

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

May 27, 1985

EVENING SITTING

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

JUSTICE

Ordinary Expenditure — Vote 3

Item 1 (continued)

MRS. BACON: — Mr. Chairman. Just a few final questions, Mr. Minister. For the record, I hope that you appreciate that I am not a lawyer and am at the mercy of lawyers to give me the information I have. In your legal opinion, and the opinion of those that surround you, I should like to know if you could help shed some light on the controversy with regard to driving, and that is something that has come up to me in the last 14 months. And is driving a privilege? Do you deem driving to be a privilege legally, or is it a right legally?

HON. MR. LANE: — Well I can give you what the court's ruling is, which is that it's a privilege.

MRS. BACON: — And lastly, with taking into consideration all the aforesaid from 20 after 4, for clarification, the Crown prosecutors with whom I have spoken have told me that they are guided by the policies of the Attorney General, and the judges tell me that they are guided by the policies of attorney generals, and the attorney generals from across Canada tell me that they are at the discretion of the bench. So I was wondering if you'd care to tell me who you think is being less than forthright with me on this matter.

HON. MR. LANE: — I would have difficulty believing that any judge would say that they're guided by the policy of the Attorney General. And I would certainly like to hear from any judge that would say that.

Secondly, yes, we can set prosecutor's policy. And I've indicated that the latter you've raised, that that policy is being looked at. I'd simply caution that it won't have much effect. And secondly, we can get up as prosecutors, or prosecutors can, and argue the evidence or argue the policy. It does not have to be accepted by the judges and in many cases is not accepted by the judges. So I have yet to find, and I suspect I will never find, a judge who would say that he follows, he or she follows, the policy set down by the Attorney General.

MRS. BACON: — Well, Mr. Chairman, Mr. Minister, we differ on that point, but as my sources must remain confidential, as you understand, I would only say in closing that it seems that the Canadian people are now in a situation: we are at the virtual mercy of the bench, at whatever whim they happen to be at that time, and we have no chance of recourse. I have no further questions.

MR. KOSKIE: — Thank you, Mr. Chairman. I want to, Mr. Minister, deal a little bit with another topic, and that has to do with the removal of the position of sheriff at some of the judicial centres. And I refer specifically to the removal of the sheriff in the Humboldt judicial centre.

And I guess to start it off with, I'd like to ask you why you think it's a political issue, when in fact a member from the opposite side indicates that losing a sheriff servicing Humboldt and Wynyard is a political issue. I think that the sheriff has been providing an essential service there, and I think you know very well that the local bar in Humboldt has opposed the removal of the sheriff. And I was rather surprised at your defensiveness in the *Humboldt Journal*, where you said, "What got things stirred up was Koskie," he said, commenting on MLA Murray Koskie, who raised the issue

about the loss of sheriff in Humboldt and Wynyard.”

I would take exceptions to any political motivation whatsoever . . . (inaudible interjection) . . . Yes, well, laugh; yes, laugh. I would have thought that the member from Humboldt would have been in fact trying to defend the judicial system in Humboldt. But you never hear from him.

And so, as I say, the Humboldt Bar Association decries the removal of the sheriff, and certainly I take issue with the removal of the sheriff. And I'd like to ask you, Mr. Minister: what is the rationale for removing another judicial officer from the Humboldt, Wynyard area? And my colleague down in Gravelbourg has the same particular problem. And so I'd like to ask you: what is your rationale?

HON. MR. LANE: — Well first of all, to give you the rationale, the legal documents registered in Humboldt were some 77 service of documents, some 79; 25 seizures; and four sales. And according to our calculations, that, at best, worked out to about two days a month, was it — one day a month — that we could justify. And with regard to the political issue, I accept your apology.

MR. KOSKIE: — Why don't you, if your so-called consultative process, why haven't you had the decency to meet with the Humboldt bar and the bar in Wynyard to go over the details? No, you start blasting the chairman of the Humboldt Bar Association and just because he wants to stand up to providing further services with the judicial system, that you immediately put it into the political perspective — just because you people can't operate on any decency basis other than a political motivation, and I'll point out some of your sheriff appointments just to demonstrate how political this has become.

And so I ask you, why wouldn't you have the decency to meet with the bar association and interested people in the communities of Humboldt and Wynyard in order to discuss the matter?

HON. MR. LANE: — Well we're . . . I'm advised that it's better service to Wynyard now because it's being serviced out of Yorkton. But with regard to the Humboldt matter, I did meet with the Humboldt bar.

MR. KOSKIE: — Did what? I didn't hear you.

HON. MR. LANE: — I said I'm advised that Wynyard, instead of being serviced out of Humboldt — even, you know, on that limited basis — is getting better service out of Yorkton. And secondly, I did meet with the Humboldt bar.

MR. KOSKIE: — And did you explain to them the basic reason for pulling the sheriff from Humboldt?

And further, I'd like to . . . You start talking about better service to Wynyard. Is it your contention that you have better service now in Humboldt as well?

HON. MR. LANE: — Well I'm advised that the service is better to Wynyard. And the question of Humboldt — the matter is current. Now the files are current, so that would indicate that the service is adequate to say the least, and seems to be very much up-to-date the way it's being managed now.

MR. KOSKIE: — Well in respect to the . . . There's a number of people that have been displaced as sheriff in Humboldt, and deputy sheriffs, and I wonder about your general policy. I understand that down in Moose Jaw you have a judicial officer reappointed as deputy sheriff in Moose Jaw, one Paul Bozak. Mr. Bozak had been sheriff previously. He is now 71 years of age. He obtains the old age pension. He's also on the highway traffic board. And then what you have done here is to reappoint Mr. Paul Bozak, a well-known Tory hack, associated with Spence Bozak, and you know

who Spence Bozak is. And if you know Spence Bozak, you know Paul Bozak.

What I was wondering whether when you are displacing, when you are in fact displacing people like the sheriff in Humboldt, or the deputy sheriff, or while you're displacing the sheriff that was in Gravelbourg, Assiniboia, I was wondering whether you have any system whereby you will incorporate these individuals into the judicial system. Or will you, in fact, be continuing to find political hacks from the moth-balls and reappointing them?

HON. MR. LANE: — Well I'm frankly very surprised to hear your comments about Mr. Bozak, who was the sheriff in Moose Jaw for many years and, I believe, during the NDP administration. All of a sudden now, for you to criticize someone 71 years old that carried on long and faithful service to the public of Saskatchewan even during the New Democratic administration, I frankly find it somewhat strange and, I think unfair.

Let me add that we do use other people part-time on a short-term basis: Lou Dittrick, who was the sheriff here in Regina for many years; we've Don Hiebert, another name who came to mind who just recently retired as a registrar. And that's been a long-term practice, that they will use people on a part-time basis, on an occasional basis, and it's not a new practice. I'm just frankly surprised at the tenor of your questioning.

MR. KOSKIE: — Do you have any full-time deputy sheriffs? In Moose Jaw you have a retired deputy sheriff. What I'm asking you is, do you have any permanent positions? It's rather nice, you know, for citizens of Saskatchewan to be able to have a career position too, rather than be hung out on the limb with part-time jobs here and there. And it's fine for someone who is retired, as Mr. Bozak, with a distinguished career and no political interference when he received the appointment from our government.

But what I'm asking you is, there are a number of people — and I know the sheriff in Humboldt, for instance, had a permanent job, had all the benefits of a full-time job. And I'd like to know how many permanent positions you have in the province as sheriff and what you intend to do in respect to those that have been displaced.

HON. MR. LANE: — Well we haven't completed any reorganization, and I've indicated that before. Secondly, we have about three or four pilot projects as to which system will work best in the various rural areas. Some will require both a sheriff and local registrar; others won't. Finally, yes, there's a permanent deputy sheriff in Moose Jaw. That's a long-standing position.

(19:15)

And as I say, the use of the retired personnel is not a new policy. It's a long-standing one and they do it with people from the local area, and I'm assuming that's the case in Moose Jaw. You know, I just call to your attention the arguments this afternoon about mandatory retirement. You said that we should do away with it, and now on the one hand you're criticizing someone because they're 71 years old. So all I suggest to you is it's a long-standing policy. It's one that was used in your administration. The individual you're critical of was a long-standing civil servant, and there are others being used on the occasional part-time basis. That's all they are, is more or less relief help.

MR. KOSKIE: — Well let me just ask you this. How many judicial centres do you presently have where there is, in fact, a permanent position for a sheriff or deputy sheriff?

HON. MR. LANE: — Okay. I'll go through all the judicial centres that have sheriffs: Assiniboia, Battleford, Estevan, Melfort, Moose Jaw, Prince Albert, Regina, Saskatoon, Swift Current, Weyburn, and Yorkton.

MR. KOSKIE: — And are those positions currently filled by full-time sheriffs or deputy sheriffs,

or are they filled by part-time appointments?

HON. MR. LANE: — Okay. The two that are vacant are Assiniboia and Humboldt, that have not yet been filled.

MR. KOSKIE: — Well, is there an intention to fill Assiniboia and Humboldt?

HON. MR. LANE: — We will make a decision when we've completed our assessment of the reorganization. No decision yet.

MR. KOSKIE: — Why would you pull the present sheriff if you haven't completed the reorganizational study, and still have the contemplation of putting a sheriff back in?

HON. MR. LANE: — Well there was, as you're probably aware, a retirement in Humboldt, and the particular individual to replace has been brought in to Regina on a temporary basis.

MR. KOSKIE: — Well what is the position of your department in respect to whether you're going to fill the position in Humboldt and Assiniboia? Is that still open to consideration?

HON. MR. LANE: — Yes, it's still open to consideration and no decision has been made.

MR. KOSKIE: — Well what considerations would change the position of having pulled the sheriff from those two centres?

HON. MR. LANE: — The usual consideration of work-load and service for the public.

MR. KOSKIE: — And I thought you indicated that that was determination that you had already reviewed . . . (inaudible interjection) . . . Okay. Let me get it clear. Can I tell the people of Humboldt in the judicial centre that, in respect to getting a sheriff, that so far as the Minister of Justice is concerned that it's still open for review?

HON. MR. LANE: — That's right.

MR. KOSKIE: — Again, what factors would . . . Let me put it this way. How soon can they expect that your final consideration will have been completed?

HON. MR. LANE: — I indicated that it would depend on work-load, service to the public; that to date we do know that the work-load right now justifies a sheriff one day a month; that we haven't resolved the question of service to the public.

MR. KOSKIE: — Well I can assure you that the work-load will increase with a Tory government in office, because the number of bankruptcies and writs of execution are continuing to increase.

