

The Assembly met at 2 p.m.

Prayers

INTRODUCTION OF GUESTS

Mr. Weiman: — Mr. Speaker, it gives me a great deal of honour to be able to introduce some guests on behalf of a fellow colleague, and the guests that I wish to introduce are visitors from W.P. Bate School, which is in the Riversdale constituency. I've been advised by the Assistant House Leader to keep my normal comments brief, so I, therefore, will. I just, though, would like to welcome you to Regina.

They're seated in the east gallery just behind me. I'd like to welcome you to Regina, the students of W.P. Bate School, 7 and 8's. They're accompanied by Mr. Larry Lazecki, Mr. Earl Pederson, and Mrs. Debbie Flegel. I'll advise you that I will be meeting with you at 3 o'clock, after your tour, for pictures and refreshments, and I will be open to all and any questions that you may have regarding the proceedings you see this afternoon.

I would ask all members of the House to please greet the guests from Riversdale.

Hon. Members: Hear, hear!

Hon. Mr. Embury: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you to the House, 26 students from Lakeview School in my constituency who are seated in the Speaker's gallery, together with their teacher, Mrs. Becker. Lakeview School brings students to the legislature, Mr. Speaker, every year, and I'm happy to see the grade 4 class here again this year.

I will be meeting with the students at 2:30 downstairs for pictures and a drink. I hope that they have an enjoyable day today in the legislature, and I would ask all members to join me in welcoming them here today.

Hon. Members: Hear, hear!

Mr. Tusa: — Mr. Speaker, it's my pleasure to introduce to you, and through you to the House, a group of 24 grade 3 students from the town of Raymore. I know that many Hon. Members are familiar with the progressive town of Raymore which is just north of Regina, since they pass through it as they travel to and from Regina. I'm very pleased to have the students here this afternoon, along with their teachers, Brenda Olineck, Shelly Rowein. Also accompanying the students are Carol Hugie, Sharon Linklater, Gloria Orthner, and the bus driver, Mrs. Nicholson.

I trust that they're having an enjoyable time at the legislature, and I look forward to meeting them after question period. I request all Hon. Members to please welcome them in the usual manner.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Escalating Liability Insurance Premiums

Hon. Mr. Blakeney: — Mr. Speaker, my question is to the Minister of Urban Affairs. In the March 17th throne speech, Mr. Minister, your government made a commitment, and I quote:

...in this session, my government will announce measures to protect municipalities, hospitals and school boards from dramatically escalating liability insurance costs.

Mr. Minister, that was in March. Tomorrow it will be three months to the day. Can the minister tell the Assembly when he plans to bring forward these measures to protect Saskatchewan municipalities, hospital boards and school boards from sky-rocketing liability insurance premiums?

Hon. Mr. Dirks: — Mr. Speaker, we will be bringing forward the appropriate solutions that we believe the provincial government should be advancing to the people of Saskatchewan at such time when we have completed the consultations with the organizations involved. And I would inform the Leader of the Opposition that this very day I met with SUMA officials and elected representatives from local government bodies in one of the regions here of our province. The issue was discussed at that particular point in time.

Perhaps the Leader of the Opposition is not aware that the Saskatchewan Urban Municipalities Association has requested that all of their members provide them with responses to a particular questionnaire which was sent to every urban municipality in the province some time back. I understand that those questionnaires have been completed; that they have been forwarded to the urban municipalities association executive.

I do not believe that the responses have been completely collated or evaluated or analysed in any way yet, but have requested from the urban municipalities association that they provide me with that particular information which will enable us to better determine what is the most appropriate response to the liability insurance question.

The president of the urban municipalities association has discussed this with me on occasion. We had a good talk again today, and while it is an issue that we're all concerned about, I think the Leader of the Opposition would agree that it's far better to wait until you have all of the relevant information before you make a decision than to make a decision and then find out that, in fact, there was information that should have affected that particular decision.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker, The minister seems to have taken lessons from his colleague, the Minister of Consumer Affairs, in using the buzz word "consultation" as an excuse for inaction. My question to you is this, Mr. Minister - I ask you specifically: when you said in March, "My government will announce measures to protect municipalities, hospital boards and school boards," what did you intend, and when will you announce the measures which you promised three

months ago?

Hon. Mr. Dirks: — Mr. Speaker, I just indicated to the member opposite that we are engaged in consultation; I am, with the urban municipalities association. I know that the minister responsible for SGI has also met with other interested groups, and it is important that whatever particular kind of a solution that is offered at the provincial level be a solution that, in fact, takes into account all of the various kinds of concerns and recognizes the level and the scope of the problem that affects the urban municipalities.

Surely he's not suggesting that you would in fact put into place an ostensible solution which in fact turns out to be not very appropriate when the municipalities have additional information that they have brought to our attention. It seems to me to be very reasonable, indeed rational, that one would wait until the results from this particular survey - which the urban municipalities association initiated on their own; which they have agreed they want us to be aware of before any particular solution is implemented here in the province - it seems to be very reasonable that in fact we wait until that information is available to us.

I met, as I indicated, with the president of SUMA (Saskatchewan Urban Municipalities Association) today, requested of him that he provide us with that particular information as soon as possible. He is agreed that that is what in fact they will do.

Hon. Mr. Blakeney: — Mr. Minister, did it occur to you to get the facts before you made the promise in March? And are you aware, Mr. Minister, that the Saskatoon Public School Board has seen its liability insurance premiums jump 328 per cent this year? And are you aware, Mr. Minister that the City Hospital in Saskatoon has seen its liability insurance premiums increase from 32,000 to 180,000, an increase of 462 per cent?

And since you did not mention either the problems of school boards or hospitals in your previous extensive replies, can you tell me when you are going to announce measures which will apply not only to urban municipalities but also to school boards and hospital boards to give them some protection from increases at the level of 328 per cent and 462 per cent, which they are now experiencing?

Hon. Mr. Dirks: — Mr. Speaker, I have indicated to various groups that there are certain different options which can be considered. There is the possibility of self-insurance pools being established by the urban municipalities association. There is the possibility of a legislative cap being put on, which other provinces are considering, and that full range of options is something that this particular government is considering, and we have discussed it with those particular organizations.

But, in fact, this particular government believes that the sensible approach is to consult, to find out exactly what the scope and the extent of the specific problem is, and then to act. And I believe, Mr. Speaker, that's a far more sensible way of dealing with the problem than doing the kinds of things that the former government did when, for

example, they implemented land bank and it didn't turn out to be a solution for anybody - for absolutely nobody.

So we expect, Mr. Speaker, that once we have engaged in the finalization of that consultation process, that we will in fact have the appropriate kinds of solutions to deal with that particular problem here in Saskatchewan.

Mr. Tchorzewski: — Thank you, Mr. Speaker. Supplementary to the Minister of Urban Affairs. Mr. Minister, in view of the fact that you promised action in your throne speech .. As a matter of fact, you announced measures to protect municipalities and hospitals and school boards against escalating liability insurance. Will you not now concede that this inaction of yours is ultimately going to drive up the cost of living and the tax bills on Saskatchewan residences? And don't you agree that either the property taxes will go up, or services will be cut, or both, in order that municipalities and school boards can cover this dramatically escalating costs which are happening and with which they're not getting any assistance from your government?

Hon. Mr. Dirks: — Mr. Speaker, it is the role of the government to respond to problems, to consult with organizations, and to implement solutions. And that is in fact exactly what we're doing. It's the role of the opposition to present constructive alternatives, and they have presented none. They have presented absolutely none. Now maybe they want to advance some today in question period, but it would have been the first time in three months that they would have advanced any particular kind of a solution.

We have in fact, Mr. Speaker, talked about the possibility of working through SGI, or SGI alone, or the organizations themselves, setting up self-insurance pools. We have talked about the possibility - and there are both advantages and disadvantages - to legislating some kind of cap to insurance settlements.

Mr. Speaker, it's the kind of thing that, when you recognize it's a problem, you say, yes, it's a problem; we're going to deal with it. We indicated that there were problems with retirement income, and we have advanced a pension for the first time ever here in the province of Saskatchewan. That's recognizing a problem and offering a solution. We are doing the same thing with liability insurance. We recognize that there is a problem; we are consulting, and solutions will be advanced.

Mr. Tchorzewski: — Mr. Minister, I remind you that two months ago I gave you some alternatives when we did Urban Affairs estimates, and you listened to those as much as you have listened to the school trustees when it came to the implementing of the assessment agency. You so-called consult but don't listen.

Now, Mr. Minister, unless you act quickly, the sky-rocking liability insurance rates are going to drive up transportation costs and in fact do away with some of the transportation services that we have in this province. And the example - and I'm asking you whether you're aware of it, Mr. Minister - is the example of the Moose Mountain bus lines, which have indicated that their liability insurance has increased from \$26,000 to

\$155,000 in this year alone. And this is the reason given by this bus line for cancelling the service, in an application, between Regina and Bengough.

Do you propose, Mr. Minister, to allow these sky-rocketing costs to just work their way through the entire economy, or do you propose to act?

Hon. Mr. Dirks: — Well, Mr. Speaker, I think it's very clear that this government, when it takes a stand that it's going to act, indeed it does act. And that's exactly what we are doing. When I met with the president of the Saskatchewan Urban Municipalities Association today and discussed the particular issue with various locally-elected councillors, that's acting, Mr. Speaker. That in fact is acting. That's listening to the people of Saskatchewan. That's discussing the kind of problem that they have.

When the municipalities, in fact, fill out a questionnaire dealing with liability insurance, send it into their organization, they forward it to us, and we, in fact, consider those particular responses; that is acting, Mr. Speaker; that is acting.

Contrary to the members opposite, who have yet to take a position — they have not told us whether or not they are in favour of self-insurance pools being established. They have not told us whether or not they are in favour of, in fact, legislating a cap and where that cap should be. So it's fine for them to continue to advance a problem and to advance it. In fact, we have been meeting with the various organizations that I have just talked about. We are discussing with them rational solutions to that particular problem. We will continue to do that, Mr. Speaker.

Mr. Tchorzewski: — New question, Mr. Speaker. Mr. Minister, in view of the fact that the premium increases hitting Saskatchewan people are not related to the liability incurred here in this province; that they are determined by incidences that have happened on the other side of the globe in Bhopal, and the shuttle crash, and the Air India crash; in view of that, Mr. Minister, can you explain your reluctance to use the public's insurance company, SGI to drive down liability insurance rates? Why won't your government use SGI to establish insurance premiums that are made in Saskatchewan, based on the kind of experience that happens in Saskatchewan, Mr. Minister?

Hon. Mr. Dirks: — Well, Mr. Speaker, it was the NDP's approach to say, this is the solution, and we are going to implement it regardless of who is involved or regardless of what the implications may be. And we all recall that under them, under the NDP administration, SGI lost literally tens of millions of dollars because of mismanagement.

Now we have no intention, Mr. Speaker, of putting the public at risk through making the wrong kinds of insurance decisions regarding SGI. We want to make sure that the right kinds of decisions are taken, which is exactly why we are involved in the consultation process that we are.

And it may very well be that the urban municipalities

association and that the rural municipalities would very much like, after they have looked at the entire range of options and the scope of the problem that confronts them, that they would like to have an SGI solution imposed across the province. On the other hand, Mr. Speaker, they may not. They may want to set up their own self-insurance pools, and there's a wide gulf between the two, Mr. Speaker.

So I think the member opposite doesn't seem to recognize that consultation is an integral part of what this government believes in. It's what we stand for. We are engaged in that at present, and we will continue to meet with those organizations to find the appropriate solution and to put that solution in place, and it will be a solution that will ensure that the taxpayers' dollar is at minimum risk, Mr. Speaker.

Proposed American Duty on Canadian Lumber

Mr. Koskie: — Well all I can recommend, don't ask that guy another question.

But my question is to the Minister of Economic Development and Trade, and it deals with the threat of our forest industry posed by the American attempt to put on a 27 per cent duty on Canadian softwood lumber sold to the United States.

As you may well know, Mr. Minister, last Friday, Canadian governments and representatives from the industry met in Vancouver to set a strategy with respect to the latest example of U. S. protectionism.

Can the minister give the people of Saskatchewan a report on the strategy session, and can he tell the Assembly what specific role Saskatchewan will play since the American action threatens nearly \$20 million annual sales of Saskatchewan lumber to United States?

Hon. Mr. Andrew: — The meeting in Vancouver on Friday involved both the federal and all provincial governments, with the exception of Prince Edward Island, along with the industry and four representatives of the IWA (International Woodworkers of America). Arising out of the meeting there was unanimous support by both governments, federal and provincial, the unions involved, as well as the industry involved, that Canada should take a common front with regards to the particular item with regard to softwood lumber.

The application will be coming before the commerce department and the International Trade Commission. The thing that one has to remember and understand is when you appear before the International Trade Commission as a quasi-judicial body wherein due process will be the rules of the day — and we believe, as does the rest of the governments and the industry and labour, that we stand in a very good stead on the question of fairness with regard to that issue.

With specifically as to what we agreed to do, all parties agreed to have prepared by early in July all details with regard to their particular industry in their particular province or region, and then the representation to the ITC will be done with one voice. That was a decision of all

governments concerned, of all political stripes, and labour as well as management - will all appear together with a common front representing Canada on a very serious question.

Mr. Koskie: — Supplemental, Mr. Speaker. Could the minister indicate who will in fact be co-ordinating getting all of the representative groups which you are talking about, and who in fact will be the spokesman for that? Is that the representatives of the Canadian government, or will the province itself have its representatives also present in future discussions?

Hon. Mr. Andrew: — Well the question will be co-ordinated by the Hon. Joe Clark, Minister of External Affairs. It will be External Affairs along with the Canadian ambassador to Washington, and that will be the focus by which we would draw together our information. Any questions as it relates to political lobby would also be handled that way. We will be meeting further as a group, again of governments and industry and labour, as to how best to mount any political lobby that would be undertaken between now and the time of decision, which is likely November or February of '86 or '87.

Mr. Koskie: — One final supplemental. You indicate a possibility of putting forward a political lobby also. You indicated that Mr. Clark would be representing and co-ordinating along with the ambassador. I want to ask you specifically: will all the presentations being made by the federal government, be it the ambassador or the minister of foreign affairs, Mr. Clark - will the presentations be made available for scrutiny by the particular provinces that are most deeply affected?

Hon. Mr. Andrew: — Will the information, the question is, be made public? Certainly it would be made public. I think, when one looks at the fact that on this particular issue all Canadians, whether they represent governments of various political stripe, represent the trade union movement involved in the forest industry, or represent the industry itself, all have a similar interest on this particular question. And that representation, we would have no problem sharing our particular information and position with members of the opposition when that particular information has been gathered.

One thing you might look at from Saskatchewan, and certainly some Saskatchewan can advance: under the new arrangements in the forest, some of the stumpage fees in Saskatchewan that Saskatchewan government would charge to the industry will in fact be increased. And that's one of the arguments being advanced by the lobby group in the United States is what is unfair about the Canadian forest industry. We don't accept that particular proposition by the United States. We're dealing with The Forest Act in the province of Saskatchewan, not based on the countervail action, but based on what we believe is fair: (a) return to the provincial coffers, and (b) fair to an industry as to stumpage fees.

So those types of things will be valid in the hearings before the ITC and the Department of Commerce, and certainly something that would be part of due process.

Free Trade Negotiations

Mr. Shillington: — Mr. Speaker, my question is to the Minister of Economic Trade and Development. It deals with public comments made by the Premier of Alberta, Mr. Getty. In an interview reported to today's edition of the Toronto Globe and Mail, the Premier of Alberta is quoted as saying that free trade negotiations may have to be suspended until after U.S. congressional elections in November of this year.

Premier Getty told reports, and I quote:

.. during this election year we may not be able to make any progress with the United States. If over the next month or two we establish that there is no serious ability to negotiate, then I think we might make the decision to say, let's just stop.

Does the Government of Saskatchewan support the Premier of Alberta in his position that free trade negotiations might have to be suspended if they become too much of a political football in this fall's U.S. congressional elections?

Hon. Mr. Andrew: — Well, I think we make a couple of comments. With regards to the statement by Mr. Getty which I read in The Globe and Mail, as did most other people probably, I'm not going to defend or commend the statements of Mr. Getty in Alberta, or whether in fact that is true.

I think, though, from this point of view from a Canadian perspective, one of the great problems that we can face, dealing with the very difficult trade negotiation with the United States, whether it's free trade or whether it's dealing with the forest question or whether it's dealing with the hogs or cattle question, is that you have to deal, I think, from a very strong voice, and that's not to show yourself of a house divided.

And so from that point of view, whatever the collective decision in this country as to how we would proceed with those negotiations, I don't think it does a great service to anyone for someone to come out one day to take this position and somebody come out the next day to take another position.

So I think that the position that we have taken as a government, the position the federal government has taken, the position taken by most premiers in this country, is that we no longer have the luxury of simply saying, let's keep the status quo, because the status quo is very much changing these days.

We don't have that luxury. We have to make sure that we preserve those U.S. markets. We have to make sure that we preserve and create new markets, whether in United States or other parts, or a province like Saskatchewan could stand in very poor stead, quite frankly, because we export almost half of everything we produce in this province into the world.

The biggest market for that is United States. And I think it's very important that we, in fact, preserve that market, however we proceed to do that. But it's very important that we preserve that market to create jobs in the province

and maintain jobs in the province of Saskatchewan.

Mr. Shillington: — New question, Mr. Minister, we all agree upon the necessity of preserving the U.S. market; it's a question of how we do it. Let me say, by way of background, that Canada has experienced more difficulties with the U.S. protectionism in the last three months since free trade negotiations began than we have in the 15 years preceding that.

The latest example of how trade between Canada and the U.S. has become a convenient political football in this year's congressional elections is the attempt by some prominent U.S. Congressmen to ban all Canadian beef and live cattle imports to the U.S. while the International Trade Commission conducts a fact-finding study of the beef trade between our two countries.

Does the Government of Saskatchewan not now agree that free trade negotiations have simply stirred up protectionist forces in the U.S. and provided protectionist forces with a point of focus which allows them to place increasing pressure on Canada to give up its traditional share in the U.S. market?

Do you not agree, Mr. Minister, that a better understanding of the U.S. market might have deterred you from wildly flailing the free trade issue which has rang the alarm bells south of the border? If, Mr. Minister, you'd done your homework ..

Mr. Speaker: — Order, please. The member is going over and over the same subject area, and I think if you have a question, come directly to the question.

Mr. Shillington: — Do you not agree, Mr. Minister, that if you had done your homework you might have better understood the U.S. market, and you might have avoided the very serious problems which the protectionist forces south of the border are now visiting on us?

Hon. Mr. Andrew: — Well I think, that to listen to the hon. member's question, he would have us believe that somehow because we decided to enter into some trade negotiations that this has all happened.

The reality of what has happened in the United States is that the traditional party that supported free trade in the United States is the Democratic Party, and that Democratic Party of late has been looking at protectionism as a good vehicle by which to unseat the Republicans, and that's a dangerous, dangerous trend. That trend has been developing for some time. That trend has been developing for some time, as has the trade deficit in the United States which stands today on the yearly basis of \$148 billion.

Those are concerns for us, but to simply listen to the members opposite, or to listen to their national leader, or to listen to Lloyd Axworthy, is that we should simply stand by, do nothing, keep the status quo and lose those jobs, lose those markets, and that would be harmful to this country, and that would be harmful to the people of Saskatchewan, whether they work in the lumber industry, on the farms, in the potash mines, small manufacturer of farm equipment, or whatever you have. That policy is

wrong-headed. That policy is your head in the sand. That policy is status quo, and that policy will not wash.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 62 - An Act respecting the Regulation of Traffic on Saskatchewan Highways

Hon. Mr. McLeod: — Mr. Speaker, on behalf of the Hon. Minister of Highways and Transportation, I move first reading of a Bill respecting the Regulation of Traffic on Saskatchewan Highways.

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

Bill No. 63 - An Act respecting Motor Carriers

Hon. Mr. McLeod: — Mr. Speaker, on behalf of the Hon. Minister of Highways and Transportation, I move first reading of a Bill respecting Motor Carriers.

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

Bill No. 64 - An Act respecting the Registration of Vehicles and Licensing of Drivers

Hon. Mr. Folk: — Mr. Speaker, I move first reading of a Bill respecting the Registration of Vehicles and Licensing of Drivers.

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

Bill No. 65 - An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Ambulance Act

Hon. Mr. Taylor: — Mr. Speaker, I move first reading of a Bill respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Ambulance Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 58 - An Act respecting The Saskatchewan Pension Plan and Providing for the Payment of a Minimum Monthly Pension

Hon. Mr. Lane: — Thank you, Mr. Speaker. I'm pleased to rise today and move second reading of The Saskatchewan Pension Plan Act.

The guarantee of an adequate retirement income for ourselves and our families is a goal common to us all. As announced in the throne speech and in my budget address, this government is committed to offering

additional retirement security to the people of Saskatchewan and, in particular, to those members of society such as home-makers, small-business employees, part-time and self-employed workers who are making a valuable contribution to society, but who have not been given the opportunity to adequately save for their retirement.

Mr. Speaker, this government is proud to introduce The Saskatchewan Pension Plan Act, an Act which once again demonstrates Saskatchewan's ability to be a national leader in the development of social programs that protect and enhance the security of the individual, an Act that is an important milestone towards the goal of ensuring that all Saskatchewan residents will be able to retire above the poverty line.

Mr. Speaker, this is an historic occasion. Not since the introduction of the medical care insurance Act in 1961 has there been such an important social policy legislation introduced in this Assembly. For the first time in Canada, a government will be recognizing the contribution made by home-makers and acknowledging their right to a pension of their own, enabling part-time workers, self-employed persons, and small-business employees to establish a saving plan for their retirement.

Mr. Speaker, there clearly is a need for new pension opportunities for those who are least able to provide for a secure retirement. Home-makers, who make an important contribution to the Saskatchewan way of life, are often not covered at all by the Canada Pension Plan and have no access to private pension plans, but the built-in inequities against women within our retirement system do not end there. Of those women who have chosen to enter the work-force, almost 64 per cent are unable to avail themselves of a private pension plan. Consequently, Saskatchewan home-makers who have chosen to raise families or who are in and out of the work-force may have very few opportunities to save for their retirement.

Unfortunately, Mr. Speaker, the results of these inequities are all too predictable. As of 1984, slightly more than half of those unattached single women, 65 and over, were living below the poverty line. From a more general perspective, this is even more alarming when one considers that women live longer than men on an average and, as a consequence, three-quarters of our single senior citizens are women.

The structural inequities within the existing pension mechanisms are acute. They not only affect home-makers but extend into the employment sector. In this regard, as we go about our business in this Assembly and in our day-to-day affairs, we have a tendency to forget that 55 per cent of our labour force is not covered by an employer-sponsored pension plan.

While the Canada Pension Plan covers the entire work-force, contributions and benefits are based on an individuals' earnings. Consequently, low-wage workers who have the lowest contributions to the Canada Pension Plan also receive the lowest benefits. Indeed, while the maximum CPP retirement benefit is \$486 per month, it is the case that in Saskatchewan the average retirement

benefit is only \$215 per month - only 44 per cent of the maximum benefit.

As a result of inadequate pension coverage, the federal government has had to establish a system of comprehensive income support for seniors. Old age security and guaranteed income supplement payments account for over 15 per cent of the total program expenditures of the federal government. But even with this large commitment of public resources, almost half of the 550,000 single Canadian senior citizens living alone in 1984 had incomes below Statistics Canada's designated poverty line.

May I remind the Hon. Members that this is not a new problem. In 1966 the Senate Committee on Ageing commented that:

Without question the most serious problem encountered by the senate committee in the course of its investigation was the degree and extent of poverty which exists among older people.

This government does not intend to ignore this long-standing and serious social problem in the hope that it will go away. In 1982 we protected home owners and their families through our mortgage interest reduction plan. Today we are determined to take the lead on pension reform by addressing the structural inequities within our pension system.

Clearly it is time for a government in Canada to act, and we intend to do so. It is our intention to strengthen those mechanisms which ensure our personal and family retirement security. The opposition is well aware that governments have been discussing pension reform for years, but actions to date have not adequately addressed the problem facing retiring Canadians.

As I indicated earlier, the lack of action is particularly serious with respect to home-makers, especially for those who have chosen to raise families or who may move in and out of the work-force. They have been completely left out of any pension reform legislation. The federal government and the provinces, however, have agreed on some important changes to the Canada Pension Plan with respect to early retirement benefits, disability benefits, and the Canada Pension Plan credit splitting. While these changes are extremely worthwhile, they do not address other concerns of significant importance.

First and foremost, no action has been taken to include home-makers in the Canada Pension Plan. In December of 1983 the report of the parliamentary task force on pension reform recommended that home-makers be covered by the CPP. All members of that task force endorse the recommendation with one exception.

There's much support for home-makers' pension. Despite the widespread support, provincial and federal governments have been unable to arrive at an agreeable solution, and it is unlikely that an agreeable solution will be forthcoming.

I would like to make it clear at this point that I am blaming

no one government in Canada for collective failure to take action, but it does take one government with foresight, determination, and courage to get the ball rolling. This government, through the leadership of the Premier, has decided that now is the time for Saskatchewan to again take the lead by introducing the first pension plan in Canada which embraces the contributions of home-makers. In the months to come, we will be encouraging the federal government and other provinces to follow our lead.

Federal-provincial agreement has been reached on private pension reform. A series of improvements to minimum conditions to be obeyed by private pension plans have been agreed upon. These improvements will assist members of existing pension plans, but they will not do enough, in our view, to extend pension plan coverage to workers not now covered by a pension plan.

The lack of pension coverage is a particular problem in the small-business sector because small firms often feel they cannot afford the additional start-up and ongoing costs required to operate a pension plan. The Saskatchewan pension plan will extend additional pension plan coverage to thousands of Saskatchewan workers who currently have limited access to an employer-sponsored plan.

As I indicated earlier, the Saskatchewan pension plan will extend pension coverage to groups now underrepresented in pension plans. It will address those structural inequities within the existing pension system. As a result of the Saskatchewan pension plan, Saskatchewan families will now have an opportunity to achieve secure retirement incomes.

There are three key target groups: firstly, home-makers and part-time workers who now have no opportunity to join either the private pension plan or the Canada Pension Plan. Employees of small business; small businesses typically feel that they cannot afford the cost of operating a pension plan for a small number of employees. Saskatchewan pension plan will be of considerable assistance to the small-business sector. Thirdly, farmers, small-business proprietors, and other self-employed individuals, who are covered by the Canada Pension Plan, will gain additional access to a pension plan.

The Saskatchewan pension plan will be a voluntary pension plan. All residents of Saskatchewan between the ages of 18 and 65 will be eligible to contribute. In addition, approximately 450,000 persons could be eligible to benefit from a government-matching contribution.

There are three main aspects of the SPP: basic matchable contributions, non-matchable contributions, and thirdly, guaranteed minimum pension. In addition, the Saskatchewan income plan has been amended to provide increased benefits and thus complement the Saskatchewan pension plan as an overall retirement benefit package.

Firstly, the basic matchable contributions. The plan will allow Saskatchewan residents to supplement their

contributions to the Canada Pension Plan with contributions to the new Saskatchewan pension plan. The government of Saskatchewan will match SPP contributions made by individuals with less than 25,800 in annual CPP (Canada Pension Plan) insurable earnings and income from other sources.

CPP contributions depend on an individual's insurable earnings as defined for Canada Pension Plan purposes. Insurable earnings include wages and salaries in the case of employees, and income from self-employment in the case of farmers, business, proprietors, and professionals.

In 1986, maximum Canada Pension Plan contributions will be made by all those with insurable earnings of 25,800 or above. The amount of the matching government contribution available to the participant will be determined by the difference between the maximum Canada Pension Plan contribution and the participant's actual Canada Pension Plan contribution. A ceiling of \$300 will be placed on the matching government contribution.

(1445)

The extent of the individual's matchable contribution may also be reduced by the amount of income from other sources that is received in a year. Individuals with combined Canada Pension Plan earnings and income from other sources in excess of 25,800 will not be eligible for the government matching contribution. The first \$1,000 income from other sources will be exempt. Some examples of other income would include interest dividends, capital gains and rental income.

All participants with Canada Pension Plan insurable earnings and income from other sources below \$9,133 in 1986 will be eligible for the maximum \$300 matching contribution from the government of Saskatchewan. The total of the participant's matchable contribution and the matching government contribution for a calendar year may not exceed \$600.

Secondly, non-matchable contributions. Participants ineligible for any or the full government matching contribution may contribute to the Saskatchewan pension plan a non-matchable amount equal to \$600 less the total of their matchable contribution and the government matching contribution, if any.

And thirdly, the guaranteed minimum pension. Participants eligible for the government match in the first 10 years of the plan will be entitled to a guaranteed minimum pension based on matchable contributions. A minimum monthly pension of \$15 will be guaranteed for each year eligible participants contribute the maximum matchable amount of \$300. The provision will increase the SPP pensions paid out during the initial years of operation.

For example, with the minimum pension provision, contributors who receive the maximum \$300 government match each year and have reached 65 two years after the Saskatchewan pension plan begins, would receive a pension of \$30 per month. Without the minimum pension provision, a benefit of only \$11 per

month would be paid.

As contributions and investment earnings accumulate, the minimum pension will no longer be necessary to provide adequate benefits. A home-maker who contributes \$25 per month each month for 30 years could receive a pension of between 600 and \$1,025 per month at age 65, depending on the investment performance of the fund.

Saskatchewan pension plan will be open for contributions on December 31, 1986. Contributions for the 1986 calendar year and any year thereafter will be permitted until 60 days following the end of the year. A board of trustees appointed by cabinet will be responsible for the administration of the plan. The board will have the power to employ administrative staff.

Funds accumulated from contributions by participants in government will be invested; returns on investments will be accredited plan participants.

An annual statement showing accumulated contributions to date, including the investment earnings, will be provided to each plan member. Benefits will be paid out in the form of monthly annuity payments based on individuals' accumulated contributions, plus any government contributions made on his or her behalf, including accrued interest.

The government recognizes, however, that Saskatchewan senior citizens who have already retired will not be able to benefit from the Saskatchewan pension plan. Along with the Saskatchewan pension plan, the government will introduce companion legislation to increase the Saskatchewan income plan payments for senior citizens by \$15 in each of the next three years, and by at least \$5 in the fourth year.

By 1990, the maximum SIP (Saskatchewan income plan) payment to a single senior citizen will have doubled from \$50 per month today to \$100 per month in 1990.

The Saskatchewan pension plan will recognize the importance of homemakers as the foundation of the Saskatchewan way of life and as the heart and soul of our families. It will also provide the opportunity for small-business employees, part-time, and self-employed workers to belong to a pension plan.

I'm confident that when viewed by future generations the Saskatchewan pension plan will be seen as an important milestone towards the goal of ensuring that all Saskatchewan residents will be able to retire above the poverty line.

Mr. Speaker, I'm pleased to move second reading of an Act respecting The Saskatchewan Pension Plan and Providing for the Payment of a Minimum Monthly payment.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, as will be clear from those who have listened to the minister's remarks, the proposal is one which is replete with a great deal of detail

and, accordingly, I will be moving to adjourn the debate following my brief remarks this afternoon.

But I think the minister set the stage for the introduction of this legislation by moving back to the period prior to 1966 at the time when a comprehensive study indicated that many people in Canada did not have adequate pension protection.

In the last 20 years, great strides have been made in Canada in providing better pension protection. Some of us can hardly credit the fact that there was no Canada Pension Plan prior to 1966; there was no guaranteed income supplements prior to 1966 - at least federally administered. We had only the old age security pension which had come from the period of the 1920s, thanks to the well-credited work of J. S. Woodsworth and others who had fought valiantly for old age security pensions.

Since that time, in recent years, we have seen the advent of supplements to the old age security and guaranteed income supplement by way of spouses' allowances and other payments which, in part, bridge the gap between the ages of 60 and 65 for some recipients of pensions.

And the minister has made reference to other improvements to the pension legislation dealing with credit splitting and disability benefits. He spoke of a decision by a parliamentary committee in favour of pension for home-makers in 1983 and said that there was widespread support for it. He suggested, by inference, that this Bill was going to provide what the 1983 report recommended. Not so. Not so.

There is no question that was what was proposed in 1983 of the introducing and permitting home-makers to join the Canada Pension Plan would be something which would have widespread support all across Saskatchewan by all persons. But that is not what this Bill does. This Bill does not do that ..(inaudible interjection) ..

Mr. Speaker, members opposite are offering comments. They will have an opportunity to debate the Bill, and I very much hope that the member for Weyburn enters this debate and doesn't carry on with his present practice of making his comments from his seat. And I am going to look with a good deal of interest to see whether he does in fact comment on this Bill.

Mr. Speaker, the question that this Bill really raises is: who will likely take advantage of it; who will likely take advantage of it? And that's the one that we should explore when we discuss this in second reading and when we discuss it in committee. Who is it likely to benefit - cui bono?

We will need to address this because clearly many people are excluded. People of middle incomes where both the husband and the wife work will be excluded from this Bill. They ..

Mr. Speaker: — Order, please. I'm going to ask members on both sides of the House to control their noise-making so that the member can be heard. Order, order. The member for Regina North West has been making a considerable amount of noise ever since the House

opened today, and I'm .. (inaudible interjection) .. Order. When I'm on my feet and ask for order it implies all people.

Hon. Mr. Blakeney: — Mr. Speaker, I think we're going to have to ask ourselves; who benefits from this Bill? We already .. We can identify very quickly some people who will not benefit. People of high incomes will not benefit; no problem there. People with middle incomes where both husband and wife work, they will not benefit. The people who will get clearly the most benefit are people who have low incomes but whose spouses have high incomes. That will be the best situation, because they lose nothing, and they have a benefit which is total.

And I think the member for, say, Prince Albert-Duck Lake would appreciate that. If he has a spouse, or the member for Maple Creek has a spouse where the income is low, the nominal income is low, then that is the ideal situation for benefits - the ideal situation for benefits - because there will be no question of being able to raise the money to pay the premiums, and the benefit will be total.

Where someone is at the low end of the scale, obviously they will not get the total benefit. If they're at the bottom end of the scale and they would ordinarily get only the OAS, old age security pension, and the guaranteed income supplement, this Bill will give them modest help because they have to face the fact that they're going to lose the guaranteed income supplement.

This pension, as a result of the enactment of this Bill, will mean that people who would otherwise be entitled to a pension from the federal government fully paid for by the federal government will now have to get a pension from the provincial government, half of which the person paid for. So they will see some diminution in their benefits.

An Hon. Member: What was that word?

Hon. Mr. Blakeney: — Some diminution, is the word. I offer it to the schoolteacher opposite who inquired about it .. (inaudible interjections) .. Shame? Shame that he didn't know what it meant! Shame indeed.

But I want to point out just who benefits and who doesn't from this Bill. And we will pursue this in committee; we will pursue this in committee, Mr. Speaker. But I think that there is no question that there are some people who get greater benefits from the Bill than others. And what we will have to do, as a legislature, is to ask ourselves whether or not these people are the persons most in need of a contribution from the public purse.

And the members will need to judge whether or not my 18-year-old daughter who - I'm looking over this Bill and I believe will be able to join the plan. She will be 18 by December 31st; she's a student and she has no income. It looks to me like she's going to be eligible. And we have to ask ourselves whether my daughter is the person who is most in need of help with respect to retirement income. And she may be, but that's a judgement we all are going to have to make.

And those who see no problem with the Bill will say, fine, there's nothing wrong with 18-year-old students getting a

benefit from the public purse when someone at the very bottom of the scale gets a very much lower benefit - very much lower because they lose the guaranteed income supplement which they otherwise would have obtained.

So all of these will need to be addressed. I'm not saying that there's anything .. that these are not capable of being solved. But they certainly will need to be addressed, and they're not going to be addressed by shouts of: are you for it or against it? and all that sort of thing. We're talking about a lot of money, a lot of public money, and we have to ask ourselves whether we're targeting that money to the people who need it most. It is the same old question of fairness which comes up with this government all the time. Are they directing the money to the people who need it most? Is it fair? And we're talking now about very significant sums of public money.

The minister has suggested that 450,000 people could participate. And suppose you thought that they were going to get a government contribution of only \$100, which is one-third of the maximum. Then that becomes \$45 million a year each and every year. And we shouldn't assume that this is small change we're talking about. We're talking about a very large expenditure of public money, ongoing year after year. What we have to ask ourselves is: is it being targeted to the people who need it most?

(1500)

And those are questions which I know the minister will be able to address when we get into committee. We will have a debate at second reading, which we are now participating in, some of us on our feet and some of us from our chairs. But I think that it is a serious business. It represents, I would think, the largest expenditure of public funds of any Bill which has been presented at this session, and therefore ought to receive the sober consideration of all members of this House. I very much hope it will receive that sober consideration addressing this very real question of whether or not the expenditure proposed by the Bill is being targeted to those who need it most.

Mr. Speaker, I will want to look in more detail at the remarks of the minister who introduced the Bill, and accordingly I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 60 - An Act respecting the Payment of Benefits to or on behalf of Certain Senior Citizens

Hon. Mr. Dirks: — Mr. Speaker, I'm pleased today to rise and move second reading of a Bill respecting the Payment of Benefits to or on behalf of Certain Senior Citizens. This, Mr. Speaker, is the companion piece of legislation to the new Saskatchewan pension plan just introduced by the Minister of Finance.

Mr. Speaker, it's my privilege to move second reading of this Bill which, together with the Saskatchewan pension plan introduced, enhanced income protection to Saskatchewan people, in particular to the senior citizens

of our province who have retired without opportunity to contribute to the Saskatchewan pension plan and who certainly deserve the opportunity to retire with adequate income.

Mr. Speaker, the pension initiatives discussed today in the Assembly by my colleague and myself are designed to put to rest the fears that people have as they approach retirement; fear that their savings would not keep pace with inflation; fear that unforeseen expenses might force them to turn to welfare; fear that they might become a burden to their children.

I'm pleased, Mr. Speaker, that our government today is taking the initiatives that we have which will ensure that people will be able to retire in dignity with sufficient and adequate income to meet their needs.

This particular piece of legislation, Mr. Speaker, is a piece of legislation which indicates our particular concern specifically for that segment of our population which does not have, and traditionally has not had, adequate income upon which to retire, and those are low-income senior citizens whose only form of income is old age security and the guaranteed income supplement which comes from the federal government.

We believe, Mr. Speaker, that governments today must be responsive and sensitive to the needs of senior citizens. They are one of the largest segments of our population that is, of course, growing in size, larger perhaps than most segments of the population are. Consequently, our government has put forward considerable effort to ensure that we are appropriately meeting the needs of Saskatchewan's senior citizens.

We have conducted two seniors' forums here in the province, one in 1983 and one in 1985, at which time we discussed with senior citizens a variety of needs which faced them - whether they were housing needs, whether they were transportation needs, whether they were medical needs, or whether they were income needs. And many senior citizens have expressed their concerns that there be appropriate income available to the lower-income senior, particularly those people who are widows that have to exist entirely on the old age security and the guaranteed income supplement.

As a consequence, Mr. Speaker, we, in the past, took some significant steps to enhance the Saskatchewan income plan which has provided a supplement to those low-income seniors. When we took government a few years back, Mr. Speaker, we doubled the income benefits available to seniors under the Saskatchewan income plan, for example, for single seniors, from \$25 to \$50. We believe, Mr. Speaker, that that was a very important thing to do. Under the former administration, the Saskatchewan income plan in fact had been increased only once, and that was a meagre \$5 a month in seven years.

Mr. Speaker, there are many things that we have done to respond to the needs of seniors, but I believe that the action that we are taking today is indicative of the very concrete concerns that our government has respecting seniors. We have demonstrated, and we are

demonstrating today, that we are committed to programs which protect the ability of seniors to live full, independent, fulfilling lives, and the Saskatchewan income plan Bill that is before us today is another step in this direction.

There are two aspects to the Saskatchewan income plan legislation that I want to discuss. First, Mr. Speaker, this Bill clarifies the present Saskatchewan income plan. Specifically, the Bill establishes the Saskatchewan income plan program under a separate piece of legislation. It solidifies in legislation the Saskatchewan income plan. This guarantees that this important income security program will become an enduring part of income protection for seniors.

Secondly, Mr. Speaker, this Bill ensures that sick benefits are available for Saskatchewan residents, even if they spend some time of the year away from Saskatchewan. Thus a senior receiving SIP who visits his family in another province will continue to receive benefits.

The Bill specifies that benefits are provided on the basis of a guaranteed income supplement application. That is, seniors need not complete a separate application for the Saskatchewan income plan benefit. The guaranteed income supplement application serves as the Saskatchewan income plan application as well.

Fourthly, the Bill authorizes benefits to be available for seniors who are 65 years of age or older.

Second, the Bill will be supported, Mr. Speaker, by benefit increases over the next four years. In each of these years, benefits will increase by \$15 for each single person and \$30 for a married couple; and in the fourth year, benefits will increase by at least \$5 per single individual and \$10 for a married couple. And these are, of course, monthly figures.

I expect, Mr. Speaker, that increases will commence later this year. These increases will double the present benefits from a maximum \$50 for a single individual to a maximum of \$100 for a single individual, and benefits for a couple will increase from \$75 per month to \$175 per month. Mr. Speaker, these increases round out the programs available for Saskatchewan seniors today and the seniors of tomorrow.

I'm very pleased, Mr. Speaker, that our government has seen fit to provide Saskatchewan people with the opportunity to retire in dignity through the introduction of the new Saskatchewan pension plan and to provide senior citizens with adequate retirement income, particularly those who have not, and will not have, an opportunity to contribute to the Saskatchewan pension plan. And of course that income will be made available to them through this companion piece of legislation which ensures that the Saskatchewan income plan will become an enduring part of income security for senior citizens in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you. Mr. Speaker, this Bill can best be described as the government's afterthought

after they decided not to call the general election, which most people had expected and wanted. That is clear, Mr. Speaker.

The minister describes it as a companion piece legislation to the pension Bill which we heard about just a short while ago. I want to say that this Bill leaves out a very large number of Saskatchewan people who need some form of income assistance which this government continues to ignore. And he had an opportunity - they had an opportunity to include them in this legislation; they chose not to do it.

Mr. Speaker, there are many people between the ages of 60 and 65 who have no source of income. Most of those people happen to be widows. Many of those people happen to be handicapped or ill. And because of those circumstances, Mr. Speaker, those people should have a guaranteed income as is proposed by the New Democratic Party and which would have been in place had the government chosen to call the election.

Now the member from Meadow Lake points to the Minister of Finance and says, well, it's over there. It's not over there, Mr. Speaker. This Bill does not provide for those people, and the pension Bill does not provide for those people. Those people need that assistance now. Their only source of income if they're unable to work, Mr. Speaker, is welfare. They should not have to go and get their means of being able to provide shelter and food through that kind of source. The government chose to ignore that problem.

I want to say to the minister who just spoke, Mr. Speaker, that the people are going to balance these small increases that he spoke of against the dramatic costs of other things that they have had to pay in the last four years. And I want to say, Mr. Speaker, that this will not cover those costs. This increase that the minister speaks of will not even cover the increased costs of the power bill, will not even increase the cost of the power bill that has increased in the time that this government has been in power.

I remind the minister that the electrical rates alone have increased by 40 per cent; power bills have increased for senior citizens by over \$40 a month, that's power and gas. The minister stands in the House and he says, I'm going to provide \$15. They have the old practice; we take with one hand and we give with the other. Except that they have given it a new definition, and they take many times more with one hand than they give with the other, leaving senior citizens in this province in a far greater difficult situation than they were in 1982.

Mr. Speaker, the seniors of this province will not be fooled by this legislation. They will still remember that this legislation does not provide the free telephones which this Conservative Party and this government promised in the last election.

This Bill, Mr. Speaker, will not provide relief to senior citizens who are unable to have the age exemption in the calculation of the flat tax - another example of taking tax money from people who can least afford it. The age exemption does not apply for the flat tax, Mr. Speaker. The members opposite know it, and the seniors who are

having to pay it know it as well. The government opposite promised to cut income tax by 10 per cent; instead they taxed people, including senior citizens, more because of the provision of the flat tax.

Another group of people, Mr. Speaker, who were hurt by another tax which this government put on and then took off, after they took some money away from them, was the used car sales tax. Many senior citizens buy used cars. And this Bill, Mr. Speaker, will not in any way make up for the money that has been taken out of senior citizens' pockets through that Bill of a year ago which provided used car sales tax which many seniors had to pay.

Mr. Speaker, the removal of the property improvement grant and the education component on property is a far greater loss to senior citizens than what this legislation will provide for them .. (inaudible interjection) ..

Our party, the New Democratic Party, had proposed in 1982, may I remind the member from Meadow Lake, a shelter allowance for senior citizens. That would have provided up to \$100 a month for senior citizens. This legislation does not even come close to that and only proposes that it will reach that point by 1990.

Had there been an election, Mr. Speaker, senior citizens would have been far better served. The government killed that program of the shelter allowance for senior citizens when it was elected. It took it away, and now it tries to replace that up to a \$100-a-month program with an increase of \$15 for seniors and \$30 a month for couples. And that increase, Mr. Speaker, is less than those people have to pay, I remind the Minister of Urban Affairs, for increased power and electrical rates.

(1515)

I'll have to question the priorities of this government when it comes to senior citizens and their sincerity. It is three months after the budget. Three months ago we had a budget in which nothing was mentioned to provide increases in the Saskatchewan income plan for senior citizens. It seems to be another example of one of those five-year plans that lasted three, or two and one-half months.

Another example. Now, Mr. Speaker, that the government has decided not to call its election, it felt that it needed something to tide them over, and so they come rushing into the House with an increase to the SIP (Saskatchewan income plan) program. Why would they not have announced it in the budget if they had intended to do it? Seniors were not important when the Minister of Finance prepared his budget. The senior citizens of this province were not considered. Now, with the election delayed and the popular vote of the government rapidly going down and rapidly slipping, even among senior citizens, all of a sudden the vote of the senior citizen has become important, and as an afterthought they bring this legislation in.

Now, Mr. Speaker, of course they will welcome this increase. Who wouldn't? I think senior citizens will say yes, we are going to take the \$15, or we're going to take the \$30 if it's a couple. And the members on this side of

the House will support that, Mr. Speaker. But we make the point that our senior citizens should not be used as a political football by any government, and that's what this government is doing: nothing in the budget; not call an election; polls going down; and so they react not to the needs of the seniors of this province, they react to the polls.

Mr. Speaker, for the last four years there has been confusion in the minds of this government which has created confusion in the minds of many senior citizens. I have numerous senior citizens who did not apply for the heritage property grant program of last year. The Minister of Urban Affairs will not even make any provisions to allow them to be able to have those application deadlines extended one more time so that they can qualify.

Now I say, Mr. Speaker, the reason this has happened because there was a property improvement grant program, the government cancelled it. They listened to the polls. They introduced a heritage property grant program. Many people missed the grant deadlines because of the confusion, because right after they introduced it they cancelled it - right after they introduced it they cancelled it and introduced another heritage grant program for this year, a situation which has created a lot of confusion and therefore many people who did not apply - and I say that that was a deliberate ploy by this government to cause confusion so that people, some people would not apply and therefore would not qualify.

The minister says he extended the deadline. I agree. He did - once. But surely, for the numbers who are applying since his extension, he could extend it again and provide them the money which they have every right to have, and he and his government refuse to do it.

Should you wonder, Mr. Speaker - the members opposite shouldn't wonder - that the voters, and particularly senior citizens of Saskatchewan, have become cynical? They've become cynical about the Conservative Party. They've become cynical about the Premier, and they've become cynical about this government as a whole, which does not act because of any kind of plan for the future of this province; it acts only on the basis of its pollster's results and therefore cares not for the interest of the citizens who live here - including senior citizens - but cares only in its perpetuation of power. And I say, in my concluding remarks, Mr. Speaker: that will not work. It did not work in 1929; it will not work in 1986.

And the members laugh. I detect, Mr. Speaker, it's a very nervous laugh because they know what the facts are. If they were not afraid of the facts, we would have had an election already, as there should have been, and this province would have had a government that would have acted responsibly instead of a government that continues to act irresponsibly.

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

Bill No. 57 - An Act respecting Prepaid Funeral Services in Saskatchewan

Hon. Mrs. Duncan: — Mr. Speaker, Hon. Members have before them a draft Bill called The Prepaid Funeral Services Act. This is new and necessary consumer protection legislation. Its preparation has been actively supported by the Canadian and Saskatchewan funeral services industry.

Prepayment contractual arrangements which people have to provide for their own or another person's funeral expenses are commonly known as prepaid funeral services plans. This Bill is specific to these plans and has no implications for any other type of sale.

Mr. Speaker, some \$120 million in Canada are now held in various trust funds for prepaid funerals. In Saskatchewan it is estimated that some \$2.5 million has been set aside for this purpose. In Ontario there have been cases where these funds have been misappropriated.

Mainly in response to these situations, The Funeral Service Association of Canada has asked all provinces to consider this type of legislation. The Saskatchewan association, which represents the vast majority of professionals in the funeral industry here, strongly supports this national call for legislation.

Our government, Mr. Speaker, has decided to act. We are again going to follow the self-administration model which we have pioneered with other industries such as the Saskatchewan insurance industry. All sellers of prepaid funeral contracts will be required to register with an industry council and be subject to its by-laws. Sellers will also contribute to the industry council's assurance fund. This approach, Mr. Speaker, maximizes consumer protection and minimizes direct government administration.

In addition, my department has noted significant public concern in this whole area, and we have responded. For example, we publish information on funerals and funeral planning. This information is widely distributed and has received a very positive response, especially from senior citizens. Hon. Members will appreciate that people are particularly vulnerable when they are making decisions about funeral arrangements. Seniors maybe most in need of this enhanced protection.

The proposed legislation is clear. Direct selling of prepaid funeral services will not be allowed. Telephone solicitations will be prohibited. The privacy of consumers will be protected. We will not tolerate sellers attempting to take advantage of people who are in hospitals or nursing homes. Under the proposed legislation sellers cannot contact anyone unless they are requested to do so. There will be, however, no restrictions on general advertising done by the industry.

Consumers' pocket-books will also be protected. Prepaid funeral service contracts may be rescinded or cancelled by consumers at any time. All moneys received must be kept in trust, including principal plus interest accounts, in Saskatchewan. The money cannot be withdrawn from a trust account unless the beneficiary dies, or the contract is cancelled by the buyer.

The Bill also recognizes that there are some circumstances where the seller of prepaid funeral services wishes to cancel. Under the proposed Act, any seller who decides to cancel a contract must obtain the written consent of the purchaser or give written notice. The consumer then is entitled to recover all of his or her money n damages, or enough money to provide an equal or greater service.

Persons seeking to sell prepaid plans must register with the proposed industry council. That council will pass by-laws and establish an insurance fund to pay out any claims. The superintendent of insurance in the Department of Consumer and Commercial Affairs will review and approve these administrative arrangements and procedures and will retain investigative powers. The superintendent also exercises discretionary powers under the draft Bill.

Mr. Speaker, this industry-oriented approach will ensure that the real experts in the area, the industry, are also responsible for the successful day-to-day operation of this Bill. It is, of course, in the best interests of the industry to do a first-rate job. Consumer confidence in the industry will be greatly enhanced. No additional administration costs are anticipated with this Bill, and the civil rights of Saskatchewan residents are not adversely affected by it.

I would be pleased to discuss specific provisions of the Bill in greater detail with members during the committee of the whole. Mr. Speaker, I recommend this Bill to all members, and I now move second reading of a Bill to be known as The Prepaid Funeral Services Act.

Mr. Tchorzewski: — Mr. Speaker, we do not intend to hold up this legislation; it will be allowed to proceed. I want to make one point, Mr. Speaker. It simply is that here we see an example of the contradiction of this government. The minister proposes legislation in which she describes it as consumer protection legislation. The other day she introduced another piece of legislation which is a Bill dealing with credit reporting agencies in which is proposing to remove the licensing and bonding provisions, which is an abdication of the role of protecting the consumer by the Department of Consumer Affairs, and the argument, contrary to the argument used here, was that that legislation was in keeping with the government's philosophy of having less legislation and less regulation. Here we are completely opposite, the minister coming in with another Bill which is called the Act respecting Prepaid Funeral Services in Saskatchewan, and she does exactly the opposite - more legislation and more regulation.

I wish - and I know that the public of Saskatchewan dearly wishes - that this government would make up its mind what its policy and its position is, because daily, and weekly, and monthly, they come here and they contradict one thing that they have said a time before. That's the point, Mr. Speaker. Although members opposite make light of it, it is an important point. People have a right to expect of their government, of whatever stripe it is, some consistency and at least some indication of its direction and its scope.

I don't think there's anybody out in the public world of this province who can predict with any kind of certainty what the position of this government is on anything, because it does not have a position.

I'm not going to, as I said, hold up this legislation, Mr. Speaker. I am proposing that it proceed today. It has some features in it that I think are worthy of some serious consideration, which I think most people in this House and in the public would support. So I will therefore conclude my remarks.

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

Bill No. 59 - An Act respecting the Establishment of Ambulance Districts and Boards, the Licensing of Ambulance Operators and Emergency Medical Personnel and the Provision of Ambulance Services in Saskatchewan

Hon. Mr. Taylor: — Mr. Speaker, I'm pleased to explain the purpose of the Bill, and at the end of my remarks, I'll be moving second reading of the Bill.

Mr. Speaker, since taking office our government has assigned a very high priority to improving ambulance services in Saskatchewan. We appointed a review committee under the chairmanship of the member from Moosomin, and the recommendations of that committee have served as the basis for many significant initiatives over the past three years.

We've established a permanent ambulance advisory committee. We've consolidated the responsibility for ambulance services within the Department of Health and have established an ambulance service unit for that purpose. We have changed the funding formula to make it more effective, and we continue to improve funding to local ambulance boards. As well, we have taken steps to provide an advanced level of training for emergency medical assistants.

(1530)

Mr. Speaker, this new ambulance Act is another step towards our goal of rationalizing ambulance services and making them more effective. At present there was no one statute which incorporates all the necessary provisions. Ambulance boards are established under The Rural Municipality Act and The Northern Municipalities Act and The Urban Municipality Act, 1984. The authority for air ambulance services is in the The Department of Health Act. Grants to ambulance boards are paid under The Health Services Act, while provisions for licensing of ambulance operators and emergency medical assistance are in The Public Health Act.

Obviously, Mr. Speaker, the involvement of so many separate statutes is awkward and confusing. The new Act is designed to eliminate these problems and to provide one clear and comprehensive legislative base for all aspects of ambulance services in the province.

The Bill includes the necessary provisions in three main areas: the establishment of ambulance districts and

boards together with their powers and responsibilities; second, the licensing and regulation of emergency medical assistance; and third, the licensing and regulation of ambulance operators. As well, Mr. Speaker, the Act includes provision for the making of grants to ambulance boards, for the operation of the air ambulance program, and for offences and penalties.

Mr. Speaker, the Bill does not incorporate any radical changes in current policies or legal provisions. Rather, it represents a consolidation of these policies and provisions with changes and additions as necessary to correct existing inadequacies.

I should also note, Mr. Speaker, the ambulance advisory committee has been closely involved in the development of the legislation. The committee includes representatives of the Saskatchewan Road Ambulance Association, the Saskatchewan Emergency Medical Technicians Association, the Saskatchewan Medical Association, the Saskatchewan Registered Nurses' Association, ambulance boards, and the Departments of Health and Advanced Education and Manpower.

In other words, Mr. Speaker, all the major professions and organizations involved in the delivery of ambulance services have had a full opportunity for input, and I'm confident that the Bill reflects a high degree of consensus among them.

I believe that the statute is a significant further step towards achieving our goal of an effective and efficient ambulance service in this province. I am therefore pleased to move second reading of Bill 59, an Act respecting the Establishment of Ambulance Districts and Boards, the Licensing of Ambulance Operators and Emergency Medical Personnel and the Provision of Ambulance Services in Saskatchewan.

Mr. Lingenfelter: — Mr. Speaker, I'm sure the ambulance operators in the province don't share the minister's enthusiasm for the great job that he has been doing over the past four years. In fact, at their last annual convention, news reports coming out of that convention were anything but rave reviews for the minister's handling of the ambulance services and the money that he's allocated for it.

But having watched in other areas of health over the past number of years - especially this year, I might add, with the nurses and doctors and chiropractors, and the problems that we're having in the health care area in this province ..

An Hon. Member: — Deal with the Bill. Are you on the Bill or off the Bill?

Mr. Lingenfelter: — Well we are dealing with the Bill. Of course doctors and nurses have a great interest in the ambulance service, but the kind of nonsense we hear, and hear in this Assembly, the bragging that goes on about the great job we're doing with health care by this government, leaves something to be desired.

I just want to say, Mr. Speaker, that I want to take an opportunity to review the details of this Bill and will come

back and leave a few words to say on it. I would therefore beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by Hon. Mr. Lane that Bill No. 52 - **An Act respecting Labour-sponsored Venture Capital Corporations** be now read a second time.

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. 47 - An Act to amend The Direct Sellers Act

Clause 1

Mr. Chairman: — I'll ask the minister to please introduce her official and then we're ready to begin.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I have seated on my left Mr. MacGillivray, who is superintendent of insurance in the Department of Consumer and Commercial Affairs.

Mr. Chairman, when second debate of the Bill was being discussed, the member from Regina North East had asked some questions that he wanted answered during committee of the whole. If he likes, I can give you the response right now.

One of the questions had to do with harassment. And the member stated that he suspects the Bill will not cover harassment, and he doesn't really see how it will be enforced, but perhaps I could better explain it.

While The Collection Agents Act contains a section dealing with harassment, section 29, The Direct Sellers Act, indeed does not. It is difficult to enforce penalties against harassment because it is very difficult to prove. And I believe that the consumer's best recourse, if he or she feels he is being harassed, is to either close the door or hang up the phone, and indeed that does happen.

A second question was concerning the Act not applying to certain persons. The criticism is not justified. The exemption is necessary so that the new definition of a direct seller would not catch every private individual who, say, phoned a friend and offered to sell him a car; and that is to say, we don't, as a government, want to regulate the routine sale of personal property amongst friends.

You also questioned the five-year licence being onerous for students, particularly university students who may want to take a summer job as a direct seller, and you feel that that might be an onerous burden on him. Students can easily be exempted from having to secure licences because the Act provides a number of exemptions. For example, if the average sale is under \$50,000 or if the vendor

who that student may be working for is licensed and bonded, and if the salesman pays the municipal fees, then he can be, in fact, exempted from the Act.

And you also questioned the matter of exemptions from bonding. And I can just assure the member that, to my knowledge, only one vendor has ever been exempted from having to post a bond under the Act, and that person sold Christmas cards door to door one season, and therefore she was exempted, and she's no longer selling Christmas cards.

Mr. Tchorzewski: — Thank you, Madam Minister. That's helpful and I think will shorten the time that we will need to proceed with the Bill. Let me say at the outset that we favour the 10-day rescission right; I indicated that in my second reading speech. I think there are considerable difficulties that have been created, and so there is no problem with that.

Madam Minister, one of the problems that I did indicate, which I think you attempted to answer, is the one dealing with ongoing business. You say that the Act will not apply to such a person if the contract is not part of an ongoing business. The problem I see with that provision is that, how do you define what is or is not an ongoing business?

I can tell you that my fear is that there will be all kinds of concerns which will be coming in here, not calling themselves ongoing business. And unless you have a very tight definition, there is going to be all kinds of people working directly door to door but not covered by The Direct Sellers Act.

So I would like you to be able to tell the committee, if you may, how will you define an ongoing business?

Hon. Mrs. Duncan: — An ongoing business will be a business that's ongoing on a continually .. continual annual basis or seasonal basis, or a business that is registered in Saskatchewan. We are saying that consumer-oriented sales are not considered a business. If I sold you some of my furniture, I wouldn't be required to be licensed as a direct seller. It's consumer oriented.

Mr. Tchorzewski: — Madam Minister, I'm not sure you're clear on that, and I'm not sure you are either. Boy Scouts and Girl Guides, Madam Minister, sell door to door, regularly, annually, seasonally - you define it as you want. Is this Bill now going to consider them an ongoing business? Because according to your definition that you have just given me, they will be.

Now can you please clarify that, because already I have had some concerns expressed, and they are wondering what their status will be. I think it's an ongoing tradition, if you would like, that this kind of selling by those kinds of organizations is almost .. it's expected. And this is a very important means by which they raise funds to run their operations. How, Madam Minister, will they be affected by your new provisions?

(1545)

Hon. Mrs. Duncan: — As far as having certain groups register, or register as the direct seller, that portion of the

Act hasn't changed. We are concerned with a business where a person derives his livelihood, or her livelihood, or part of it, from selling door to door.

As far as a class-room selling chocolate bars or a hockey team selling hams or Girl Guides selling cookies, we don't consider that business. That is a fund-raising project of that particular group. We also are not concerned with, as I said, sales from a consumer to a consumer, like the isolated type.

But we feel that with the increase to 10 days cooling-off period is very advantageous to the consumer. It won't hurt the legitimate businesses. We feel the only area or the only group that may be hurt are those that would try to undermine the intent of the Act, that extra six days. Legitimate businesses are not concerned with the 10-day extension, and consumers will be protected.

Mr. Tchorzewski: — Madam Minister, I go back to your comment on university students, and once again I think you've opened up another big loophole that you could drive a Mack truck by. And you actually will be increasing the amount of regulation and supervision and checking that you will have to do, because with your five-year licence provision I really don't quite understand why your government has opted to do that, except that you need some immediate cash, and this is one way which to get it. And then the next five years hopefully, you think, will look after themselves.

How will you be able to determine whether a student is in fact a student, or whether a student that has just come out of university says that the student is not a student but intends to continue working s a direct seller? How will you be able to determine that with your five-year licensing provision?

Hon. Mrs. Duncan: — I would like to say to the member that there is no change in the present Act, or the Act as it will be amended, in how the department deals with university students. What you find, I would indicate to the member, is that the vendor must be licensed and must be bonded under the Act. If a vendor is properly licensed and properly bonded and it has a history of being a good business with no violations, etc., of the Act, their sales people are exempted from requiring a licence, because they fall under the umbrella of the major vendor who is bonded and licensed. University students would be treated no different working for a vendor as a person with another job who sells part time over and above his formal work.

As I said, as long as the salesperson carries the identification cards showing the name and the business address of the vendor, then they can be exempted.

Mr. Tchorzewski: — Thank you, Madam Minister, I want to make one more point, and I want to preface this by saying that, as I indicated in my second reading remarks, the whole question of dealing with people who solicit by telephone, I think, is one that's timely and, in fact, long overdue. But I want to raise with you one concern about - and I'm sure your department has considered it and, if they have, if you will respond briefly then that will be my last point.

My concern is the statement that I provided in your explanatory notes that deal with the question of extension of rescission rights to telephone sales originating outside of Saskatchewan. It seems to me that this is dependent to some extent on the choice of law and rules in other jurisdictions. I'll use Alberta, for example, and I'm not in any way suggesting that this law exists in Alberta, but here is the example, hypothetically. The law of Alberta may deem that such a sale to have occurred in Alberta, and Alberta laws does not provide a right of rescission in such cases; an Alberta judgement could be obtained enforcing payment by the purchaser under the contract, despite the fact that the purchases had provided a written notice of rescission under the Saskatchewan law.

Do you not see, Madam Minister, that there is a problem because of this, that you have your law in Saskatchewan, but because the solicitation was made out of Alberta by telephone, they have a different law there, and therefore the protection that you hope to achieve here will in fact not be provided?

Hon. Mrs. Duncan: — You are quite correct in your hypothetical case; there is the legal question of jurisdiction. What we do through the department through publication - pamphlets, that type of thing - is to encourage Saskatchewan consumers to deal with Saskatchewan licensed and bonded companies that have a corporate presence here. However, barring that - an outside solicitation - we do work in co-operation with our other counterparts across the country to help resolve disputes between a business and a consumer.

It does work to some extent. The majority of the cases, you're dealing with very small amounts of money. I mean, you've seen the ads on TV or flyers that come to your house - 10.95 for this wonderful gadget that when you get it, it doesn't work. But as I said, we encourage people to deal only with licensed and bonded salesmen.

We have talked to SUMA and SARM and have encouraged them to advise when they are sending out their tax notices or things like that within their own municipality, to slip in a card warning people to ask - if they have a direct salesperson come to their door - to ask to see that they are properly licensed and bonded to do business in the province.

So there is the legal question of jurisdiction, and I suppose that will always be there, but we use our moral suasion and co-operate with our counterparts in other provinces to resolve consumer disputes.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

Mr. Chairman: — Would the minister .. do you want to have a few concluding remarks?

Hon. Mrs. Duncan: — I would just, Mr. Chairman, like to thank Mr. MacGillivray, superintendent of insurance, to be here to assist me today, and thank the hon. member for his questions. They are timely and of interest to the public

in general.

Bill No. 55 - An Act to amend The Meewasin Valley Authority Act

Mr. Chairman: — Would the minister please introduce his official.

Hon. Mr. Folk: — Thank you, Mr. Chairman. Today we have with us Mr. Wes Bolstad, the executive director of the Meewasin Valley Authority.

Clause 1

Mr. Tchorzewski: — One or two questions, Mr. Chairman. I know that the Bill has met with the approval of the Meewasin Valley Authority. I wanted to sort of get one thing clear, Mr. Minister. Under this Bill the property in question is transferred from the Prince Albert Pulp Company to the Weyerhaeuser Canada Ltd. Am I correct in that?

Hon. Mr. Folk: — That is correct, Mr. Chairman.

Mr. Tchorzewski: — In this transfer, Mr. Minister, and in this legislation, is there any change in status of the property as it applies to the influence that the Meewasin Valley Authority can have over its future development or what not? Is there any change of the authority over the property with this legislation over the authority it had before it?

(1600)

Hon. Mr. Folk: — Mr. Chairman, in response there, there will really be very little change in the authority of the MVA. The development review powers that the MVA did have over the property when it was public within Corman Park there, and therefore under the MVA, will no longer really apply. But because of the other clause in there granting an easement to the property down by the river bank, in fact the MVA will actually have more access to the land and the function of the land down near the river. So in effect, when you balance the two out, the MVA will actually have more authority or more say in the use of the land.

Mr. Tchorzewski: — My final question, Mr. Minister. Is there any danger of the property near the river being in any way damaged with regard to its natural environment and so on, with this? I think I know what your answer will be, but I would like to ask you to tell us. Is there some restriction that prevents Weyerhaeuser - in this case if it's Weyerhaeuser - from moving in and somehow changing the property along the river without first of all getting approval from somebody?

Hon. Mr. Folk: — Mr. Chairman, in fact the easement that has been granted for the use there will actually give more authority to the MVA to do with the land as they so desire and, as you're probably aware, one of the mandates of the Meewasin Valley is to try and keep it in its natural state and for the use of the public.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

The committee agreed to report the Bill.

Hon. Mr. Folk: — Thank you very much, Mr. Chairman. I'd just briefly would like to thank Mr. Bolstad for coming all the way from Saskatoon to Regina and helping us out, and certainly for his co-operation and the co-operation of the Meewasin Valley Authority to deal with this Bill. Thank you very much.

Mr. Tchorzewski: — Let me also reiterate the same comments as the minister made to thank Mr. Bolstad. It's a bit of a trip to come for a ten-minute session in committee. I could have made it more worthwhile and taken a couple of hours, but I don't think it was necessary in this case. Thank you, Mr. Minister, and through you, your official for responding to my questions so well.

Bill No. 53 - An Act to amend The Forest Act

Mr. Chairman: — Would the minister please introduce his officials.

Hon. Mr. Maxwell: — Mr. Chairman, seated beside me is Doug Cressman, assistant deputy minister of the department; seated directly behind Mr. Cressman is Heather Sinclair, solicitor with the Department of Justice; and behind me is Walt Bailey, director for forest management; at the back is Paul Brett, the executive director of forestry.

Clause 1

Mr. Thompson: — Thank you, Mr. Chairman. I have a number of questions I want to ask, Mr. Minister, today, regarding the amendments, and as I indicated when I spoke on second reading, I had some concerns, and there was also some concerns expressed by members of municipalities around the province.

I first of all want to start off by saying - and following my remarks with a question - we've been operating in this province for the last 20, 30 years under the present forest Act, and we've had large, multinational corporations and Canada corporations, such as Simpson Timber and MacMillan Bloedel and Prince Albert Pulp Company, who have been operating in this province for a number of years and always seemed to be getting along quite well, never asking for any amendments. Now we see, Mr. Minister, where you have indicated through correspondence that the industry has requested the type of amendments that we know have.

Mr. Minister, I wonder if you could indicate why the bush operators, the Simpson Timbers and the MacMillan Bloedels and whoever, requested the type of amendments that you've got in here? Could you indicate the reason for these amendments?

Hon. Mr. Maxwell: — Yes, Mr. Chairman, I'd like to respond to the question from the hon. member and make a few comments.

There has been for some time sections of The Forest Act which give unilateral and sweeping powers to the

minister, through the order in council route, to alter forest management license agreements after they have already been negotiated, agreed to, and signed. What it means, in effect, is that one day the government could sign an agreement with a company, and the next day, the very next day, unilaterally alter or cancel that agreement and, by a provision of another section of the Act, also pay no compensation whatsoever for having altered the agreement.

As an example for the hon. member, I have here a proposed Simpson FMLA (forestry management licensing agreement) which we had been working out with the company, and Simpson had requested as an example this particular clause to be inserted. It's clause (c) under authority, further representations of Saskatchewan, and it's a notwithstanding clause:

Notwithstanding the existence of section 58 of The Forest Act, Simpson, by entering into this agreement, has acted in reliance on the representations and warranties of Saskatchewan and on the good faith of Saskatchewan with respect to the commitments set forth herein.

In recognition of Simpson's reliance, Saskatchewan further affirms its good faith intention to honour the commitments set forth in this agreement and to faithfully fulfil its obligations with respect thereto.

And they have a similar clause a little later on, a notwithstanding clause, saying:

Whereas the minister has undertaken to utilize his best efforts to enhance security of tenure of holder of forest management licence agreements, notwithstanding the existence of sections 22 and 58 of The Forest Act. And the licensee, in reliance on the minister's undertaking, has entered into this agreement in good faith and with the expectation that those portions of section 22 and 58, which might alter the intent of this agreement, shall not be exercised during the term of this agreement.

Well, Mr. Chairman, hon. member, it would appear, particularly from this one document which I've brought - and I would be pleased to let you see it if you wanted to peruse it - that the companies are in fact uncomfortable, and they have expressed a level of discomfort with those sections of the Act which, I hasten to point out, have not been invoked under the previous administration or this one. But it seems to me, to the companies, and to officials, that perhaps we can deal with this in a more adequate fashion by making the amendments that have been proposed.

Mr. Thompson: — Mr. Minister, would that indicate the reason why you have not signed an agreement with Simpson Timber? I know that negotiations are taking place with Simpson Timber at the present time. Are you waiting, or are both parties waiting, for these amendments to be passed before you conclude the signing of that agreement with Simpson Timber?

Hon. Mr. Maxwell: — That's correct, hon. member. We

would like to bring the amendments in so that those clauses, the "notwithstanding" clauses, would therefore be redundant, unnecessary, and we'd be operating under the new Act.

Mr. Thompson: — Mr. Minister, I still am concerned here because it would seem to me .. and I want to get down to the question. If the agreements that we have with the major forest industries in the province, where a Prince Albert company have cutting rights and Simpson Timber have cutting rights, MacMillan Bloedel have cutting rights, under the new agreements, is it not right, Mr. Minister, then, that small operators will have the right to go into areas ..

Well let's just use the Weyerhaeuser deal for example. Now Weyerhaeuser owns Prince Albert Pulp Company's forested areas; they have their contracts. They now own the contracts for the Big River mill. And let's just take the Lakeland municipality out in the Emma Lake country where there is no forest agreement that exists with any major company. Could an operator, under your direction, go into that area and cut timber and supply timber to Weyerhaeuser?

Hon. Mr. Maxwell: — Now, Mr. Chairman, hon. member, the small operators would contract to - you used the example - Weyerhaeuser, or any of the other companies within their area of interest, that is, the allocated area has been given to them. The allocated area which Weyerhaeuser will be operating under is somewhat smaller than the original size of allocation which was, in fact, given to PAPCO. And there's a reserve set aside of 84,000 cubic metres for small operators in that area.

Mr. Thompson: — Mr. Minister, are you saying then that no one can supply timber to the Big River mill or Prince Albert Pulp Company outside of the agreement that has been signed with Weyerhaeuser?

Hon. Mr. Maxwell: — No, sir. They will be able to purchase wood from all over the province, and the contractors will be able to supply.

Mr. Thompson: — Okay, this is what I was getting to, Mr. Minister. And then the Lakeland municipality is quite concerned that their timber rights, or their control over the timber rights, they just were not going to have that.

What you are saying then is that anybody who is a contractor and out cutting timber or pulpwood can supply timber from any place in Saskatchewan outside of the agreements or inside of the agreements that they have. And I think this is where the concern really comes in. As I indicated, the municipality of Buffalo Narrows, which only has a three mile radius - I think that that is a small example of where we can get into problems.

But what you are saying is now that I could start up a logging operation, and I could get a permit directly from yourself, and I could go out to the closest place. I could cut roads into that forested area to supply timber for Weyerhaeuser. I do not have to stay within their contracts of their leases.

Hon. Mr. Maxwell: — I'll address the last part first, if I may. No, they would have to be a contractor working for Weyerhaeuser under the terms of their FMLA to go into their area of interest, their allocated area, and work. But let me deal with .. You made several points, Hon. member. I've dealt with that one first. Let me deal with Buffalo Narrows specifically.

It's not the intention of the department to interfere with or overrule the activities of any city or town or village with respect to timber that is located within their respective corporate boundaries - and you used the example of Buffalo Narrows - whether such areas are within provincial forests or not. The case at Buffalo Narrows is a point in fact. Within its corporate boundaries it does have provincial forest lands, and we don't intend to interfere with their current administration there.

Mr. Thompson: — Okay. I still .. And you had admitted before that a logging operation could take place outside, outside of the agreement, as long as they are contracting for Weyerhaeuser or Simpson Timber, whatever the case may be. So anybody that's into the logging business, if there's a good stand of timber that does not lie within the lease by Weyerhaeuser, as long as they are contracting for, if Weyerhaeuser gives an individual a contract to supply 1 million feet of timber to the Big River saw-mill, they actually could take that timber out of .. Oh, they could go up north of Green Lake and take it, outside of the agreement, or they could go into the north side of Dore Lake, outside of the agreement, and deliver that timber to Weyerhaeuser's mill in Big River. Is that not what you said?

(1615)

Hon. Mr. Maxwell: — A small operator or contractor could operate in one of the areas reserved specifically for them. That area .. and there are two or three I can think of as it related to the old PAPCO allotment. There's a couple of areas that we're setting aside for those small operators they can permit to go into those areas and bring wood in. And also, just as a point of clarification, and I'm not sure if this is what you meant, hon. member, but pulpwood that is accruing in other areas, then they could bring in and contract to deliver that to Weyerhaeuser in Prince Albert.

Mr. Thompson: — I guess that just indicates the concerns and verifies the concerns that some of the municipalities have that they're not going to have any say, because if Weyerhaeuser needs material for the pulp-mill at Prince Albert or the Big River saw-mill, they're going to be able to get it outside of their lease agreements, because they will contract an individual and he will be able to cut outside that agreement, because that's what you have indicated.

Also I'm concerned, and I'm reading from the explanatory notes, section 19:

This amendment will delete the requirement for a forest management plan. We no longer in this province have to have a forest management plan in order to get cutting rights in Saskatchewan.

Is this not what this means?

Hon. Mr. Maxwell: — A point of clarification, Hon. member, could you tell me which section you're referring to there, please, because I missed a piece of it.

Mr. Thompson: — Section 19. This amendment would delete the requirement for a forest management plan. And the question was: is it not true then that anyone who wants to go out and cut timber in a forested area does not have to provide, before they get cutting rights, a management plan?

Hon. Mr. Maxwell: — There is a plan that will stay in effect. The present practice of a department is that forest management plans are annually prepared by the forest companies and they're approved by the department in accordance with the forest management licences into which we put other resource concerns.

Mr. Thompson: — Okay. I'm not going to take a lot of time, Mr. Minister. I just want to make it very clear that I feel that the request to have this amendment put in here did not come from the Simpson Timbers, did not come from the MacMillan Bloedel, did not come from PAPCO, before this \$248 million deal with the Saskatchewan government. I think it's amendments that have come in from the Weyerhaeuser corporation who this province has given \$248 million of our tax money to purchase our assets. And that's exactly what has taken place in this province.

And if you want to take a look .. And the members, the two members, the member from Meadow Lake can holler all he wants from his seat. But let me tell you, that agreement with Weyerhaeuser, I could have purchased the Prince Albert Pulp Company and all its assets, because the Saskatchewan taxpayer .. And the member from .. the former minister of Co-ops, he's laughing because .. that's why he's not in cabinet.

But I can tell you, I could have purchased the Prince Albert Pulp Company and its assets if the Government of Saskatchewan would have signed the promissory note for \$248 million, and they don't have to pay 1 cent back unless they make a profit. And I say that this is why these amendments are in here. And one just has to turn to the last page, and this complete amendment doesn't mean a thing until you go into the last page, and I want to read the last amendment to just verify my argument.

And here we have in this amendment a new section, Mr. Minister .. (inaudible interjection) .. You better believe it I'm against any project that's going to take \$248 million of our taxpayers' money to pay for our assets. This province has a lot of assets, and you guys are selling them off with our own money. You're giving them away, and I'm opposed to that. Why didn't Weyerhaeuser not use their own money if it's such a good deal? And I ask the member for Meadow Lake: why did Weyerhaeuser have to have our money to buy our assets? And I say, that's wrong.

And here we take a look at the new section of this amendment, and that's the most important part of this whole Bill - the new section. Let me read this, Mr.

Chairman:

This section will clarify that the authority for the use of forest lands for forest-related purposes lies with the provincial government through The Forest Act and not with other municipal jurisdictions.

So this is what it says. And the member from Meadow Lake says, why shouldn't it be that way? I say that the municipalities, who have always had a say as to how our forest industry in this province was operated, should still have that say as to who's going to cut the timber, where it's going to be cut, and where the roads are going to be put. But under this new section, the total responsibility lies with the Government of Saskatchewan and the minister.

And that I think is where we get into the real crunch of this Bill, Mr. Chairman, is the fact that the minister has total powers and he says quite clearly, "and not with other municipal jurisdictions."

Mr. Chairman, with that I conclude my remarks and let the minister respond to my remarks.

Hon. Mr. Maxwell: — If I may respond to a couple of points the hon. member raised. He did bring up the sale of PAPCO assets to Weyerhaeuser. It is not correct that the whole Act is somehow being tailored - or this section - to suit Weyerhaeuser.

There were discussions with all the other FMLA holders who were very interested in these amendments and they want to see them go in and they support it - including members of the Saskatchewan Council of Independent Forest Industries with whom I must have had 10 meetings in the last 12 months. And I may say, hon. member, they were the people who first instigated, at least in my mind, the need for some amendments to come forward.

You did refer to the effect on the R.M.s and I'd like to clarify that because you brought up some concerns in second reading, as did the Leader of the Opposition, which were legitimate concerns, unless one really reads into the intent. So I'd like to explain to you as honestly as I can the intent with what we're doing with that particular section.

Currently, municipalities prepare development plans and by-laws, and when they're approved it gives them power to regulate activities within their boundaries. That power also extends to resource management. The power is granted by the Minister of Rural Development after extensive consultation with his or her colleagues.

In practice, the Minister of Rural Development has been approving development plans which identify forestry as a permitted use. This means that of the 14 R.M.s which have provincial forests within their boundaries, and which have approved development plans in place, all have identified forestry as a permitted use. Of these, only two have decided to require a development permit for forestry activities.

Requiring a permit has the effect of formally informing the

R.M.s of plans and offering them an opportunity to comment. So in actual practice, the majority of the affected R.M.s have decided a provincial forest is best managed by the province under The Forest Act. The others clearly want to be consulted.

The conclusion I draw when comparing the current practice of the way the R.M.s deal with the forest management and the way it will be dealt with in the Act as amended is, the different to the R.M.s is relatively minor. The real difference, however, is the impact the amendment will have on the forest company's perception of the ease of doing business in Saskatchewan. It will give them confidence that they're dealing with only one government and primarily one department in their forest-managed activities.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 47 - An Act to amend The Direct Sellers Act

Hon Mr. McLeod: — Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 55 - An Act to amend The Meewasin Valley Authority Act

Hon. Mr. Folk: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 53 - An Act to amend The Forest Act

Hon. Mr. Maxwell: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

(1630)

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Supply and Services Ordinary Expenditure - Vote 13

Hon. Mr. Schoenhals: — Mr. Chairman, it gives me a great deal of pleasure to introduce the staff from Supply and Services who are here today. On my immediate right is Mr. Otto Cutts, the deputy minister; and to his right, Mr. Ron Dedman, the associate deputy minister; directly behind me is Shirley Raab, the executive director, administration and financial services; on her right is Ken Brehm, the assistant deputy minister of planning and

development; and then behind them, Ian Laidlaw, executive director of commercial services, and Allan Moffat, executive director of the supply division.

Mr. Chairman, before we begin I would like to just make a few very brief comments on behalf of this department, and I will keep them brief, but there are a couple of important points.

Over the past four years the Department of Supply and Services has achieved an impressive record of accomplishment. The department's success can be attributed to a very responsible pro-active management team and employees who as a group, I believe, are some of the most efficient and productive employees in the public service today.

In addition, Mr. Chairman, to the many initiatives the department has undertaken to reduce the cost of public administration and service over the past four years, the department has created two programs which have significantly enhanced Saskatchewan business. Notably they are the public sector procurement task force and the Buy Saskatchewan program.

The public sector procurement task force purchases more than a billion dollars worth of supplies and equipment each year by co-operating with and encouraging hospitals, Crown corporations, local governments, and school groups to purchase Saskatchewan-made goods and services. Significant provincial economic development potential has been realized and jobs have been created for the people of Saskatchewan.

The Buy Saskatchewan program was introduced in December 1983 to encourage Saskatchewan manufacturers and suppliers to stimulate increased production and new competition in the Saskatchewan market-place, and to encourage all government organizations, Crown corporations, and publicly funded agencies to use Saskatchewan consultants, products, contractors, and labour at every possible opportunity.

The Buy Saskatchewan program has been extremely effective in assisting Saskatchewan firms to realize business opportunities that would have otherwise gone outside the province.

Mr. Chairman, working together with the private sector has been the key to success in these and many other initiatives introduced by our government over the past four years, and we plan to continue with this strategy to the benefit of all Saskatchewan people.

In 1986-87 the Department of Supply and Services will be embarking on a new challenge. In the last budget the Minister of Finance introduced a new corporation whose mandate will include many of the functions presently being carried out by the Department of Supply and Services. The Saskatchewan Property Management Corporation will recognize and manage government assets and properties with a mandate to seek their highest and best use.

The corporation will improve accountability with respect to the management of government assets and properties

and will play a significant role in the area of job creation in the province. Saskatchewan Property Management Corporation project commitments will result in the generation of over 3,600 person-years of employment in '86-87 and over 15,227 person-years of employment over the life of the program presently being embarked on by the corporation.

In closing, I'd like to thank Supply and Services officials present here today in the legislature as well as those who are carrying on, and would not be prepared to entertain any questions the opposition might have.

Item 1

Mr. Lingenfelter: — Mr. Chairman, I want to ask the minister a few routine questions and I'm sure he'll have the answers there handy. I wonder if you have a list of your executive assistants and staff in your office, and their salary and any increases that have occurred since January 1 of '85.

Hon. Mr. Schoenhals: — Mr. Chairman, I believe that the opposition have that information. I gave you all my office staff back on, I think when we were doing Tourism and Small Business, and I think it's set out there by departments. Now if that's not correct, let me know and I'll provide everything we have, but I think you have my full office staff at this time.

Mr. Lingenfelter: — If the minister has it there - my colleague who was working on that project with you is not here today - and if you have it handy there, I'll have a quick perusal of it, and there may be some questions coming out of that.

Hon. Mr. Schoenhals: — Mr. Chairman, I'll send this over. I should indicate to the members opposite that in the last week we have added an additional ministerial assistant, who has simply moved from the Department of Labour and is currently on secondment from the minister's office of Labour. So he doesn't show there, but I can provide that if that's essential.

Mr. Lingenfelter: — The other issue that I wanted to raise with you is the increases that have occurred since January 1st of '85 for each of these individuals. Would you have that handy? For example, Tom Steve, who is the communications assistant at 3,852 per month, would he have received an increase in the past year, since January 1st of '85?

Hon. Mr. Schoenhals: — Mr. Chairman, I don't believe any of those people are directly assigned to Supply and Services. I will have to check that information through the other departments to whom they are assigned. That's one of the problems with multiple responsibilities, but if in fact that is not given on the previous information that we sent over during Tourism and Small Business estimates, I'll commit to certainly provide that as early as this evening.

Mr. Lingenfelter: — If I could as well get from you your top officials - and I'll include here your deputy, and if you have an ADM (assistant deputy minister), and executive directors - if you have their title, salary, and as

well any increases that would have occurred since January 1st of '85, please.

Hon. Mr. Schoenhals: — I'll send that information across.

Mr. Lingenfelter: — Mr. Minister, the associate deputy minister, you have a salary here for March of '86 but not for March of '85. What date did that position come into being and into effect?

Hon. Mr. Schoenhals: — Mr. Dedman joined our staff December 1, 1985.

Mr. Lingenfelter: — I wonder, the deputy minister, does he have any other perks besides his salary? Does he have any other benefits, automobile, special assistants or that type of thing - executive assistants, who would work personally for him, and their salary, as well as the automobile or any other perks that he might receive?

Hon. Mr. Schoenhals: — Mr. Chairman, Mr. Cutts has an automobile and the normal expense account, but other than that, there are no other perks in his job.

Mr. Lingenfelter: — The deputy, when he receives a vehicle, what is the policy of the government now on the purchase of that type of an automobile? Is there an upper limit on the amount they can spend? Is it the same as cabinet ministers? Can you just give me the detail on what the guide-lines are now?

I believe that CVA would fall under this department at any rate. Maybe you can just briefly outline what kind of automobile a cabinet minister can purchase, and how many miles would they have to have before they could purchase a new one, and that sort of thing?

Hon. Mr. Schoenhals: — Mr. Chairman, as of 1986 the dollar criteria for purchases of executive vehicles, ministerial vehicles, the limit net of taxes is \$15,750, senior officials is \$14,175. Do you want to go back in history? Do you want some previous numbers to compare to?

An Hon. Member: — If you like.

Hon. Mr. Schoenhals: — Okay. In 1985, ministerial numbers first, 14,450; senior officials, 13,000, and it drops back in that area. I believe it's 100,000 kilometres is required before a vehicle can be turned in.

Mr. Lingenfelter: — The other issue that I wanted to raise here on the purchase of those type of vehicles: is there a company in Regina that supplies the executive vehicles? Is it all bought from one auto dealer or .. Can you give me a list, let's say in the past year since January 1st of '85, the numbers of executive vehicles that have been purchased and where they were purchased from?

Hon. Mr. Schoenhals: — Mr. Chairman, we don't have that specific information. We'll commit to provide it.

The policy of course is that they're not bought centrally. A minister or an executive may purchase their vehicle any place in Saskatchewan within the guide-lines that I just indicated, but we'll send that to you. We don't have it

broken out. I can give you totals of CVA vehicles that have been purchased. I haven't got executive vehicles broken out. I can do that.

Mr. Lingenfelter: — Well for now then, if you've got the total there for the executive vehicles broken down into ministerial and deputy level, and as well, a total for all the vehicles that were purchased by the government since January 1st of '85.

But then I would also like - if you would send it to me - is the complete list of where they were purchased, by category. I've seen that done, and if you could get that for me, that would be all right.

Hon. Mr. Schoenhals: — Once again, we'll have to pull that information together on the purchase locations. As of March 31, 1986, vehicles in use: 22 ministers' vehicles, 61 option 1-C, which I assume includes some Crown corporations for the first time. The number is higher there. There's 61 for a total of 83. If you want totals in March of '85, the total is 78; March of '84 was 88; March of '83, it was 93; March of '82, 94; and back through. I think that covers our particular area. So there's been some Crown corporation involvement in the '86 numbers.

The information on the places of purchase, I'll have to provide.

Mr. Lingenfelter: — The other issue here is leasing of vehicles. Do some of the ministers or some of the executives in departments lease vehicles, executive vehicles? Is that an option that ministers would have available to them?

Hon. Mr. Schoenhals: — The only leasing that takes place is in the Crown corporations; none of the departments do.

Mr. Lingenfelter: — And would those vehicles leased by Crown corporations, would that be handled through your department and the CVA? If it is, will you give me the number, and there again, I would like the companies that the vehicles are leased through.

Hon. Mr. Schoenhals: — Mr. Chairman, the Crown corporations that do in fact lease vehicles, do that independently. They don't do it through the Department of Supply and Services, so we simply don't have that information.

Mr. Lingenfelter: — The number of executive vehicles of cabinet ministers is now 22. Is that correct? And the number that Crown corporations have leased, I believe you said 61, and that's down something year by year.

Do you know whether or not there is a corresponding increase in the number leased within the Crown corporations? Would you have that information available?

(1645)

Hon. Mr. Schoenhals: — Let me clarify that number. The number 61 is the executive vehicles. Now that's up 10 from 1985 when it was 51. The reason for that is that there

are some Crown corporation vehicles included there. Now that includes deputies' cars and so forth, other executive vehicles.

Mr. Lingenfelter: — I want to go back to the increases of the executive salaries, and I just want to check with you into the policy of your department in granting increases. I notice that for your deputy minister, for example, about a 3 per cent increase; the assistant deputy minister, planning and development division, 3.1; the executive director, administration, seems to be about 11 per cent, or 11.25; and then the executive director, supply agency division, 3; and so on. And the range seems to be between about 3 per cent and 11.25. What is the policy for salary increases of people at this upper level?

You'll know that in the civil service overall the increase, I believe, has been between 3 and 4, and that's fairly consistent. How do you arrive at an increase, for example, of someone earning close to \$5,000 a month, that they would get an 11 per cent increase? How would you arrive at that?

Hon. Mr. Schoenhals: — Mr. Chairman, anything on the information that we provided that is over the 3 per cent guide-line is either a promotion or some element of back pay that's included in the total, but the normal increases are all within the guide-line.

Mr. