in their business sales and service.

Mr. Speaker, our co-operatives deserve efficient up-to-date legislation, giving them the opportunity to operate independently, and as equals with other types of business. They want the opportunity to make their own decisions about the operation of their business. And this new act will give them the maximum opportunity to continue to develop as valuable and successful participants in Saskatchewan's business community.

This province's conventional public and private sectors are essential to our economy, but we also need a strong viable and practical co-operative sector. Co-operatives play a more significant business role in this province than in any other province in this country, and we're proud of them, Mr. Speaker. But they need more than our pride, they need practical legislation which is appropriate to the times. This is what they're asking for, and this is what we are giving to them. We're providing legislation which facilitates co-operative development, which responds to the particular needs of the co-op sector, and provides as much member protection as is necessary without over-regulation or day-to-day interference in their affairs.

And, Mr. Speaker, we believe this is the proper role for government, to facilitate economic growth without over-regulation or undue interference. We are minimizing government's direct involvement in the economy, and encouraging independent activity; that applies to all sectors of the business community. That's why this legislation is so important, it will give co-operatives the recognition and responsibility they deserve.

Like most of our policies this act was developed through close consultation with the people directly affected, in this case, with co-op members, staff and leaders, and with central co-operative organizations. I'm proud to say, Mr. Speaker, that the result of this consultation and collaboration is an excellent act which will serve as a model of co-operative legislation across the entire country — yes, the entire country, Mr. Speaker. Saskatchewan's co-operatives are leading the way for co-operatives across the country and this new legislation will do the same.

As I said, Mr. Speaker, this act is the result of extensive review and consultation. In June of 1982 we distributed a discussion paper on co-operative legislation to all co-operatives in the province. During that summer we sponsored a series of public meetings to give interested individuals an opportunity to discuss the legislation with government personnel, and they responded. Co-op members from our major centres and surrounding communities met with us to express their opinions and suggestions. They recognized that this government wants its legislation to respond to the needs and desires of Saskatchewan people; that we want to work in co-operation with them; that we want our policies, programs and legislation to be in harmony with the needs of the province.

We also met with central co-operatives such as Federated Co-operatives Ltd., the Credit Union Central, the Federation of Production Co-operatives, the Community Health Co-op Federation, and the Co-op Housing Association of Saskatchewan. In addition, we sought and received excellent input from other provincial and federal government departments. I would like to express our appreciation for the many fine comments and recommendations we received from these co-operative organizations and government departments.

Saskatchewan co-operatives and this government agree that we need new co-operative legislation. The legal environment has seen a number of changes in the last few years, including new concepts adopted in our Business Corporations Act in 1977, The Non-profit Corporations Act in 1979, and in corporate laws all across Canada and the United States. Co-operatives are operating in an ever-changing economic and social environment, and they need appropriate legislation.

As I mentioned earlier, Mr. Speaker, we have many types of co-operatives in this province, and we need flexible regulations to cover their various needs and situations. The previous legislation was rigid in many places, and we need an act which provides the necessary flexibility. Our co-operatives have been asking for these changes for a number of years, and this government intends to give them the practical and efficient legislation they deserve.

Our new co-operatives act will combine and update three existing acts: The Co-operative Associations Act of 1913, The Co-operative Marketing Associations Act of 1926, and The Co-operative Production Associations Act of 1967. None of these acts have had a major updating for years. In addition, our new act includes portions of The Business Corporations Act and The Companies Winding Up Act. Some sections of these last two acts previously applied to co-operatives, and by including them in the new act, we are creating legislation which is much more clear-cut and concise. Co-operatives will no longer have to wade through a mile of legislation to find sections which apply to specific aspects of their business operation.

The new act also adopts a portion of The Mutual Medical and Hospital Benefit Associations Act, so co-operative community clinics will be guaranteed the same rights provided under the act. The Co-operatives Act will grant co-ops continued exemption from The Securities Act, so we have included in the new act an expanded section dealing with the sale of co-operative securities.

Previous co-operative legislation contained a number of voids forcing co-operatives to refer to the complex area of common or case law. I'm pleased to say this government has included all corporate legislation pertaining to co-operatives in this one act, so co-ops will no longer be faced with a long search through a confusing legal maze.

This new co-operatives act is necessarily longer than the single pieces of legislation it incorporates, as it now encompasses laws which previously required the reading of at least five pieces of legislation. And so, Mr. Speaker, we have replaced a confusing legal maze with a sound and comprehensive act as requested by Saskatchewan's co-operatives, and in doing so, we are leading the way for a number of other provinces, especially Alberta, British Columbia, Ontario, Manitoba, and the maritime provinces which are currently re-examining their co-operative legislation.

Our new act will be a model of practical, efficient, co-operative legislation for

governments across Canada; an accomplishment that we can be indeed proud of. The Co-operatives Act gives Saskatchewan co-ops much greater flexibility than allowed under previous legislation, while at the same time it ensures reasonable protection for each and every member, creditor, and supplier.

We recognize co-operatives will need sufficient time to review their aims, their objectives, and operations, in order to bring their by-laws and articles in line with the new legislation. We are therefore establishing a two-year transition period, and my department will place top priority on advising and assisting co-operatives during this process. I am confident the transition will be smooth and successful.

Our government recognizes that the need for flexibility in financial arrangements varies between co-operatives, so this new act will allow for preferred shares, although they will not be mandatory. This enabling legislation will allow co-operatives to attract more equity, unlike the previous legislation, which forced co-operatives to take out more loans. In some situations it will also enable farm co-operatives to obtain the same tax benefits as other corporate farms.

Under previous legislation, the maximum return to members on share capital was 5 per cent, and this figure was set at a time when investment rates ran around 3 per cent for government bonds. Under the new act, the maximum rate will be set by regulation at a figure approximating the investment rate on one-year deposits, while the choice of whether to pay returns in any given year will be made individually by each co-operative. And concerning the disposition of capital gains, this new legislation enables co-operatives to allocate these gains to members if they so choose, after any application statutory reserve requirements have been met. Upon dissolution a co-operative must donate its statutory reserves to a benevolent or charitable purpose. This act will give more freedom and flexibility to those co-operatives which are entitled to distribute earnings because it will allow them to choose whether to donate other surplus moneys to such worthy causes, or to distribute them to members.

The new legislation, Mr. Speaker, gives co-operative members additional freedom to determine the contents of their articles and by-laws. Co-operatives are member owned and controlled businesses and they deserve this additional freedom to determine their own rules of operation. Co-op members asked for legislation which would provide member protection without undue regulation or interference in their business operation, and this is what we are giving them.

The act clarifies requirements and responsibilities in a number of areas, including directors' qualifications and liability, selection of auditors and audit committees, rights and responsibilities of members withdrawing from co-operatives, removal of delegates and directors from office, calling of special meetings, joint memberships, and member requirements for incorporation.

The act also includes special provisions which recognize individual needs of co-operatives in the areas of employment, housing, consumer retail, community health clinics, and community services.

Mr. Speaker, this fine piece of legislation is the result of close consultation and collaboration with co-op leaders and members. And I'm proud to say we are receiving many messages of endorsement from them. They see The Co-operatives Act as a positive and innovative step forward — a step which recognizes them as practical,

responsible members of Saskatchewan's business community, and gives them greater flexibility and opportunity to contribute to the economic development of our communities and this province.

I would like to give some examples of co-operative support of this new legislation by reading some excerpts from letters I have received recently. In the Saskatchewan Federation of Production Co-operatives, this is what they wrote, and I quote, in part:

We wish to thank your department for allowing us to have a representative on the act review committee as your officials went through the process of drafting this new co-operatives act. The ability to look over the various drafts and participate in the discussions that went on helped us to ensure the needs of our particular types of co-operatives were not overlooked. Our federation supports the new act. We trust it will be passed at an early date.

And I quote from a recent letter from the Co-operative Housing Association of Saskatchewan:

The throne speech indicated that this new act is to be introduced during the current sitting. We're pleased at the high priority being given to the co-operative segment. Saskatchewan is the first province to give full recognition to the special relationship which exists between a housing co-operative as an entity and its members, as being distinct from an ordinary landlord-tenant relationship. The provisions in the new act establish this principle and should provide the necessary framework for the successful operation of housing co-operatives.

The new act has addressed our concerns, and we support its passage. Because of the degree of discussion which has gone on and the steps being taken regarding housing co-operatives, as we mentioned previously, we believe that this legislation will become a model which will be followed in other jurisdictions.

And the Saskatchewan Wheat Pool, Mr. Speaker, expressed its support in the following words:

We are pleased with the overall direction of the new act. We recognize that the greater flexibility being given to co-operatives under this proposed act will also require a greater degree of self-regulation. We believe that that is the proper direction for the legislation to take. Because of the process which was followed in developing your new act, and the discussions which have resulted in a consensus being arrived at, we have no hesitation, Mr. Speaker, in indicating our support for a new act. Am hoping that you will use your best efforts to ensure its early passage.

Mr. Speaker, I would also like to read to the members of this House, a letter I received from the Credit Union Central:

Dear Mr. Sandberg: The purpose of this letter is to indicate our organization's approval of The Co-operatives Act as redrafted by the department and the act review committee. Over the past several months, we were adequately involved and feel quite sure the new act will meet the approval of those organizations it directly affects. We hope it will be possible

to have the current legislative sitting pass the new act.

We look forward to similar mutual involvement in the rewriting of The Credit Union Act in the near future.

That's from the Credit Union Central. And lastly, Mr. Speaker, I would like to read an excerpt from the letter that I received from Federated Co-operatives, that fine company with its headquarters in Saskatchewan. Quote:

We have reviewed the draft act and find that it suits the needs of the majority of our members, of our member retails in Saskatchewan and their members. They are particularly pleased with the manner in which the act responds to many of their concerns, and that although by necessity it is regulatory, it is broad and enables the retails to conduct their affairs as determined by the members.

Bringing The Co-operatives Act in Saskatchewan up to date has been promised for a long time. We support the new act and urge its quick adoption. We are also very appreciative of the process used to develop this legislation. The people in your department have taken great effort and time to get inputs and suggestions from a wide selection of members and groups that are affected by this act. This has undoubtedly resulted in an act that truly serves the needs of co-operatives.

We look forward to a continuation of this excellent relationship.

That from Federated Co-operatives.

Mr. Speaker, these excerpts from letters are positive proof that Saskatchewan's co-operative sector supports the new act and its early passage. And I would like to stress, Mr. Speaker, that this fine piece of legislation is only one of several steps that this government is taking to give the co-operative sector the recognition and respect it deserves, as well as the right to an appropriate degree of self-regulation, which is necessary for any type of business.

Saskatchewan's credit unions, which are a valuable part of our co-op sector, have requested a similar updating of The Credit Union Act. Our government is already planning meetings, Mr. Speaker, and study sessions, and has prepared discussion papers for circulation, in order to rewrite The Credit Union Act, in direct consultation and collaboration with Saskatchewan credit union leaders and its members.

Now I, as Minister of Co-operation and Co-operative Development, and my officials, will be meeting with credit union members and leaders this summer to discuss changes to The Credit Union Act and to obtain their recommendations.

As clearly stated in the letter I received from Credit Union Central, credit union members and leaders want to be directly involved in the rewriting of The Credit Union Act, and they want the process to begin as soon as possible. This government is committed to starting now on this major undertaking, with the objective of introducing a new credit union act during the 1984 spring session.

The point I'm making, Mr. Speaker, is that the residents of Saskatchewan not only want

efficient and up-to-date co-operative legislation, they want it now. They have repeatedly asked for an early passage of this legislation, and I believe the hon. members on both sides of this House have a duty to meet this reasonable request today.

One further point, Mr. Speaker, the hon. members on this side of the House will be meeting with their constituents this summer to discuss the new co-operatives act and other provincial legislation passed during this session. My colleagues have closely followed the development of this act. This time I believe that they, and you, the members opposite, should have the opportunity to ask questions that haven't as yet been answered in your minds. Because many concepts of co-operation, including membership and principles, are common to both co-operatives and credit unions, it is extremely important that the hon. members review and understand The Co-operatives Act to enable them to effectively participate in the preparation of The Credit Union Act. Therefore, Mr. Speaker, in the best interests of Saskatchewan's co-operative sector, I trust that our hon. members will debate this bill and give it the unanimous consent it deserves.

At this time, I would also like to thank the deputy minister, Dale Folstad, and his hard-working staff for the months and the many long hours that they put into the preparation of this bill, and I do indeed commend them for that.

So with that, Mr. Speaker, and with the endorsement of Saskatchewan's co-operatives. I move second reading of this bill.

MR. SHILLINGTON: — Mr. Speaker, I have, in my time, heard some eloquent arguments in favour of filing written speeches, but what has occurred over the last 20 minutes is about as sound and as persuasive an argument as I've heard in favour of changing our procedures. I say, Mr. Minister, that no one on either side of the House would deny the importance of the co-operative movement in Saskatchewan. Nobody would . . . (inaudible interjection) . . . Ah, I see I've hit a sore spot, because the members opposite know what the process is. The process here is to waste time of the House until you incompetent managers can get your legislative program ready. I say, Mr. Minister, that nobody on this side of the House would deny the importance of a co-operative movement in Saskatchewan, and certainly not me. I was minister for three years. Mr. Minister, this is a classical case of a bill that should have gone in non-controversial bills committee.

Mr. Minister, I appreciate that this bill was developed in consultation with the co-ops. We know that. I took the trouble to find that out. I spoke to the Government House Leader who is conveniently absent. I spoke to the Government House Leader, and I suggested that this bill could be handled a lot more efficaciously in non-controversial bills. He concurred and said he would look into it.

I say, Mr. Minister, there's just one reason why this bill is before the House, instead of being dealt with in non-controversial bills committee where it should be dealt with. Because you people have got this legislative session so fouled up that there's nothing to do while you wait for somebody to untangle your indecision . . .

MR. SPEAKER: — Order, please. The hon. member is speaking on second reading of Bill No. 49 and I think that I would direct you to relate your remarks to that bill and not about the operation of the House itself.

MR. SHILLINGTON: — I'll accept Mr. Speaker's ruling. I hope there may come some opportunity to discuss the manner in which this legislative session has been managed, because I sincerely hope it is never repeated. It has been a major waste of money and time.

With respect to the bill, as I've said before, Mr. Minister, we have no objection to any of the principles contained in this bill. We support them. So does everybody else. If this legislative session, Mr. Minister, were used to discuss points in contention and not used for dreary, endless recitals of that we agree upon, it might be a more productive session. So I say, Mr. Minister, I am not going to treat you to what you treated me to, and that is a 20-minute long recitation of all the things we agree upon. I am simply going to say . . .

AN HON. MEMBER: — We all thank you for that.

MR. SHILLINGTON: — And we would have thanked you for the same courtesy. I'm simply going to say, Mr. Minister, that we agree with the principles contained in the bill. We respect the fashion in which this bill was drawn up in consultation with the co-ops. The brief period of time allowed to us to review the bill with the public suggest there are no major dissenters to the principle of the bill. We are, therefore, going to concur with the second reading of this legislation. And oh, God, how I wished you had been as succinct in your address to the motion.

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

Bill No. 22 — An Act to amend The Highways Act

HON. MR. GARNER: — Well, surely, Mr. Speaker, we can move a little closer to what the NDP want in this bill. Surely they will agree with it. And, Mr. Speaker, I rise to move second reading of the bill, which deals with a number of items, most of which can be considered as housekeeping in nature. That's the amendments to The Highways Act. As members opposite who were in cabinet or caucus of the previous government will know, nearly all of the amendments in this bill were recommended by you just a little more than one year ago. Our government is in agreement with the spirit and intent of the amendments, and have therefore decided to proceed as previously planned.

Mr. Speaker, for the benefit of the people of Saskatchewan, we'd like to briefly outline the amendments contained within this bill. Presently The Highways Act contains no authority to make grants. This provision has been contained within the appropriations act, which is part of the government's annual estimates. With passage of this bill the authority to make certain grants by the minister responsible will be provided by The Highways Act. This is a procedural change, Mr. Speaker, and one I am sure you will agree is appropriate.

Mr. Speaker, another amendment that I'm sure you will find appropriate has to do with signs along our provincial highway system. As it now stands, cities, towns, and villages have certain signing privileges within their corporate limits along provincial highways. These privileges, however, do not currently extend to organized hamlets and it is the intent of this bill to correct this discrimination. Also regarding signing placement, Mr. Speaker, those signs that violate policy along provincial highways will have just 21 days for their removal upon formal notice. Legislation prior to these amendments gave the sign owner 60 days for removal.

Mr. Speaker, I should also note that, in general, increases in the level of fines to reflect current dollar values is being brought forward. Again, these levels were considered and recommended by the members opposite just over a year ago. We agree that fines established in the 1940s and '50s should be amended to reflect the current value of the dollar.

An amendment of importance to the travelling public safety is that concerning road closures. Present legislation provides authority to the minister to close roads only where construction is taking place. In an effort to aid the department and law enforcement agencies in providing safe driving conditions, road closures by ministerial order can now be obtained in the event of poor visibility, hazardous driving conditions or situations deemed an emergency, such as a major accident, and I would refer to a chemical spill of a dangerous good. Safety is a high priority with this government, Mr. Speaker. These amendments are made with the public's interest at heart.

Another related amendment concerns blockage of provincial highways. The wording of the present act does not allow for immediate removal of obstructions until those responsible have been convicted. This bill will speed removal of any obstruction and revise the penalty for doing so in such a manner that the related costs will be recovered upon conviction. Further, if removal of the obstruction is impeded, law enforcement agencies will be given the power to restrict such opposition. I am sure members opposite will recall a certain incident with the now Leader of the Opposition in one of your northern communities — one of our northern communities. Hopefully this will avoid situations of this type from occurring again, and we thank members opposite for the recognition of this needed amendment.

A section of the act that needs to be broadened refers to rural municipalities. At present The Rural Municipality Act lacks the necessary co-ordination with The Highways Act, and weight restrictions with RM jurisdictions are violated. Ministerial authority will now be extended to an approved person or municipality to enforce fines for weight violations, and the dollars collected from fines will benefit that RM.

With respect to fines, those governing litter have been increased, again to keep pace with inflation, so that the penalty intended by the original act is kept in perspective.

Regarding abandoned vehicles, Mr. Speaker, the grace period for removal from a right of way has been decreased from 14 days to five days. Another amendment regarding right of ways will better define the roadway. Presently the definition does not allow for road violations within the right of way, Mr. Speaker, I refer to vehicles using the ditch as a means of crossing our highways, where service roads are within the right of way of a provincial highway. This clarification will give our law enforcement agencies the ability to restrict this dangerous practice.

Finally, Mr. Speaker, in keeping with the standards set by the conversion to metric, an amendment will change the term 'mileage' to 'length.'

Wrapping up, Mr. Speaker, safety is of major importance and these amendments presented to this Assembly in this bill, reflect our commitment in setting high standards of safety for the travelling public.

With that I move second reading the bill, An Act to amend The Highways Act.

MR. LUSNEY: — Thank you, Mr. Speaker. I will not try to hold this bill up for long. At least I will not spend too much time speaking on it. I do have a few concerns regarding this bill. The majority of the bill is mainly to increase fines; some of them have gone up a substantial amount — 200 per cent and more. The one significant one is the overweight fine which goes from \$3 per 50 kg to \$10 per 50 kg, Mr. Speaker, and I think that is going to be a significant increase to anyone that may end up on the road a little overweight and get stopped.

The most significant concern in this bill is in section 64, the amendment to section 64, which says:

A person who wilfully and without lawful excuse places or leaves an obstruction on a public highway or who prevents, hinders, or causes delay to a person desiring to travel on a public highway, is guilty of an offence and liable on summary conviction.

That, Mr. Speaker, is a section that I don't necessarily agree with. I can see, or at least I understand, the minister's concern of it and his explanation of it. However, one would have to look at this section and say that it is giving the government a lot of power — an awful lot of power. This could prevent any type of peaceful assembly of people gathering anywhere in the province. And we can use, say, the farmers' union, having a tractor demonstration for whatever cause they may want, or any other organization that may want to hold some kind of peaceful demonstration. This piece of legislation here could prevent that from happening. They could be guilty of an offence under this piece of legislation, Mr. Speaker.

And for that reason, I think I would have to . . . Unless there is an amendment, a House amendment to it, I can see myself having to vote against this bill simply on the basis of that section.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Speaker, I just want to add a word along the same lines as my colleague from Pelly. I think that it is quite unlikely that the drafters of the bill intended that we would change the nature of the provision in the bill to in effect to broaden its scope to regulate not highways but people. The old bill talked about a person who obstructs or interferes in any way with a public highway. And that's fair enough. And the minister introduces new legislation which expands upon that, and I think quite properly expands upon it and gives the minister the power to remove the obstructions and generally to deal with situations where a highway is obstructed. And I think that that's a sound move on the part of the minister, to include a little bit of a code of what can be done in the event that a highway is obstructed. And I think that — I suspect quite by accident — a few words crept in which appears to create a new offence of talking to somebody on a highway in a manner which may hold them up or something. And I, for my part — and I don't want to discuss the terms with precision . . . And no one has any quarrel, I think, with making it an offence to place or leave an obstruction on a public highway, but when we come to preventing, hindering or cause delay to a person desiring to travel on a highway, there are any number of ways, from having a flat tire, I suppose, that prevents, hinders, or delays a person desiring to travel on a highway. I don't know whether one has a flat tire wilfully or without lawful excuse. But in essence, I think that a reading of that provision indicates that it seeks to regulate the conduct of people, not in association with their obstructing the highway, but I think a little more broadly.

I'm going to invite the minister to have a look at those provisions because a couple of people had raised them with me. And since they are, I think, extraneous to what I believe to be the thrust of the section, and I think quite properly the thrust of the section, then I'm going to ask the minister to consider it committee.

I may say that I've had occasion to know that highways were obstructed from time to time and I suspect other people have had that occasion. And there really must be, or it's highly desirable that there be, a clear code for giving the policy authority to, let us say, remove a car which is, or a truck or something which is, parked in a way to obstruct; or if someone builds a barricade to remove the barricade and to charge it against the persons who built it. Those, I think, are quite proper. I think the other words suggest a different thrust, and I think an undesirable thrust. I'm sure my colleague from Pelly has made that point effectively but I make it again, and ask the minister to consider that point.

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

COMMITTEE OF THE WHOLE

Bill No. 27 — An Act to amend The Wakamow Valley Authority Act

Clause 1

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

HON. MR. ANDREW: — The officials are Keith Schneider and Don Leitch, both from Urban Affairs.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if the minister would outline for us the steps taken to consult with the city of Moose Jaw, the rural municipality of Baildon, with respect to the proposed changes which are before us.

HON. MR. ANDREW: — The consultation process perhaps was not as good as one might have otherwise liked it to be in the sense of going through the details. Two things, I think . . . Number one is that in the process of preparing the budget, I did meet with the mayor of the city of Moose Jaw, the mayor of the city of Regina, and of course the mayor of the city of Saskatoon. Not that we discussed specific issues, but I can say that we discussed the issue with the budget consultation process, discussed the issue of here is the basic area that we are faced — here is the revenue picture that we would see it; here are the expenditure decisions and expenditure picture that we would see it; here is what we could see is a deficit. Do you like the deficit to be higher? Where we would propose . . . Or something lower, or do you want the budget balanced? That was the type of dialogue we carried on with many people across this province, and three of the perhaps 100 people that we consulted with were the mayors of those three cities. And we might as well deal with all three of them, rather than just Moose Jaw, Regina, and Saskatoon, if you like.

So the process was that. My view, and the view of, I think, most of the people that were there, was that they recognized the financial situation that we find ourselves in, that the entire country finds itself in, and for that matter, the entire western world with regard to recession. The advice that I received from those people tended to go this way: we

recognize the deficit. We believe that it would be false to try to balance a budget in this year, given the situation that we have. But we believe that, at this point in time, that by and large, they would not like to see tax increases, other than perhaps tax increases on luxury items — cigarettes, liquor, this type of thing. And number three, that they would not like to see cuts in fundamental social programs, but that if you did have to make cuts you'd have to make cuts in areas that involved what they would call extra programs, leisure programs, this type of thing. We have tried our best within the budget to do that.

So to get to the specific point of consultation, the consultation was limited to that. The hon. member makes the point that there was a contract here. I recognize that contract. I suppose, given the concern that one has with regard to anything getting out into the public, I tended to perhaps be a little more paranoid than one should be as the Minister of Finance with regard to specific details like that, and that consultation did not take place. In retrospect, perhaps there should have been better consultation. There's very little I can do about that now. I will take responsibility for that, and I suppose can say very little more with regard to the question.

MR. SHILLINGTON: — I want to add to what has been said with respect to this matter. Let us be honest, Mr. Minister, you cut here because you thought it was politically painless. It had little to do with the merits. You cut here because you thought it would be politically painless.

I say to you, Mr. Minister, I think you're going to find you're wrong. I think you're going to find that the people of Regina and Saskatoon and Moose Jaw — but particularly the people of Regina because this park has been in existence so much longer — are pretty protective of these authorities. And I think you're going to find it isn't nearly as painless as you thought it was.

Mr. Minister, you have rewritten the law. And my understanding of contract, my understanding of contract was that when you gave word in a circumstance such as this others could rely on it, and they could rely on it whether or not it were convenient for you to keep your word. What you've said, if it's taken at face value, is that it became inconvenient for us to keep our word so we decided not to.

I'm not arguing that the government is subject to the same law of contracts an ordinary individual is, but heretofore governments have behaved as if they were, and have respected their word when given. I say to you, Mr. Minister, that you've just rewritten the whole law of contract and the accepted assumptions under which people dealt with their government. And heretofore it isn't going to matter much whether a government says, 'We'll bind ourselves, and agree to be bound by this,' or not, because what you're saying is, 'When it becomes inconvenient, we break our word.'

I say, Mr. Minister, that you haven't, in terms of long-run trust — people dealing with their government — you haven't done the process very much good.

HON. MR. ANDREW: — I wouldn't think that . . . First of all, the parks are hardly being shut down, point number one. There is less funding. I recognize the point being made by the hon. member. I indicated how we did it and why we did it. I still believe, and am committed to the view that the allocations of dollars to health care, to other job creation programs, I believe, was better spent than the dollars being spent here.

Now those cuts had to be made. I suppose you could have pushed the deficit higher or

pushed the taxes higher. We opted not to go that way. We opted to go this way. If you indicate that the people are screaming mad at us, then I guess that's the lump I'm going to have to take for that. I believe that the trust between this government and the people of Saskatchewan is strong. Now, you might make the point that there is no trust; I don't believe that. And I suppose we can sit all day saying, 'Yes, it is,' 'No, it isn't.' My view is that, quite frankly, the people do trust us.

And I will give you another piece of advice, and that is the fact that we had the foresight to go out and consult a good hundred people across this province with specific questions; here's the numbers, fellows; what would you do? And I can assure you that they appreciated that a great deal more than simply sitting and waiting. Now, you can talk about whether or not a small negotiation took place or didn't take place, with regard to the letter of the law. And that's important, and I acknowledge the point that you made.

I simply say, with regard to the question of trust, that the people accepted that. I got letters and we received letters from virtually every one of them. Whether they were an administrator of a hospital, administrator of a town, the mayor of a city, they appreciated the opportunity to be heard and their thoughts to be heard as to how the budget would be formulated and the approach of that budget. And I suggest that that is a new process, and is an acceptable process. And I believe that the budget was better for it. The budget was better for it because I believe the people out there don't look at governments as having all the answers. They look at governments as people that are going to try to do the best they can; governments who are prepared to listen to what the people say, and then to try and act within the given situation that they have.

And, I suggest to you: don't talk to me about trust because I believe the people of Saskatchewan trust this government far more than they trusted that government in the preparation of their budget in 1982.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — Mr. Minister, it's an academic point because you'll never be in office 11 years and you'll never find out what kind of trust you're going to have after 11 years. So it's an academic comment that you just finished making.

Mr. Minister . . . (inaudible interjection) . . . Really got them going. I don't know if you can hear for all the bleating and braying and yapping behind you.

Mr. Minister, let me say that this is not, unfortunately, an isolated incident. You entered into a contract with respect to the Union Station; it became inconvenient and it was gone. You entered into a contract with respect to this; it became inconvenient and it's gone. And it's a very disturbing pattern of conduct; a very disturbing pattern of conduct. It's going to make it a good deal more difficult for people to deal with governments in the future. And in addition to the specific issue of the cities feeling aggrieved, as well they should, there is the larger issue of how much people can depend upon a government giving its word.

In addition, Mr. Minister, by passing this off to the city, you're not saving the taxpayer any money; you're simply passing it on. I suspect that the cities are going to have to pick up the majority of this, and I suspect that's why they're so unhappy as they clearly are. You haven't saved the taxpayer money; you haven't cut the public expenditures at all. You've simply unloaded the burden on the cities.

And I would have hoped for more and something better from this particular minister, so I want to . . . If you're not prepared to give your resignation as requested (and I think you should), but if you're not prepared to do that, I do want to state my unreserved opposition to a government breaking its word, and breaking a contract, when that contract becomes inconvenient.

HON. MR. ANDREW: — When you make mention of the 'you'll never be in office for 11 years,' that sounds very familiar. I've heard those words in this Assembly before. The former minister of mines and resources, Elwood Cowley, and Roy Romanow, would sit here and chuckle and laugh: 'You guys over there, you will never, every, you will never in your life ever sit on this side of the Assembly.' That was the line — two to three years, that was the line. 'You boys will never, ever in your life sit on this side of the House.' That was two weeks before the House was dissolved and an election was called. 'Chuckle, chuckle, chuckle. Look at the poll we just got; look at the poll we received. You boys will never be over here.'

And then you go out into the . . . Under the guise of the budget, you go out with the great theory, 'tried and trusted.' Tried and trusted. Out of 64 seats, tried and trusted, there were only eight seats in the whole, entire province, that you can take from that that trusted you. So don't tell me about trust and don't lecture me about trust with regard to this particular program. I can assure you that the people of Saskatchewan trust this government, because this government is prepared to listen to them.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — I wonder if I might give a little speech about buy Vancouver, or something equally on point.

But I'm going to break tradition of this committee and turn to the issue at hand, and refer to the Wakamow Valley Authority and ask whether or not you have had any opportunity, or your colleagues have had any opportunity, to communicate with the Moose Jaw City Council which, at least according to press reports, has formally expressed its displeasure with the way the provincial government handled recent provincial cut-backs to the Wakamow Valley Authority. And council, here in Moose Jaw, unanimously supported a motion which protests that the government gave no notice of its intention to cut back its grant.

I think the people in Moose Jaw are concerned at least on two counts: one, on the steps you took to, as I would say, break the arrangement that you had with the city of Moose Jaw and the RM of Baidon; and the second point is, when is it likely that the old grant structure will be restored so that the people who are planning the Wakamow Valley Authority will have some idea of when they might have that flow of funds?

I think, Mr. Minister, you understand really what I am . . . There are at least two issues here and I'm raising both of them: the manner in which you dealt with your municipalities and, secondly, the damage you have done to long-term planning by the three authorities. And I would ask you to comment on each of those points.

HON. MR. ANDREW: — Okay, the Minister of Urban Affairs has received the protest from the city of Moose Jaw. I am advised that the minister would communicate to them that we would not see this happening again; it would not be our intention to do that; that clearly we will look at the funding question in the budgetary cycle, and that we would make no commitment that we would restore it back to point A or point B next year. I

mean it's still going to be a budgetary decision that is made. We give them the undertaking and the assurance that before we make any further adjustments to it through the budget process, that we would certainly discuss it with them, and advise them in advance if we were going to increase it or to decrease it, but it would not be our intention to decrease it further.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, these are relatively small sums of money we're talking about — total cuts which would be of the order, of all three of them combined, of about \$500,000 I would think. The essence of these three authorities was that the province and the municipality, and in some cases the university would get together and they would set up some minimum funding so that some long-term planning could be done.

Now this is not the total funding of these authorities. Certainly, there is discretionary money as well. And it was understood that with respect to discretionary money that, let us say, goes into Wascana Centre, the province of Saskatchewan, or the city of Regina, or the University of Regina, would have to agree to that, and agree to it on a year-to-year basis because they couldn't necessarily guarantee that they would have an unlimited, or even a substantial flow of funds.

But with respect to some base funding, it was agreed that they would guarantee that minimum, and that they would do it by each committing themselves to what was really quite a minimum amount and they would put it in legislation and this would be the pact between them which would allow at least a minimum amount of forward planning to be done. Now there's no question that that's how these arose. There's no question that in the case of Wascana, it was a very, very, long and protracted negotiation which led to this decision that they would have a minimum amount that they would guarantee. With respect to Meewasin and Wakamow, the authorities are new and, accordingly, any decisions to cut off their minimum flow of funds can only seriously harm any long-term planning efforts.

Obviously, the minister is committed to the decision he announced in the budget. I will want, a little later, to reflect again what other people felt about it. But the question I'm asking really now is this: does the minister believe it is likely that, prior to the next budget being framed and decided upon, it will be possible to restore the minimum financing package which was included in these three acts, and which is not a lot of money, and which represents the then conclusion by all of the authorities involved, by all the jurisdictions involved, that this was really the minimum amount of money needed to do the job?

The last point I want to make before I sit down and ask the minister to reply is that this isn't the first time that the Government of Saskatchewan or the city of Regina or the University of Regina or the University of Saskatchewan has been in some financial straits. And at one time, it has been the city of Regina which has been in a financial bind and they have thought that they might try to lower their commitment to Wascana Centre and each time they backed off on the grounds that they'd made that deal and really, that minimum amount was what they needed.

This happened to the province of Saskatchewan in the late 1960s when there were some pretty stringent financial restraints, as the then provincial treasurer will tell you in his budget of 1968 which introduced all manner of . . . (inaudible interjection) . . . Well, all manner of deterrent fees and all the rest of that. I don't want to go into that except to indicate that the government of the day felt that they were in some fairly

difficult financial waters.

None the less, even though I hear via the grape-vine they were tempted, they decided not to tamper with the deal on Wascana Centre. I want to stress that because the arrangement really has been one whereby, at least for these minimum amounts, we'd stick to it through thick and thin. And it has, in the case of Wascana Centre, lasted more than 20 years, which is not bad for a tripartite agreement.

I therefore repeat my question to the minister on the assumption that the government is committed to the budget, and accordingly to these bills; is it likely that there will be any effort made to restore the minimum funding?

HON. MR. ANDREW: — Okay. The first point raised by the Leader of the Opposition — that this would prevent any long-term planning — this is not in fact the case. Any of the reductions in the budget would deal completely with implementation of services or programs. With regard to what I would intend to do in next year's budget, I will tell you when next year's budget comes along what we will be doing, and not until.

With regard to the suggestion of 1968 that somehow the tough times lead to deterrent fees — and I know full well you folks over there would like to hear that kind of message start coming out of this government — you can wait a long time before you're going to hear that type of message coming out of this type of government. And I would suggest that you're drawing a pretty long bow if you think you're going to start to pull that one.

HON. MR. BLAKENEY: — The minister is sorely tempting me to talk about anything but the bills, and I am tempted to talk about his colleagues in Alberta, but I will refrain from doing that and talk about the bills.

AN HON. MEMBER: — Al, you talk about the bills.

HON. MR. BLAKENEY: — That's right. And is the minister . . . His reply is exactly the problem. He says, 'What is in next year's budget I will tell you next year.' And the whole idea was that we were going to set up these three authorities so that people didn't have to wait for the budget to know how much money they had, at least as to a minimum amount. And the whole idea was that, as to a minimum amount, they'd have a guarantee, and as to the discretionary money they'd have to wait for the budgets.

Now what they're finding is that, as to the minimum amount, they have to wait for the budget. And the minister has said it again. He's said it again, that Wakamow Valley Authority will know how much it's going to get from the Government of Saskatchewan next year when the budget comes down.

And I think that just underlines what we are trying to avoid. And what we are trying to avoid is to make these organizations dependent upon the annual appropriation for their base funding.

I wonder if the minister is aware of a resolution passed unanimously by the Regina City Council on this subject, and the resolution reading as follows:

Be it therefore resolved (and I'm just reading the last two 'be it resolveds') that City Council shall express to the Minister of Urban Affairs its grave concern about the unilateral action of the provincial government in amending The

Wascana Centre Act, and

Be it further resolved that City Council request the Minister of Urban Affairs to cease his attempts to amend The Wascana Centre Act and to enter into consultation with the partners of the Wascana Centre about the need for any amendments to the act.

Now, the question I ask the minister is: is he aware of the resolution passed by the Regina City Council unanimously?

HON. MR. ANDREW: — Yeah, I'm aware of that. I watched one of the aldermen on television spouting loud and long about it. With regard to the initial question, with regards to minimum amounts, that they have no idea of what a minimum amount was, I indicated to you that I would not give you any indication as to what next year's budget would contain. If you go back to the previous question, I indicated to you that by this legislation the minimum amount is set. I also gave to the Assembly and to the people of Saskatchewan the assurance that, if we were in the future to either increase this or reduce this, that we would take it up and deal with the particular councils in question. So I think the point to be made is the minimum amount is there. If they want to plan, that's the amount that they can plan for. With regards to a given city council's concern, obviously we take that into consideration, listening to it. We also listen to some of the concerns of a lot of other cities, including the city of Regina, and all the cities. SUMA (Saskatchewan Urban Municipalities Association) came to us in the preparation of the budget — came to us with the request that 'You guys have got to move and adopt the 6 and 5 formula of the federal government with regard to wages. And we have to have your support because we can't control our own wages. And further, you have to bring in strong legislation to put these people back to work, because I know full well that they're not going to accept that.'

We listened to that. We listened to that question; we acted; we heard some of it; we took parts of their recommendation. We also asked them in return, 'If you were to ask for that, are you also prepared to accept that with some revenue sharing?'

But it appears, obviously, that we're not going to complete these three bills today, and being that it's close to 5 o'clock, I would ask that the committee rise, report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 5:04 p.m.