I spoke to you in respect earlier this afternoon in respect to court reporters. And I'm wondering whether you could advise me in instituting the new mechanical system in the courts: are you aware of any court reporters having been given notice of termination of employment?

HON. MR. LANE: — No. None have.

MR. KOSKIE: — I put it in the broad terms. I'm not saying just as a result of the new technology. But what I'm asking you is, are you aware of any court reporters — put it that way — in any

judicial centre to whom the justice department has sent out recently notice of termination of employment?

HON. MR. LANE: — No, I'm not aware of any and I'm advised there hasn't been any.

MR. KOSKIE: — Well my information leads me to believe that that is not the case. I would like to ask the minister to check into the various judicial centres because the information that we received this evening, and I'm not . . . (inaudible interjection) . . . Never mind, we can't tell you; you'd destroy the person.

But just recently a court reporter has in fact been given notice of termination, and no offer of any other types of employment. And we'll raise this at another opportune time. But if you're saying that you're not aware of it, I indicate to you that our information is that indeed a court reporter recently has received notice of termination.

HON. MR. LANE: — Okay. I'm advised that no permanent court reporters have received notice and no notices have been sent. I am advised that there was a temporary in Prince Albert, that was hired on a temporary basis, who has been told that the work-load is not there. But she was aware of that, I'm advised, when she was hired.

MR. ENGEL: — Thank you, Mr. Chairman. I'm not going to raise the issue of the court reporter at this time, but I am very concerned about the judicial centre at Assiniboia and Gravelbourg, Mr. Minister.

The services you're providing and the services to the community, you say, are going to be a factor which will determine whether you put a sheriff in there or not. The concerns that have been raised both in Gravelbourg and in Assiniboia indicate that they're being serviced either by Weyburn, part-time service from Moose Jaw, or Swift Current. And plus Mr. Kessler, who has been sheriff down there for years, received his pension in September of '84, went into semi-retirement — well, on retirement — has been called back in for part-time service. So he does some work in Assiniboia, plus helps out for criminal cases and trials around the province.

And I think that if you're concerned about providing a service, I believe there's a time coming when you're going to need to look seriously at providing court services in French in a bilingual area. And I don't think there's another court more likely able to smoothly handle that for you than would in Gravelbourg.

And I think a permanent person, located or assigned to those two judicial centres, makes good sense. I think it's a mistake you're making. And one of the reasons why you're held in such low esteem as Attorney General of this province is the kind of decisions you're making, how it affects those communities.

And I'd like a commitment from you that you will be concerned about the service you're providing, not only as far as a benefit to the law offices down in those two centres, but also benefit to the communities.

That raises another issue, and I'm not sure if my colleague has developed that or not. But what changes have you made regarding the fees that are levied against a person when a sheriff or deputy sheriff goes out and services somebody? And if this person . . . Let's say there's a judgement against a farmer for \$10,000 by a machine company. If a sheriff goes out and services that person, what will that cost the person now under your new fee structure, compared to what it would have cost under the old system?

Say the man, sheriff, spends two hours with a farmer to serve him a \$10,000 judgement, and the farmer pays it. What change have you made to levy some additional funds or collect additional taxes from the people of Saskatchewan that can least afford it?

May 27, 1985

HON. MR. ROUSSEAU: — I want to assure the member from Bengough — not Bengough, Assiniboia-Gravelbourg — that I'm not on my feet to answer any questions posed to the Attorney General. Let him do that. But I would ask leave of the House to introduce some guests.

INTRODUCTION OF GUESTS

HON. MR. ROUSSEAU: — Thank you, Mr. Chairman. It's my pleasure to introduce to you, and to the members of the Assembly, seven Boy Scouts from my constituency who meet at the Massey School — mine, and I believe the member from Regina Wascana is also involved with some of these young people.

I'd like to introduce as well some of the leaders, Mr. Otto — and I think I've got this right — Szalabagi, who has been a senior scout since 1946; and with them, Mr. Bill Lange. Is that correct? I'd like you to stand. He's a man who's been a senior scout since 1927. I think he was about that high, Mr. Chairman. And accompanying them as well is Mr. Ralph Leibel who's been well-known in the circles, and I've known for many years, and takes a great interest in Boy Scouts.

I'd like to ask the members of the Assembly to join with me in extending a very warm welcome to these young people and their leaders. There were supposed to be 12 of them but apparently there's about five of them are at a baseball game, so a welcome to the ones that are here.

HON. MEMBERS: Hear, hear!

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

JUSTICE

Ordinary Expenditure — Vote 3

Item 1 (continued)

HON. MR. LANE: — I'll take the questions in reverse order. With regard to the new tariff, we can't give you a comparison on the new block tariff on sheriffs because they don't relate. It's a new system, and so far the representations from the bar have indicated they like it; it's more simple than the previous one.

But let me give you a comparison of the Queen's Bench tariff, which is a modified block tariff, which has gone out and I'm sure is the one that perhaps may have been raised. In a typical Court of Queen's Bench defended action, if we take the previous tariff or statement of claim, statement of defence, examination for discovery, the order, the notice of trial, the hearing fee, the judgement taxation of cost — that would be \$110. Under the new tariff, which is simplified, statement of claim, defence, notice of trial, judgement, and taxation, would be \$115. So it'd be an increase of \$5.

(19:30)

If we take a Court of Queen's Bench default judgement, under the old tariff, it'd be statement of claim, 10; noting for default, 1; judgement, 10; certificate, 5; total of 26. Under the new tariff, statement of claim and judgement would be 25. So it would be down \$1. The chambers' applications, a notice of motion and order, under the old tariff, would be 15, and under the new one would be 35. So they're difficult on the sheriffs; it's a simplified block formula that seems to have been well received from the comments of the local bar.

With regard to the provision of French services, I would think it would be premature for us to make decisions, given the fact that before the court of appeal, at present, is a case known as the Mercure case, with regard to the provision of French language services and whether an individual has the right to a trial in the French language. We have no decision on that. My understanding is that the court of appeal is awaiting a further case outside of Saskatchewan which will be going before the Supreme Court of Canada. Those cases will give us a better assessment as to either the needs or the legal requirements upon the government and the people of Saskatchewan for the supply of French language services in the courts.

Just for your information, of course, the deputy registrar in Gravelbourg is bilingual.

MR. ENGEL: — Mr. Minister, thank you.

In the case that I asked you about, the second part of my question — if the sheriff serves a writ of execution and a farmer talks to the sheriff for two hours, and then decides, after counselling, that he's not going to get out and his equipment's worth more than 10,000-odd-dollars — I'll give you a \$10,000-dollar example. If he decides to pay that \$10,000, he gives him a cheque for \$10,000 for the writ that was against him, he has to pay the sheriff 25 bucks an hour for the time the sheriff talked to him plus he then still has to pay the \$10 execution fee that was in place before. So originally it would have cost him \$10,010, but under your new system you're levying another 50 bucks off a farmer that . . . And those consultation fees are in place and are being charged, because I've had complaints raised by people that had to pay them.

HON. MR. LANE: — Under the old system they would have had to pay execution costs as well, so the difference should be marginal. And secondly, we're not charging for things like travel time and that sort of thing, just the hourly rate . . . (inaudible interjection) . . . No, I'm sorry. Travel: I'm wrong; I'm sorry. Travel time and mileage, I'm sorry. But under the previous system they would have had execution fees . . .

AN HON. MEMBER: — What about the mileage fees? They're still in place.

HON. MR. LANE: — The execution fees? They'd still have to pay those under the previous system.

MR. ENGEL: — He has to pay on that \$10,000. I understand he has to pay about \$200 fee because of the poundage of the money. So in my example I was even short, because what you've added is the sheriff's . . . You've decided to pass on to one who's least able to pay, to those that are least able to pay, because they are least able to pay . . . Because if they'd be able they wouldn't have got behind in their payments.

So you passed on . . . If the sheriff goes out . . . You are telling me that you can service the Gravelbourg district from Moose Jaw and Weyburn and Swift Current better. And it's going to be better for you because you're going to send your political friend, your Spence Bozak out on that — I'm sorry, not Spence, his dad, Paul — you're going to send him out on the road.

You're going to pay him \$25 an hour from when he leaves Moose Jaw. You're going to pay him mileage and stuff to drive down to Gravelbourg to repossess a combine or whatever he's going to do. And when he gets there, and if he talks to them and visits a while, the farmer's still going to pay a per hourly rate for the time he's there and serving his thing. And then he still got stuck with — he's still stuck, and you don't care about the farmers. You don't care about the service you're running, because the guy is going broke anyhow or he'd make his payments.

And I think in your vicious move to grab all the money you can, you're even putting the dollar sign ahead of offering some good, fair, justice for all. Where is your form of justice that you would move the sheriff from Gravelbourg to Moose Jaw and then charge us mileage to service our area and charge us a per diem?

So you put an old man on the road, that drives 30 miles an hour and the farmer waiting for him has to pay an hourly rate plus mileage. I think that is poor service for Gravelbourg; it's poor service for Assiniboia. They want to be serviced by a sheriff right from their own town. They don't want no part, they don't want no part of your deal. They don't want no part of your deal to move that judicial centre out of there, because it's easy to evaluate what it's cost because you've made some money. It's easy to evaluate, because you're making money at it, off the people that can least afford to pay it.

HON. MR. LANE: — Well that's a typical example of a little knowledge is dangerous. And first of all, you are the only one . . . And I'll be very pleased to announce this at the nominating convention coming up in a couple of weeks, when we expect nearly 1,000 people in Assiniboia-Gravelbourg, who are quite anxious to get a rational debate in the House, and indicate to them, and clear up, clear up any misleading statements that the hon. member has said about shutting down a judicial centre. That's simply false and it's simply not true.

As I indicated, if you had been listening, that we are doing a review of the supply and services, the courts throughout the province of Saskatchewan, and I made it clear to the people in Assiniboia-Gravelbourg that we would not be shutting down the judicial centre. And those that say we are shutting down the judicial centre are simply telling untruths. And we made that clear. And they all accept that down there, so you can talk about it all you want, but it's not true.

So having said that, having said that, there is a vacancy, and when we get through the reorganization that probably will be filled, because there is a long distance, because there is a long distance, and they are far away . . . (inaudible interjection) . . . You keep your chin up when 1,000 people show up in Assiniboia-Gravelbourg saying, bye-bye, Allen.

MR. CHAIRMAN: — Order. Order. I believe we are on estimates, so we'll carry on with it.

HON. MR. LANE: — I believe, Mr. Chairman, there will be another reason. There will be another reason for keeping the judicial centre open in Assiniboia and Gravelbourg. We will need so much security in the hall that night, Mr. Speaker, that we will need to hire extra people.

Having said that, having said that to the hon. member, there are no plans and there will be no shutting down of any of the judicial centres. I made that clear. I'm very sympathetic to the point made by the local bar down there, that they are being serviced from a long distance until that position is filled.

And having said that, we can't give you under the new block tariff, which is not related, the comparison. We can take the figures you give, and calculate out what the cost would be. But in the Assiniboia-Gravelbourg, my officials, as I was going to say, are taking a very lenient attitude on the question of mileage because they know the extra distance being serviced, and keep in mind, keep in mind that in the vast majority of cases, if there is a seizure or an execution, the amounts are far greater than the figure you gave, and that the sheriff's fees are a relatively very small amount in any total seizure. I would be surprised if there are seizures of \$10,000 that would put someone out of business, as you indicate, and so I suggest to you that the additional cost is very small. Secondly, if the sheriff is unsuccessful in collecting, which happens a great number of times, it's the creditor who will pay that fee, so . . . (inaudible interjection) . . .

I've just told you, and again you're not listening. What I said to you was that if the funds are not collected by the sheriff, then it would be the creditor who would pay that . . . (inaudible interjection) . . . And I don't know how you'd disagree with that statement; that's precisely what happens.

MR. ENGEL: — You can see where this party's coming from, and I'll make a little prediction, Mr. Chairman, where it's going to go. I can make a little prediction where you're going to go, Mr.

Minister, because you don't appreciate that the fellow that can't make his payment, that owes that \$10,000, is a guy that's hurting bad.

The guy that has a \$100,000 four-wheel drive tractor, and hasn't made any payments on it at all, he's rolling in some pretty big chips. And a 50 or \$75 rate for a sheriff for three hours and a 200-mile mileage expenses isn't going to mean a lot to him.

And you can't appreciate that there are people out there that only owe \$10,000, and still can't make their ends meet, and still can't make that payment, Mr. Minister. And the fellow that's struggling with \$10,000, and he goes to his bank and he stretches and begs and he's a good, upright citizen and gets his money and he pays the sheriff, he's the one that gets stuck with the extra bill. He's the one that has to pay that extra mileage coming from Moose Jaw instead of from Gravelbourg or from Assiniboia.

And the \$10,000 figure I used, I used as an example because I know how small your thinking capacity is when it comes to considering human beings and the human suffering you impose on people that are in dire straits and that are hard up and that are hurting.

And as far as that little nomination, your concern down there, you'll run through the gate. You'll likely set a record and maybe come second, but that would be the first time in Saskatchewan's history, Mr. Chairman . . .

MR. CHAIRMAN: — Order. We're on clause 1 of the estimates, and I think that's where we should be staying. We're on clause 1 of the estimates and that's where we'll be staying.

MR. ENGEL: — Thank you, Mr. Chairman. The minister was bragging about some nominating convention where you came in third for ever since history, but never got better than third. In fact, the only place, the only place in Saskatchewan where they don't know what Tories are. And so, you could come down and rake a few up . . .

MR. CHAIRMAN: — Order, order. I'd like you to get on the point of questioning the estimates. We're not in political games at this point in time.

MR. ENGEL: — Mr. Chairman, thank you very much for your ruling, and I wish you would have made that for the Attorney General when he brought it up. And if you don't want me to answer the Attorney General on the comments he made, I won't bother.

But I will tell the Attorney General — I will tell the Attorney General — when you're coming down to Assiniboia, talk to some sheriffs; talk to the lawyers down there; talk to the judicial people that come down and serve the district. And we're telling you, Mr. Attorney General, that we don't like what you're doing behind closed doors.

You say one thing, and we're going to keep this thing open, but to keep it open the guy's either got to go and meet the sheriff in Moose Jaw or Weyburn. Weyburn is serving some down there — all the way from Weyburn, coming to Assiniboia.

And you've got sheriffs running back and forth, and deputies running back and forth serving writs of execution, when you could be having somebody doing it right from the local scene. And if you think by pulling a local person out isn't eroding the service that you're offering in that area, Mr. Attorney General, I can tell you that's why you're the least popular Attorney General we've had since you've served with Davey Heald.

And I don't think that is an exaggeration, because nobody that I talk to appreciates the decision you're making, and the lack of justice you're bringing to the Justice department. And I think you'd better give the people some fair treatment down there.

(19:45)

I appreciate you coming down and meeting with them, but do what they're telling you to do. Act on their recommendations. They believed you when they said you're not going to close it down. But they're upset when they see that people are having to serve the area from Moose Jaw, from Swift Current, and from Weyburn, rather than even using the semi-retired sheriff you have down there.

I think it's not fair to the community, and on behalf of them I'll stand up and tell you that you're making a mistake charging the mileage back to the local people or to the credit of everyone else, isn't going to solve the problem because you're not going to know; you're not going to know. It's going to make your other centres look good; it's going to make your other centres look good at the expense of ours. And we think it's not fair.

And I think it's time you stand up and, as minister of jobs, create a few new positions. Appoint some sheriffs where you have all these. How many retired people have you got serving in the judiciary? How many retired people have you got serving as sheriffs or deputy sheriffs at this time, on a part-time basis?

HON. MR. LANE: — Well it's typical of a difference in philosophy. You want all the hiring in government, and it's nice to see it reiterated from time to time because we don't want people forgetting.

But keep I mind when you talk about the travel, that there's no travel cost from Moose Jaw, or wherever they're coming from at present, to Gravelbourg. That's not being charged. And if it is, you let us know, because it's not supposed to be charged. So that they're only getting exactly what — if there was a sheriff in Gravelbourg, the same type of mileage. So I frankly . . . (inaudible interjection) . . . That's right.

AN HON. MEMBER: — That's not what I heard.

HON. MR. LANE: — Well that's probably not what you heard, but if . . . You get me the evidence and we'll correct it, because I've been assured that that's not the case, that they have not been charging those figures. But if you have it, we'll certainly correct it and handle it accordingly. But they were never supposed to have been charged for that travel to Gravelbourg.

MR. MEAGHER: — Thank you, Mr. Chairman. Mr. Minister, I would like to pose a couple of brief questions with respect to the RCM Police services provided to the province.

One is, what is the total cost to the province of Saskatchewan for the RCM Police service, if the figure given in item 28 is the total cost, or if there is in fact some additional costs to the department for RCM Police service to the province of Saskatchewan? As well, I would like if possible, if you can give me the information, how many members of the force serve in the province of Saskatchewan currently.

HON. MR. LANE: — Under the provincial contract, 833. The increase in this year is 1 per cent to the RCM Police contract, which is the statutory increase under the negotiated agreement, negotiated a few years back.

MR. MEAGHER: — So is the total cost to the province of Saskatchewan approximately \$35 million for that policing service this year? Or is any portion of that cost reimbursed to the province from municipal governments?

HON. MR. LANE: — This is our cost. This is what we have to pay under the RCM Police contract — 35.95 million, an increase this year of 1.73 per cent.

MR. MEAGHER: — Well, Mr. Chairman, and Mr. Minister, does that constitute the total cost to the province of Saskatchewan if you include municipal governments that may pay for that service?

HON. MR. LANE: — There are another 117 under direct municipal contract. That's RCM Police component — 117 under direct municipal contract.

MR. MEAGHER: — Mr. Minister, I have information that in the year, the fiscal year '83-84, the RCM Police, over half — 51 per cent, actually — of the total number of recruits for that year came from the province of Quebec, and 11 per cent of the recruits in the same year came from all four western provinces.

And there were at that time 600-and-some members of the force serving in Quebec, all of them working directly for the federal government. As the province of Quebec, as you may know, has its own provincial police force, therefore it does not employ RCM Police. While at the same time, in the same year, 7,592 members of the force — or over half of the entire force — served in the four western provinces.

I would like to know if you are aware of that, what constitutes in my view, and in the view of many of my constituents, discrimination against not only the western provinces, but the province of Saskatchewan, in terms of recruitment by that force.

If in fact those kind of numbers are accurate, I would like to know if you've made representation to the RCM Police, with respect to their recruitment policies. And if so, what kind of representation have you made?

HON. MR. LANE: — Well to give you some further information: 12 per cent of its recruits, of the RCM Police recruits in '83-84 were from the western provinces; that's the four western provinces. Over the previous five years, 42.7 of the recruits were engaged from Manitoba, Saskatchewan, Alberta, and British Columbia. During that five-year period, 8.7 were from Saskatchewan.

I raised on January 15th, with the Solicitor General of Canada, my concerns about the lack of opportunity for Saskatchewan people in the force with the recruitment policies. The restraint primarily comes on the question of language. There is another consideration that we have to keep in mind, in that the last two years, because of the general national economy, the number of recruits have dropped significantly because people were not leaving the force. The traditional number of years of retirement, look for a second job, had dropped off dramatically over the last three years, because of the general national economy.

I am advised now by the Solicitor General of Canada that their policy is under review and their recruitment policy is under review, and that they will be looking at . . . They're inclined to the view that they will be using regional recruiting practices, which will mean that recruits will be selected primarily from areas in which they're expected to serve, and they will not look upon that on a national basis.

If that hiring practice is brought into place, and I'm optimistic that it will, then Saskatchewan again will have its opportunity as having the RCM Police as a very much desired career path for our young people.

MR. MEAGHER: — Thank you, Mr. Minister. If in fact this re-examination of the hiring practices of the RCM Police do not bring about the results that you hoped for, in terms of opportunities for young people, young men and women in the province of Saskatchewan, have you examined, or done any work, had anyone look at the costs and the various problems that may arise from establishing a provincial police force in the province of Saskatchewan?

HON. MR. LANE: — We have not looked at the question of a provincial police force. We did some preliminary work on whether a provincial traffic highway patrol was cheaper or more expensive.

New Brunswick went to the highway patrol, on the mistaken belief that the RCM Police costs were too high. In fact, they were not. By the time they set up new training facilities and integrated the cost of training, that there were no savings.

They expected to recoup their costs within five years. It's now seven years since they've implemented. What's happened subsequently, which one would expect — it's human nature — that those hired under the program are now demanding parity with the existing police forces and demanding the same salary levels. And that's what's happened, so it's turned out not to be workable.

I had felt that perhaps the way around the problem was that on the question of highway patrol, if you could hire retired, perhaps city, RCM Police, municipal police force members who were already trained, and if they were prepared to do it on a contract basis, but it was made clear to me in interviewing many of the personnel that the last thing that they want to do when they retire from the force is go back on highway patrol, so that that was not seen as an acceptable way.

But if we were to follow the New Brunswick example, it's just not any cheaper than the present system. I'm optimistic . . . To answer the question, I'm optimistic that new recruiting policies will be brought into place by the RCM Police, because it's not only those of us in government that are advocating the changes. Members of the force are as well. And they've had a great deal of difficulty with the recruiting practices and they are very supportive of a new regional recruiting system and have made that clear to the Solicitor General.

MR. MEAGHER: — Well, Mr. Minister, would you be prepared to suggest that the option is not closed entirely; that if the results of the new recruitment policies are not satisfactory to the province of Saskatchewan that that option for not just a highway patrol but a provincial police force is open to this province?

HON. MR. LANE: — I'm not sure that the option has really been considered. I'm optimistic that the RCM Police recruiting practices will change, and I'm very conscious, and I suppose most Saskatchewan people are, of the historical relationship between Saskatchewan and the RCM Police. We've been well served.

It was this province in which the RCM Police was formed and tested, the old North West Mounted Police, and our history is so much interrelated with the RCM Police that I think we should make every effort to pursue the course that we're on. And as I say, I'm optimistic that they will be sensitive to our needs. They've indicated that they probably will be, so I don't think we should consider that option yet.

It would be something, I believe, that if we ever move to a Saskatchewan police force that it would be with the deepest reluctance, and I'm not sure that the people of Saskatchewan wouldn't want every effort made first to continue to use the RCM Police in which they take so much pride.

MR. KOSKIE: — Thank you, Mr. Deputy Chairman.

Mr. Minister, I wonder if you could indicate whether it is your intention to establish in Regina a family court as they have in Saskatoon. From all indications, it has worked very well in the city of Saskatoon, and I think is well received by all the parties concerned, including the legal fraternity. I was wondering whether . . . You have had three years now, and there has been no movement in respect to the establishing of a family court here in Regina. I wonder whether you have, indeed,
a

timetable, whether you have ruled it out, whether the bankruptcy of your government prohibits any expansion of new programs, or whether you're too busy destroying the judicial system in other areas.

HON. MR. LANE: — Well, we've made no decision. We just recently agreed with the federal government to do a study on the question of supply of court services in family matters.

But I do caution the hon. member, before you get too carried away, finally the rural bar is starting to recognize that the establishment of specialized courts in Saskatoon and Regina means that they are losing their ability, or their clients are going to, in the case of the family court in Saskatoon, in to Saskatoon, and the ability of rural solicitors to do divorce work or that type of work has dropped significantly.

(20:00)

And there is now an increasing concern amongst the rural bar that if there are too many specialized courts predominantly going to the major centres, it means, one, that they are not keeping up with the skills; secondly, they are losing a fair amount of their practice. So it's something that I don't think we should jump into holus-bolus; that we should proceed with some caution. And as I've indicated before, my personal preference to make sure that the services are as widely distributed is a separate branch of the Court of Queen's Bench, but no decision has been made on that yet.

MR. KOSKIE: — Have you any sort of a timetable as to when the decision would be made?

HON. MR. LANE: — We should have the full results of the study by about this time next year. That's the target time.

MR. KOSKIE: — Well I can see that we will have to undertake the completion of the job because it's likely you won't be around to further procrastinate in this area.

I want to just ask you: recently the federal government is proposing a relaxation in the grounds for divorce. Previously it required three years of separation between the parties and then either party could petition on the basis of the three-year separation.

There has been a considerable amount of concern expressed on the relaxation of the divorce, or the availability of divorce, and the relaxation of the grounds by the federal justice department. And I was wondering whether you have had any opportunity to have any input with the Minister of Justice in Ottawa, and could you indicate whether you agree with the provisions allowing for easier access to divorce under the proposal?

HON. MR. LANE: — I expect to have meetings with the Government of Canada early next month on the matter of divorce.

The historical position of governments of Saskatchewan has been, of course, that grounds are within the federal jurisdiction. I share the concerns that the amendments may make divorce easier. That should not be the objective. I am sympathetic in the situation where we do, in fact, have a marriage breakdown, that the marriage is over, that the individuals should be able to get a divorce at the least expense and with the least amount of difficulty, but I share the concern of the hon. member about the provisions may make divorce too easy to obtain and that's one of the areas we'll discuss.

MR. KOSKIE: — Well as I have indicated, in discussing it with church groups, and certainly the Catholic bishops have indicated some concern with respect to the direction that the federal legislation is going. Because of the very fact that if a party only needs to be separated for one year, that might be convenient to some people that I know, but certainly it seems to me that the

premise that, you know, marriage should be a lasting undertaking and every effort should be made to maintain that marriage.

And the concern expressed by the Catholic bishops is that by shortening it to one year, that you decrease the amount of time for the reconciliation and the adjustment of problems which probably led to the separation. And so I would like to ask the minister if you have made any efforts to discuss this with other provincial jurisdictions, other justice ministers in western Canada, for instance, in order to see if you can come up with an addressing of the concerns as expressed by leading members of the various churches because . . . And what I'd like to know, if we can get your undertaking here, that in your subsequent meetings that you will indeed put forward the concern that relaxing the grounds to where the married couple only have to be separated for one year, and that's grounds of divorce, is of major concern. Can you give me an undertaking that you will make representations in this regard? And have you made any other attempt to get other jurisdictions to consider taking a unified approach in discussing it with the federal government?

HON. MR. LANE: — No, we haven't. I would expect that the matter of the divorce and the Criminal Code amendments will be on the annual meeting of the attorneys general, which will be in the fall. I've indicated to you that we will be taking that concern to the Government of Canada and expressing that concern most strongly to them.

MR. KOSKIE: — I want to turn to another area, and that is in respect to the situation that occurred last year, and that is the firing of the executive director of the human rights commission, one Shelagh Day. Every conceivable report in respect to the competence and the ability to carry out in a professional manner the work assigned to her was very clear that she did an outstanding job.

And I guess the first question is, why was Shelagh Day's, the executive director's contract terminated in view of the fact that she was very competent, did her work well? And as the member opposite, one of your colleagues, says, perhaps it's because she was red. That's precisely why I'm asking.

Did you have any justified reason here for destroying another career, like you have done ever since you have assumed office, the terrorizing and destroying of civil servants with careers ahead of them, purely on the basis of political expediency? Can you give any justification for the severance of this person's contract?

HON. MR. LANE: — As I've made it clear at the time, and it's been reinforced by the chairman of the human rights commission, that I in no way interfered with the decision of the human rights commission. They made the decision for the reasons that they'd made it clear — that they were not satisfied.

They have a new director who may be familiar to members opposite, Donalda Ford, in whom they have confidence. And that was a decision solely of the human rights commission, and I believe it within their purview to make that decision.

MR. KOSKIE: — Well was a settlement made in respect to the severance of the executive director?

HON. MR. LANE: — Yes. The amount of the last payment made to her was as follows: regular pay, two days, \$443; holiday pay, \$3,971; severance, \$55,000; total payment, \$59,414.

MR. KOSKIE: — And can you indicate who paid the severance package?

HON. MR. LANE: — Yes. It's out of the human rights budget.

MR. KOSKIE: — And are you satisfied that a severance that cost the taxpayers well up into the \$60,000, that if there had been justifiable reasons for the dismissal that it's unlikely that this type of severance would have been necessary?

HON. MR. LANE: — I can't give the reasons. The human rights commission can give the reasons. I would suspect that on most senior officers you can expect to make a severance, and I gather that's less considerably than one year's pay. That of itself may tell us something.

MR. KOSKIE: — You indicated it's less than one year's pay. I would like to ask you: what was her annual pay?

HON. MR. LANE: — I think she was about \$62,000.

MR. KOSKIE: — Was there any necessity whatsoever, or does the human rights commission have full jurisdiction in respect to staff and the firing of staff? Was there any consultation whatsoever with you?

HON. MR. LANE: — They advised me to what course of action they were going to take.

MR. KOSKIE: — And was this a gratuitous form of advising what they were going to do? Is there any understanding that any action that they take, that they would certainly inform the minister, and it would be in fact approved by the minister?

HON. MR. LANE: — The phone calls came from the human rights commission. Over time, they indicated that they were having difficulties on a relationship. I made it clear on numerous occasions that the decision was solely theirs. At the time where they made the decision as a commission that they wanted a new director, they so advised me because the director, under the Act, is an order in council appointment, and of course it was then incumbent upon me to take the matter to cabinet.

MR. KOSKIE: — And so obviously the final disposition of it was the determination and recommendation of the minister, which concurred with the decision relating to the destroying of another individual's career. I want to ask you, in respect to crime compensation, whether you can indicate the number of cases that receive crime compensation and the total pay-out in respect to the item under crime compensation.

HON. MR. LANE: — The total of payments from April 1st, 1984 to January 31st, '85, which is the update we have now: January 31st was \$331,570.43.

MR. KOSKIE: — How many cases did that cover?

HON. MR. LANE: — Awards in the same period of time was 95.

MR. KOSKIE: — Can you indicate whether, for that period there, whether there has been a general increase in the amount of crime compensation payments? I note in your estimates that certainly you're budgeting for a sizeable amount more than what you had in the previous year, and I was wondering whether the history is that there has been a general increase.

HON. MR. LANE: — The average payment over the last few years is in the range of \$2,500. The average amount of awards in that period of time, April 1, '84 to January 31, '85, was 3,300 — 3,299.27.

MR. KOSKIE: — In respect to the Public Utilities Review Commission, I was wondering whether you could give us the number of hearings that was held last year by the commission.

HON. MR. LANE: — We don't have that information here. We'll supply it to you as soon as we

get it.

MR. KOSKIE: — I'd like the number of hearings last year; I'd like the number of days per hearing. I'd like also a cost breakdown of the total cost of the hearings, including any per diem and expenses paid to members of the commission, and also any consulting fees or professional fees that were paid by the Public Utilities Review Commission. Can you provide that information?

(20:15)

HON. MR. LANE: — Yes, we will.

MR. KOSKIE: — I was wondering if the minister could indicate whether his department presently is representing the government on any legal actions against the provincial government or any agency. Are there any outstanding legal actions instituted against the government or any agency of government in which the Department of Justice is conducting the defence? If there are any, indicate how many, and if indeed you could provide me with the actions that are under way.

HON. MR. LANE: — We'll have to pull . . . Of course the department represents the government in all cases, so we'll have to pull that information and supply it to you.

MR. KOSKIE: — Okay. In respect to prosecutions can you provide me with the firms or the individual firms who are in fact doing prosecution work on behalf of the Department of Justice, and the amount that was paid during the past year to individuals or firms?

HON. MR. LANE: — I can supply the figures up to January 31st. We've not completed compiling them from that period of time. When we have that we will send it over to you.

MR. KOSKIE: — And in respect to prosecution work, has there been any change in the schedule of payment in the last two or three years, or since you assumed office as Minister of Justice?

HON. MR. LANE: — No.

MR. KOSKIE: — In respect to prosecutions, have you established in any other judicial centres any new public prosecutors? I take for example, Swift Current or Melfort or wherever.

HON. MR. LANE: — Melfort and Estevan, we are supplying the public prosecutors.

MR. KOSKIE: — Is this an individual that is employed with the Department of Justice and is sent out to do the prosecution, or is there simply a contract with a private individual in the community doing all the work?

HON. MR. LANE: — No, they are salaried Crown prosecutors. And in the case in Melfort, they are residing there; in the case of Estevan they are travelling there.

MR. KOSKIE: — Is there any plans to increase the number of public prosecutors in other centres?

HON. MR. LANE: — No. No plans.

MR. KOSKIE: — I want to deal briefly with your personal staff, and the list of assistants that I have in respect to your office is one William Wheatley, or W.M. Wheatley, special assistant, Len Exner, an MA, Greg Wensel, SA, Bill Armstrong, press officer, Barbara Ogilvie, MA, Linda Tiefenbach, MA.

Are those the current assistants that you have in your office? Do you have any additional assistants?

HON. MR. LANE: — I have Bill Armstrong. I don't know if you had . . . (inaudible interjection) . . . Yes. Arlene Kenville, Sandra Little, Arlene Spanier.

MR. KOSKIE: — Can you provide me, then, with the current salary of each of your personal staff?

HON. MR. LANE: — We'll send that over.

MR. KOSKIE: — Could that be made available at this time? I have a couple of questions if I were able to have a look at that information.

It's a question that we ask consistently, and I would have thought an efficient minister like yourself would have no problem in providing that information.

I've got another question here. Now I note that in respect to a number of individuals on your personal staff that there has been a fairly substantial percentage increase. And I notice with one B. Armstrong, ministerial assistant 3, he had the good fortune of getting an 8.6 per cent increase. An S. Little had the less good fortune — but pretty good if you consider it to the rest of the public service — a 3.6 per cent increase. And a fellow, or at least a person by the name of A. Spanier received a 7.9 increase. And an L. Tiefenbach received a 4 per cent increase.

What is the particular schedule that you follow in the determination of giving up to almost 9 per cent increases to some of your personal staff when you have, in fact, a consistent policy of freezing, for instance, the teacher's salary — no increase; the public service — no increase?

Are there two standards set by your government in dealing with whether it's personal staff or whether it's in the general public service? Because I think quite a few people in the public service would be quite pleased to get an 8.6 per cent increase or a 7.9 per cent or a 4 per cent, even. Because the position of this government is that there was a lot of restraint on. And if you take a look at some of these salaries, I would think that it doesn't really apply when it comes to the general political staff of the individual ministers.

So I was wondering if you can give any particular justification why personal staff can in fact receive increases, and the rule for the rest of the public service is that their increases will be frozen to zero.

HON. MR. LANE: — Well as indicated on the form, some received no increase. And the ones that you mentioned indicated a merit increase. And one was a reclassification just based on job performance.

MR. KOSKIE: — Well let's take the one. Would you tell me which person was the reclassification, and what that person in effect does?

HON. MR. LANE: — Yes, it's Sandra Little, reclassification.

MR. KOSKIE: — And reclassification from what to what?

HON. MR. LANE: — An MA-A to an MA-B. Now what those mean, I don't know.

MR. KOSKIE: — Well it's rather interesting, the system that you have adopted, giving your political hired hands very substantial increases, but I would think that there are a large number of people in the public service who have done outstanding work and don't seem to be able to get the particular favour of the minister to start putting in a merit increase.

And precisely what is going on here is that there's two standards. There's two standards, and it's

been evident minister after minister. To themselves and to the political hacks there is no limitation of increases. To the dedicated career civil servant they say, well, there is no merit increase. And you know, the minister himself starts talking about how he cut back in the number of positions in his department, and he increased the productivity and the efficiency within his department.

And I'm wondering why, in light of all that, you have two standards, one which applies to the general public service — freeze their salary regardless of competence, regardless of effort, regardless of merit. And suddenly you come along and your political hacks, you can go up to 8.9 per cent. Why the double standard? Is it throughout the public service that you have an evaluation in a merit system where people have received up to 8.9 per cent? And does that apply to all of the public servants, or is it just to the special group that get evaluated by the politician and increases are made available?

So I ask you two questions: Why the double standard? Does it apply equally throughout the public service?

HON. MR. LANE: — Well, I can't answer for the Public Service Commission and I don't think the hon. member is asking me. But my understanding is that the public service is receiving their increments and can be reclassified, and reclassification is going on all the time.

Item 1 agreed to.

Item 2

MR. KOSKIE: — I'm wondering if the minister has increased from 39.4 to 53.2. Could you indicate the quite substantial increase in the subvote, legal services?

HON. MR. LANE: — Primarily the new automatic enforcement of maintenance orders provisions and the family services division that I referred to in my remarks.

Item 2 agreed to.

Item 3

MR. KOSKIE: — Would you give an explanation in respect to court services, from 219.7 to 250?

HON. MR. LANE: — Again, the automatic enforcement of maintenance orders . . . (inaudible interjection) . . . Well it's going to be a rather extensive program, as I advised, and additions for prisoner and court security.

(20:30)

MR. KOSKIE: — Are you on Item 4? Oh, no, let 3 go. Sorry.

Item 3 agreed to.

Item 4

MR. KOSKIE: — Provincial court judges: other than the political appointment of the member from Melville's partner to the position as a provincial court judge, can you indicate whether there was any other appointments during the past year?

HON. MR. LANE: — Yes, there was His Honour, Judge Carey — he was appointed in Saskatoon — who had previously been my chief of staff. Judge Rathgeber, as you've referred to. Oh, I'm sorry, Judge Trudelle was appointed in Regina.

Item 4 agreed to.

Items 5 to 12 inclusive agreed to.

Item 13

MR. KOSKIE: — In respect to the Saskatchewan Human Rights Commission, I'm wondering . . . What you have done is to budget for the same amount of expenditure. And I was wondering whether you could indicate whether last year there was sufficient budget to cover the Saskatchewan Human Rights Commission.

HON. MR. LANE: — Except for the question of the severance pay, yes.

Item 13 agreed to.

Items 14 to 18 inclusive agreed to.

Item 19

MR. KOSKIE: — Item 19, provincial correctional centre, Regina. I note that there is a fairly substantial . . . well, a fairly substantial decrease in the personal services from 171.3 to 164, and I was wondering what positions are being deleted, and whether you felt that in view of the facts that we established before, if less staff is justified at the Regina Correctional Centre.

HON. MR. LANE: — The Kenosee camp was transferred to Social Services for the Young Offenders Act.

Item 19 agreed to.

Items 20 to 26 inclusive agreed to.

Item 27

MR. KOSKIE: — With respect to item 27, the Saskatchewan Farm Ownership Board. I take it this was previously with the Department of Agriculture, if I'm not mistaken. I was wondering why you felt that it was best to be under the Attorney General's purview?

HON. MR. LANE: — Well the department has responsibility for many regulatory agencies and we felt that that would be an appropriate one to bring under the department. The relationship of the Act to the land registration activities and land titles office makes it appropriate for the department to administer it as well.

Item 27 agreed to.

Items 28 to 32 inclusive agreed to.

Vote 3 agreed to.

SUPPLEMENTARY ESTIMATES 1986

CONSOLIDATED FUND BUDGETARY EXPENDITURE

JUSTICE

Ordinary Expenditure — Vote 3

Items 1 to 11 inclusive agreed to.

Vote 3 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

JUSTICE

Ordinary Expenditure — Vote 3

Items 1 to 8 inclusive agreed to.

Vote 3 agreed to.

MR. CHAIRMAN: — I believe that concludes the matters. Has the minister anything else?

HON. MR. LANE: — I'd like to take this opportunity, Mr. Chairman, to thank my officials for their assistance, and generally thank them for their service on behalf of the people of Saskatchewan.

MR. KOSKIE: — Thank you, Mr. Chairman. I'd like to join with the minister to thank his officials and to generally congratulate them for outstanding performance under rather difficult circumstances.

The committee reported progress.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Garner that Bill No. 68 — **An Act to amend The Vehicles Act, 1983 (No. 2)** be now read a second time.

MR. LUSNEY: — Thank you, Mr. Speaker. I'm pleased to have the opportunity to say a few words to Bill 68 in second reading. I'd have to say one thing: when it was introduced, the minister spent a lot of time talking about school bus safety and the safety of our children. And I'd have to say that there's no one more interested, I suppose, than this side of the House in the safety of our children when it comes to school bus operations.

However, you find very little in the Bill regarding the school bus safety itself. But I can understand the minister wanting to talk about something that the public would accept, rather than talking about what's really in the Bill.

(20:45)

Mr. Minister, when we talk about safety of school buses, I suppose the one thing, as my colleagues say, we have to look at some good roads in this province. And that would surely ensure the safety of our school children that have to travel on those roads every day.

The Minister, in this Bill, also spent a fair amount of time talking — or I shouldn't say a fair amount of time, spent very little time — talking about some of the other things involved in the Bill.

And when you look at the Bill, Mr. Speaker, some of the aspects of it here show that this government isn't doing necessarily what they said they would before they got elected.

Before they got elected, they were saying that they were going to cut out some of the regulations; cut out some of the red tape that's involved; give people a little more freedom in doing some of the things that they want to do. And, Mr. Speaker, here we see a Bill that's going to take away more freedom, that's going to put more regulations on in some areas, less in others, but going to control the individual, as such, more than they ever have been before.

That, Mr. Speaker, is what this government appears to be heading for. Every budget that comes down, every Bill that's being introduced, it's putting more restrictions on the individuals themselves.

Mr. Speaker, that so-called less interference in the lives of individuals is not there. Less interference, Mr. Speaker, is certainly not what this government practises. One would have to look at some of the clauses in the Bill. And what the minister talked about in his second reading speech was not that he was going to be able to allow people to be less regulated. No, the Bill says a little different than what the minister said in his second reading speech.

Mr. Speaker, the Bill certainly is different than what the minister said in his second reading speech. He is going to allow others to make more decisions on their own feelings rather than what should be put into Acts and what should be specifically stated so the individuals, the public of Saskatchewan, knows exactly how the law is going to affect them.

Mr. Speaker, they are not going to do that, and nothing in that second reading speech would indicate that they are going to give the people a little bit of indication as to what they can expect. No, that's going to be decided for them by someone else.

Mr. Speaker, looking at some of the comments of the minister in his speech; and he says we are very rapidly moving into an era of re-regulation, whatever that's supposed to mean. Whatever that's supposed to mean, re-regulation.

Well, Mr. Speaker, when you look at re-regulation and you look at some of his comments and it says one of the things that it will do, it will enable the traffic board to lessen entry control and to lift freight rates in sectors, Mr. Speaker.

Now there's going to be, apparently, some areas where the traffic board will be allowed to let someone in if they think it should be or if the minister decides, or whoever is going to decide that. We'll let someone in or we're going to make it a little tougher for someone else, but his so-called re-regulation is going to mean that they will again make the decision as to who is going to be able to do what. It won't be specifically written out in the Act. Again, it's going to be someone else that will be able to make that decision, Mr. Speaker.

Mr. Speaker, also in the minister's speech there are a number of changes, the minister, says, a number of changes that are proposed to the rules of the road. Among them is the proposal to make it an offence to back up in a parking lot unless it can be done so safely. Well, Mr. Speaker, I don't think anyone has to be told that they shouldn't be backing up in a parking lot unless it's safe to do so, but there are certain circumstances at times that an accident cannot be avoided in a parking lot when you're backing out, especially in a crowded parking lot where somebody happens to drive up.

Somehow the minister decides that's going to be an offence in this Bill. That's going to be an offence.

There are many other places, Mr. Speaker, that I could think of, that the minister could have decided that it would be an offence, or many different things that could have been an offence to do. But backing up in a parking lot? This is the important thing that the minister feels should be put into legislation?

Mr. Speaker, there are a number of things that I would want to address when we deal with the Act. I will be doing that when we get into the committee of the whole and into third reading of this Bill, when we go at it clause by clause.

And, Mr. Speaker, I think we'll allow the Bill to move into that so we would have the opportunity to deal with the Bill, and the different clauses in it, because I think that there are many things in that Bill that should be put in, and some of the things in there that I have to disagree with.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Order.

HON. MR. GARNER: — Mr. Speaker, I just have a few very short comments I would like to share with the members of the Assembly.

And I guess it's a little disturbing, you know, Mr. Speaker, to sit in this Assembly and see it's very obvious that the member opposite has not even read the Bill.

He stands in this Assembly, Mr. Speaker, and he preaches about how they're concerned about the safety of the children of Saskatchewan. Mr. Speaker, not true. Another falsehood by the NDP.

What he says is, not much about school bus safety in this Bill that we're dealing with right now, Mr. Speaker. Nothing in it — only a \$250 minimum fine for passing a bus when the lights are flashing and the stop arm's up.

But the NDP said, there's nothing in the Bill, nothing in the Bill, Mr. Speaker, for the safety of children. Who put the stop arms on the Bill, Mr. Speaker? The stop arms on the school buses? Mr. Speaker, it was the Progressive Conservative government that really cares about the children of Saskatchewan.

Mr. Speaker, just a couple of other points. He's talking about taking away freedom, taking away control. Mr. Speaker, I can assure you that if there is a bit of control has to be exercised when motorists are going to pass school buses when they're stopped unloading our children in the province of Saskatchewan, this government, Mr. Speaker, will take that type of action.

SOME HON. MEMBERS: Hear, hear!

HON. MR. GARNER: — Mr. Speaker, one other point.

Because it doesn't bear a great deal of discussion because the members opposite will most likely be standing and voting against it after the comments we've heard in here today. They're saying they're against regulations, they are against letting an independent highway traffic board set some regulations, set some rules of the road. The NDP way, Mr. Speaker, the NDP way was for the politicians to control, to manipulate. We're letting people with the expertise, with the knowledge, set those regulations. Mr. Speaker, this government will stand on its record for school bus safety, and I say shame to every NDP member in this House who will stand and vote against this Bill.

SOME HON. MEMBERS: Hear, hear!

HON. MR. GARNER: — Mr. Speaker,, I move second reading of Bill No. 68, An Act to amend The Vehicles Act, 1983 (No. 2).

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

COMMITTEE OF THE WHOLE

Bill No. 33 — An Act to amend The Wascana Centre Act (No. 2)

Clause 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, it will be recalled that when we dealt with this Bill in second reading, I raised a question of whether or not the city of Regina agreed with the Bill — whether you, the Wascana Centre Authority or the Government of Saskatchewan had any formal consent from the city of Regina. As I understand the amendment to the Bill, it will in effect add to the land which the city of Regina is responsible for and subtract from the land which the Wascana Centre Authority is responsible for. I understand the land to be having to do with the Assiniboine fly-over, as it's sometimes called, and I ask the minister whether or not there has been received from the city of Regina any formal communication saying they don't object to the amendment proposed.

HON. MR. CURRIE: — Mr. Chairman, in reply to the question from the Hon. Leader of the Opposition, yes, we have consulted with the city. Consultation took place as far back as 1982. And we do have a memo acknowledging the fact that the city has agreed to its responsibilities, and the responsibilities, in effect, are to look after the streets and the roads in that particular area.

Clause 1 agreed to.

Clause 2 as amended agreed to.

The committee agreed to report the Bill as amended.

(21:00)

Bill No. 70 — An Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company

Clause 5 (continued)

MR. CHAIRMAN: — Section 5 of the printed Bill. To amend section 5 of the printed Bill by renumbering section 2 as subsection (3) and adding the following subsection as subsection (2):

(2) The Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan.

HON. MR. ANDREW: — Last time this Bill was before the committee, Mr. Chairman, some questions were asked with regards to the breakdown of the (a) the insured depositors or the uninsured depositors.

What I have for the hon. member is a copy of a print-out by Touche Ross as to the breakdown by province, and breakdown by instrument, and then a breakdown by number. I have also extrapolated on the second sheet. I will table one of those as well. The second sheet is an extrapolation of that for . . . And perhaps if we move to the second page of it which is extrapolations out of the first document.

And the first column is designed to show the CDIC deposits that are covered by CDIC. The second line would show uninsured IAACs (income averaging annuity contracts) which will be for the most part covered by the federal government. I think there's about 300,000 would be

covered by the provincial government, and that's too hard to break out. And that would show where that total maximum amount would be broken down by province or by region. The third line is those other uninsured deposits, and where it's broken down by province. Now that's the —that third line is what we are talking about in this Bill as the uninsured depositors that we would be proposing to cover.

The second column simply breaks down at 99.5 per cent, or almost 100 per cent of all uninsured deposits, come from Alberta, Saskatchewan, and Manitoba; with half of 1 per cent coming from other provinces, and primarily that's British Columbia.

The bottom line, or the bottom three lines show, in the event of whatever the realization on the assets would be . . . And we still won't know that until liquidation. But it just simply sets out three possibilities at 50, 60 and 70 per cent, where the distribution would be, in which region, and the total cost of what we have from that.

Those are extrapolations from the other sheet, and perhaps the Hon. Leader of the Opposition might have some questions with regard to the front sheet that could need some explanation, which we would try to attempt to do. Touche Ross has indicated that we can table this information.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, we haven't had an opportunity to examine the computer print-out in detail, since there are a good number of figures there which would need to be examined in a little bit of detail.

Basing my questions on the extrapolations which were on page 2 on the material which you sent over, it would appear that something of the order of \$6.5 million would in the first instance go to persons outside Saskatchewan, based upon the provisions of the Bill as it now stands, without the amendment which has been moved by this side of the House.

If the figures are right, what we are talking about in the first instance is about \$6.5 million, \$6.4 million, one selection of figures which would be paid out in the first instance to persons outside Saskatchewan, and with a potential recovery of — again depending upon the nature of the percentage realized on the assets of Pioneer Trust — a potential recovery of half of that money or 60 per cent of that money, or perhaps if one was fortunate, 70 per cent of that money, which . . . I think the principle that we would like to state still stands.

We have a federal government which is insuring all Canadians to the extent of \$200 million. And we have a federal government which through a prearranged plan of insurance, the Canada Deposit Insurance Corporation, we have a federal budget which is insuring all Canadians and perhaps some other people, a trifling sum in the United States, for an additional \$10 million by reason of the federal government acknowledging, if this is the way to phrase it, that the income averaging annuity contracts under \$60,000 perhaps should have been covered by the Canada Deposit Insurance Corporation; or in the alternative, were believed by many to be covered by the Canada Deposit Insurance Corporation.

So we have something over \$210 million of which approximately 65 million is in Manitoba and Alberta, which is already being covered by the Government of Canada on behalf of all Canadians.

And the short question is whether the remaining \$6.5 million, in round figures, which would be approximately 10 per cent of the amount outstanding in Alberta and Manitoba, should be paid by the taxpayers of Saskatchewan, in the first instance, or whether somebody else should pay that; whether the people who deposited in Pioneer Trust should only be paid as a group as to 90 cents on the dollar, which the federal government is going to do, or in the alternative, whether they should be paid 90 cents on the dollar by the federal government and 10 cents on the dollar by their own governments.

And I think that what we have to grapple with is — on the assumption that this federally regulated corporation went bankrupt or is insolvent, and on the assumption that 90 cents on the dollar to the depositors is being paid for by the federal government one way or another, and leaving 10 cents on the dollar unpaid — does equity suggest that the additional 10 per cent to depositors in Alberta and Manitoba, should this 10 per cent be paid by the taxpayers of Saskatchewan, or by the taxpayers of Alberta or Manitoba, or not paid at all? And it is our view that number two or number three is the equitable solution.

We feel, because of all the circumstances which I have earlier outlined, particularly the involvement of the Government of Saskatchewan, that depositors in Saskatchewan should be paid, provided the circumstances are right — and they're not shaping up to be very right, I may say, Mr. Minister, so I'll make that caveat.

But we have suggested that somebody might well be looking after the depositors in Saskatchewan. But all the arguments do not seem to suggest to us that the depositors in Alberta as a group, having received 90 cents on the dollar, and the depositors in Manitoba as a group, having received 90 cents on the dollar . . . It seems to us that equity would suggest that, firstly, that may be enough; and if it isn't enough, then it may well be up to the Government of Alberta and the Government of Manitoba to step into the breach.

And in neither case is the sum large: the \$3 million gross on the part of the Government of Manitoba, of which there may be a recovery of a half, and 3.3 million on the part of the Government of Alberta on which the recovery may be half. And I'm just putting forward those figures.

So it would not be a large imposition on either of those governments, and it would, I think, assuage some of the concerns of a good number of Saskatchewan people that the Saskatchewan taxpayers, if they should pay the uninsured depositors, should confine their largess to the uninsured depositors of Saskatchewan. These are the people who have been identified — the SaskSports, and the sisters of Prelate or Estevan, or the city of Regina pension fund, or the like.

(21:15)

All of those arguments can be mounted for clearly on the grounds of public policy in Saskatchewan, quite apart from other considerations of equity. But I don't think the same can be mounted for the Manitoba and Saskatchewan depositors, and accordingly we still remain unconvinced that the taxpayers of Saskatchewan should be paying for these uninsured depositors this additional 10 per cent, this last 10 per cent, of depositors in Alberta and Manitoba.

And hence we support the motion which is before the House, and suggest that another way to attack it might be to allow the depositors to bear a 10 per cent of their loss or, alternatively, for the Minister of Finance to approach his colleagues in Alberta and Manitoba for some relatively small share of the contribution to cover that last 10 per cent of depositors in Alberta and Manitoba.

HON. MR. ANDREW: — Perhaps a couple responses to that. I think a further question asked by the hon. member last time was any institutions in Alberta that had failed recently wherein the Alberta government had stepped in with this similar type of precedent, and we were advised that the province of Alberta placed Paramount Life Insurance Company of Alberta in receivership in 1984, and the province immediately took action to guarantee all existing policies and annuities. And you can appreciate there that the face value of a policy is one thing, and the fact that there's continue on with insurance is another thing.

And the last record of information concerning this company's business in Saskatchewan showed that in 1984 there was 738 policies that were covered by the Government of Alberta, totalling

\$16.9 million in insurance coverage, premiums of \$354,000, including 1.8 million in annuities.

Now you can take that as the cost to Alberta would be \$350,000, but also a further cost in the sense that, should one of those policyholders die and not have the coverage of a receiver, they would end up having lost their insurance and that could put the family in very tough straits.

So from Alberta's point of view is that they have followed this similar precedent with this particular insurance company, and their view is that we should cover off on Saskatchewan.

The second argument is that when we dealt with the federal government to have them — to encourage them — to cover the income averaging annuity contracts based on the equity question, that there was some representation by the now defunct company indicating that, in fact, income averaging annuity contracts were covered by CDIC.

In that case we indicated that we would cover off the balance of the uninsured depositors. I think if you look at the numbers as provided, that the federal contribution to the income averaging annuity contract, that would be of the first column of the printout — the GIAC — shows about \$6.1 million being in grossed up numbers, total numbers, before you make your recovery, and the recovery would be the same one to the other.

What it in effect says is that the federal government's putting up \$10 million; 6.1 of it would be going, or almost 6.2 of it would be going to Saskatchewan residents. So that's the people of Canada's money going to Saskatchewan residents, and that is about equivalent to what the uninsured depositors are outside of Saskatchewan that we would be proposing to cover in this Bill. So there's about 6.3 million, 6.5 million, 6.1 million being covered by the federal government.

The argument can be advanced I think as well, if you look at it . . . Well CDIC premiums are paid for by financial institutions. I think we all recognize that those financial institutions, for the most part, are going to pass that cost on to their various clients, or customers, through higher interest rates, through higher services charges to the banks or trust companies, wherever it's going to be.

And I think if you look at the amount of money again on grossed figures, without talking about recovery, being paid into Saskatchewan by CDIC, which I would argue is going to be contributed by all people in Canada who deal with banks and trust companies along with the federal treasury for 6.2 into the IAAC, we're talking somewhere of \$140 million that is coming into Saskatchewan by way of coverage. And I think that's a sizeable amount of money compared to, let's say, 6.3 million, 6.5 million.

So from that point of view, I think, Mr. Chairman, that I think that that point of view, Mr. Chairman, that a logical argument can be advanced for this. I think the hon. member has indicated that that side of the House does not support the coverage of depositors outside of Saskatchewan, but that's a point of view I guess they can take.

I submit that they should be covered. I submit that there's precedent to be covered, and I submit that it would be an improper precedent only to cover ours, because then should another institution fail, perhaps in Alberta, with a lot of Saskatchewan depositors, we could be called on to cover that. So for that point view I would stand by my argument that that amendment should not be passed.

MR. KOSKIE: — Well, you haven't really convinced me, Mr. Minister. We're back about exactly where we were six days ago when you took leave. The heat was too hot for you and the pressure was too great, so you decided to put it on hold for a while.

You know, you talk about, oh, we better be good guys this time because, you know, some time in the future something might go broke in Alberta and they'll bail our people out if they've invested. Well, surely, the proper way of looking at this is that, as you have indicated, that it's a

federally controlled company and federally regulated.

And it seems to me that the responsibility and the direction that you should be looking is, in fact, having sought a greater contribution from the federal government. And that's the mystery that really is the problem we have in supporting your proposition, is that I am convinced that you hung yourself out. You gave the guarantee of 27.5 million, and that's exactly what you're ending up doing.

You know, we asked you: why should Saskatchewan taxpayers be called to pay out uninsured depositors from outside of Saskatchewan. Now one of the things that you indicated is that that would be a breach of the spirit of the contract that you negotiated with the federal government.

And I want to ask you now, in order that we can make an assessment of the accuracy of your statements: are you in a position to file the contract between the provincial and the federal governments relating to the covering-off of the uninsured depositors? Have you a copy of this contract? Because that's what you indicated to us, that it would be a breach of the spirit of that contract.

And what we'd like to do is to have a chance to look at this here contract. Can the minister indicate whether he has now collected any further documentation and, in particular, the contract between the federal and provincial government?

HON. MR. ANDREW: — I'm advised as follows. If you go to section 4 of the Bill that was voted on, it gives us the legal authority to enter into the contract with the federal government. By section 4, and I can read it:

Notwithstanding the provisions of any other Act, the Minister of Finance may enter into any agreement, or arrangement on behalf of the Government of Saskatchewan with the Government of Canada or any person, agency, organization, association, institution or body within or outside Saskatchewan that may be necessary or incidental to:

- (a) obtaining the participation of the Government of Canada providing a financial assistance to depositors;
- (b) providing financial assistance to depositors; or
- (c) making a payment pursuant to this Act.

I'm advised by the legal people that until this Act is passed, that empowers the entering into that contract.

If, for example, that this Bill ended up, because there's a similar clause in the federal legislation, in the federal Bill that was passed — if we ended up that this Bill did not pass this Assembly, then the federal government's opinion would be that they would not be legally obligated to pay the \$10 million, cover the \$10 million out of the income averaging annuity contracts. Then you're back into the discussion again. So until this Bill is passed, we can't enter into that agreement with the federal officials — federal government.

MR. KOSKIE: — Well, that's a new slant again. That's a new slant again . . . (inaudible interjection) . . . Well, what I have written down in my notes, one of the reasons you indicated to us why we, in fact, should be making a contribution is that you had entered into a contract with the federal government and that to reverse it now would be a breach of the spirit of the contract with the federal government. And that's exactly what I have taken down.

But be that as it may, what you're saying now is that there is no agreement. And I guess the

question that we ask you is: is it possible for you to go back and get a better deal out of the federal government, because after all, Mr. Minister, this is a federally regulated company. And why shouldn't they be carrying the — they regulate it — why shouldn't they, in fact, be doing the full insuring?

For the love of me, I can't understand why Saskatchewan government is paying a very substantial amount, and the largest amount, \$28 million, for Pioneer Trust, when it's a federally regulated company with offices in other provinces and other jurisdictions.

(21:30)

What is the basic reason that we're contributing? I mean, it's federally regulated. It could do business in other provinces; it did do businesses in other provinces. You say you didn't regulate it. Why do we take the responsibility?

Is it because the head office was here? Is it because the boys that ran it into the ground are your political friends? Is it because all or most of the directors are Saskatchewan people, because I'll tell you, I'll tell you the Saskatchewan taxpayers are saying: why are we paying the depositors? . . . (inaudible interjection) . . . I'll tell you. I'll hold it up as long as I want. That's right, until we get it an answer on behalf of the taxpayers.

And what I'm asking the minister: can you explain why we, with a federally controlled company able to do business throughout Canada, why are we taking and assuming the responsibilities for the pay-back of the depositors out of this jurisdiction? I can't, and the people that I've talked to over the weekend cannot, understand why we have assumed that obligation. And the only plausible reason that I can think of is that you stuck your neck out for \$27.5 million guarantee, and the federal government is holding you to the guarantee that you made at that time. Because it's about the same amount, 28 million, 27.5.

And it seems to me that the reason that the taxpayers are giving up the large amount of money related directly back, Mr. Minister, to the commitments that you gave to Pioneer Trust in the letter that we have gone through before.

But people in Saskatchewan are saying well, that's a federally regulated company. It has the right to do business in other parts. Why is Saskatchewan paying out and assuming such a large role in the pay-out?

HON. MR. ANDREW: — Well, if I can perhaps get the member from Quill Lakes to advance his argument? He's saying that why should the people of Saskatchewan pay anything, I guess that's what you're asking. What we did was we negotiated what we felt was the best deal we could get with the federal government. If you're saying now that why should we pay anything out to the uninsured deposits, why shouldn't the federal government pay it out, then that seems strange to me that you would vote for the Bill in principle on second reading which you supported in principle that you should pay out deposits.

And that was the basis of what the member from Quill Lakes stood in his place and voted in principle that we would cover the depositors, uninsured depositors. What he is saying now is, no, in principle we should not cover the depositors. That should be solely the responsibility of federal government.

What happened in this particular case, Mr. Deputy Chairman, is that we made an agreement with the federal government where they would pick up \$10 million of income averaging annuity contracts, approximately 6 million of those being in the province of Saskatchewan.

We in turn will pick up the uninsured deposits, approximately 6 million of which are outside the province of Saskatchewan. So in effect it, I submit, Mr. Chairman, is a trade-off in that sense, that

if we cover Saskatchewan because that institution was located here, the federal government for all intent, if you look at it another way in different numbers, they're covering everybody else in the country.

So if you want to go back and renegotiate, the federal government might say, sure, we'll cover everybody else in Canada, and you cover Saskatchewan. But you come up with the same thing, Mr. Chairman. I submit that it's a reasoned proposition. The opposition, to a person, voted in principle that we should support the uninsured depositors. The members of the opposition required, prior to the announcement, that we cover the uninsured depositors in public statements, and now they seem to be saying, no you shouldn't, and you shouldn't on the basis of principle.

MR. KOSKIE: — I was wondering if the minister could indicate whether a contact . . . He seems to be alluding to the fact now that there was other contact with other governments. Can you indicate whether you did contact the Alberta government requesting some contribution in the coverage of their uninsured depositors, and could you indicate . . . or some official? Can you indicate when that contact was made, if indeed it was?

HON. MR. ANDREW: — In response to the question, I talked to Manitoba officials personally. I talked only yesterday to both the Minister of Finance from Manitoba and the Minister of Finance from Alberta with regard to this issue.

Now I've talked to them before, but again, as late as yesterday, I raised the question with them again. Given the fact that you had raised this point, I brought this matter up at a meeting yesterday with both of those officials. And the response I received is that they felt that was the responsibility of the provincial government and that . . . I think Alberta are arguing that they have put their fair share, and a whole lot more, into helping several financial institutions in Alberta.

As well, officials some time ago attempted to see whether or not the other departments in both Manitoba and Alberta were prepared to participate and was advised that they would not. So the request was made, but there was no interest in either of those provinces to participate.

MR. KOSKIE: — I take it you have no written documentation whereby you communicated with the Manitoba government and the Alberta government in respect to their participation in the paying out of the uninsured depositors. Is that correct?

HON. MR. ANDREW: — What happened, Mr. Chairman, is initially the contact was made by officials of the Government of Saskatchewan. That was, that contact was made by telephone. The response by the telephone is, no, that would not be forthcoming, that we would not be interested in doing that.

I personally talked to the Minister of Finance from Manitoba as I indicated to this House before, shortly after the failure of Pioneer Trust. I believe it was at the time of the first ministers' meeting in Regina, which I believe was mid-February, at which time he indicated to me that their government would not entertain putting money into this type of an operation.

And as I indicated to you when this question was asked before in the House, our representations to Alberta were a little more cautious because, if they were to say, yes, we would cover our people off if you will cover off any depositors that might have money in North West Trust or Canadian Commercial Bank or any of the credit unions that have been assisted by the Alberta government in Alberta, we'd be paying a whole lot more than the probable result of this, being somewhere in the neighbourhood of \$2.5 million.

MR. KOSKIE: — Well I come back to the proportion and the degree of provincial responsibility of 28 million, and federal government, 10 million. I guess I ask you: do you think that's a fair and reasonable allocation of responsibility when, in fact, this is a federally controlled and regulated institution?

You're saying that your provincial government and your department had no right to regulate; that all the regulation and the direction of it and the control of the trust company was under the federal government.

And so, I ask you, do you think that it's fair and reasonable to ask Saskatchewan taxpayers to pay out \$28 million, including depositors outside of Saskatchewan, and the federal government contribute only \$10 million? It seems to me this is a financial institution which was spreading its net across Canada and into United States.

AN HON. MEMBER: — And is federally regulated, in any event.

MR. KOSKIE: — Right. And the fact remains that, if you have a federally regulated company — if, in fact, it has jurisdiction to do it in other provinces and other jurisdictions, then it should, in fact, fall upon the federal government to either increase the insurance on deposits or, in fact, establish a policy whereby all of the taxpayers will, in fact, participate in the securing of the depositors.

For the life of me, the taxpayers of this province don't think it's very fair that they pay 28 million, and a company that was controlled and regulated by the federal government pays 10 million. And I don't think it's a good deal.

And I'm going to ask you, do you think it's reasonable and fair under the circumstances that our taxpayers are paying 28 million and the federal government, which is the regulator, pays 10 million?

HON. MR. ANDREW: — Well, yes, if you look at the overall . . . whatever the loss is going to be in Pioneer Trust — whether it's going to be 40 million up to 80 million of insolvency of that trust company — 88 per cent of that money is going to be paid for by the people of Canada directly or indirectly through federal treasury or through CDIC. And so I think that's a fairly good contribution.

Now let's go back and say, is that a good deal? And let's look at three other types of institutions: the Alberta credit unions, who have received a fairly significant injection of money from Alberta treasury, totally from the Alberta treasury; let's look at North West Trust, where the dollars going into North West Trust were exclusively from the province of Alberta — still a federally regulated company; and then let's look at Canadian Commercial Bank.

And I can assure you there was significant deposits, as I understand, in Canadian Commercial Bank by a variety of western Canada pension funds. Now that was bailed out by the Alberta government, by the federal government, by CDIC, and by the commercial banks.

Now you might ask, if you stack this particular deal here up against the credit unions in Alberta, versus North West Trust, versus Canadian Commercial Bank, I would say we're getting a very good deal relative to what that has been developing in the industry.

I think what we have to look at here, and it's the important thing that we have to look at, is — and perhaps the question the member from Quill Lakes asked is really posed in another way — and that is, do we need some reform to the CDIC system, Canadian Deposit Insurance Corporation? And I submit that we do. I submit that corporation should, in fact, make a couple of adjustments. And the minister, as I understand, is waiting for a report from a Mr. Wyman, with that very question.

I submit that (a) CDIC should cover all deposits to 100 per cent in this country. That's number one. And number two, the premium rates for that coverage should be varied according to the institutions. What we have now is an equal rate regardless of what that institution's record, or

performance, or balance sheet might look at.

Now I think that we have to look at a modified system, a rating system if you like. And those institutions that are closer to the line — and we have several in this country — should be paying a higher premium for the same amount of coverage as does an institution, let's say, that has a far better balance sheet, perhaps has a far better mortgage portfolio, perhaps has a far better lending ratios.

I think that's where the change is needed in the whole restructuring of CDIC. I would hope that's something that the federal government would deal with.

I think if you look at the sad story that's happening today in Maryland, or the sad story that's happening today in Ohio, where many of their thrifts and their trust companies — and they're not talking one, they're talking 40 and 50 and 60 of those institutions — have failed; and they have failed, not unlike what happened in some of the western trust companies, and that is that those companies tended to get far more into the real estate business, as opposed into traditional banking business.

(21:45)

Whatever the reason, they failed — whether it was management, whether it was the market, whatever it was going to be. But at least, in this country we have a meaningful CDIC or a deposit insurance corporation; at least it covers up to \$60 million . . . \$60,000. I think we have to go further than that to avoid this type of situation here.

In the United States, what's happening is that they have a private insurance company for many of those small regional institutions, and that small insurance company has, in fact, failed as well. And there's where you find your tremendously long line-ups in Maryland today in many institutions. And I think that's an area that this country must move towards, and hopefully that's an area, perhaps one of the positive results out of this particular fiasco, that may move that deposit insurance amendment, so we can cover those types of situations.

MR. KOSKIE: — I think you make my point. The very thing that you say that should happen here is reform in respect to CDIC — completely and totally under the control of the federal government. And I don't disagree with you that maybe we need reforms of up to 100 per cent. But where does the responsibility of setting those levels rest? It rests with the federal government. And they deemed it to be 60,000 limit, and it seems to me that they had the power to regulate the corporations where there would be 100 per cent.

I say that if they stick at 60,000 of insurance, then it is assumed that over and above that it would be picked up, or should be picked up, by the federal government. How does that strengthen your argument that we should be paying 28 million, federal paying \$10 million? It strengthens the case that the opposition is making, is that, in fact, the responsibility lies certainly with the federal government.

And all we're asking in the amendment here, Mr. Minister, is to reduce it. Since you have botched it up, since you got yourself hung out with that \$27.5-million guarantee, which correlates with the responsibilities that the feds have stuck on you now — 28 million, right in line with your exposure of supporting the Pioneer Trust before it went into liquidation. And all I'm saying is that it's not fair, and we're saying, in our amendment, at least modify it to the extent of paying only those depositors which are residents in Saskatchewan.

I don't know how you can justify to all of the taxpayers who had nothing to do with Pioneer Trust that they are going to dip into their pocket through taxation — and that's the only revenue you have — and to pay for depositors outside of this province when, in fact, it's the responsibility of the federal government.

The only conclusion that one can come to is that you got yourself into a bind; you had no negotiating power left, and neither could you go to the federal government or to your provincial counterparts. You got stuck with the commitment that you gave, the \$27.5 million, and you're transferring it over onto the Saskatchewan taxpayers.

We say it's unfair, grossly unfair, that you got yourself committed to \$28 million. We say, to get you out of this mess we'll go along with the amendment that we pay the depositors here in Saskatchewan. And we still say that you should . . . you got taken to the cleaners by the mess that you made in handling it initially. You didn't even allow — you postponed and delayed the company from going under for two or three months.

And when the federal government officials were moving in to close her down — and that raises a lot of problems, I think for those who are going to be paying out — it was your error. The suspicion is there that those two or three months that you gave them, by sticking out this guarantee and allowing them to operate, gave a number of people in important positions to fill a number of suitcases and to possibly adjust the records to clear their conscience and any evidence left behind.

So what we're asking you then is to consider this. We think it's a reasonable proposition. We're not happy with paying anything because we think it's the federal responsibility, as you said. For the life of me, with a federally regulated company, I don't know why you say it's incumbent upon Saskatchewan taxpayers.

Is it because it was head office here? Or is it because Saskatchewan people ran it? Any company that is federally . . . that locates, or is started in this province . . . would we follow the same résumé of responsibility? It just mystifies the people why, why we should be going outside of Saskatchewan and paying depositors.

We're very serious in requesting you to consider this your amendment. The amounts outside in the other provinces, obviously when they were appraised, that you had made this commitment to bail out Pioneer Trust, that you were stuck. And you probably got the same treatment from Manitoba and Alberta that you got from the federal government, practically nothing.

And it's too bad that a senior government cabinet minister would mishandle the situation which, in our view, ultimately cost the taxpayers \$28 million.

HON. MR. ANDREW: — Well I thought that argument was advanced earlier. That argument was advanced last time. And my comments are the same as I did then. I advanced the reason as to why I think we should defeat the amendment. You advanced the reason why you think you should support the amendment. And I think the arguments have been made.

MR. CHAIRMAN: — The item before the committee is the proposed amendment to section 5 of the printed Bill.

Amend section 5 of the printed Bill by renumbering subsection (2) as subsection (3) and adding the following subsection as subsection (2):

(2) The Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan.

(22:00)

Amendment negated on the following recorded division.

May 27, 1985

YEAS — 8

Blakeney
Lingenfelter
Shillington

Thompson
Koskie
Yew

Engel
Lusney

NAYS — 28

Devine
Andrew
Rousseau
Garner
Sandberg
Maxwell
Muirhead
Parker
Meagher
Morin

Birkbeck
Lane
Duncan
Baker
Dutchak
Young
Bacon
Hopfner
Glauser

McLeod
Taylor
McLaren
Currie
Embury
Folk
Hodgins
Myers
Zazelenchuk

The committee reported progress.

THIRD READINGS

Bill No. 33 — An Act to amend The Wascana Centre Act (No. 2)

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

Motion agreed to.

HON. MR. CURRIE: — 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.

The Assembly adjourned at 10:07 p.m.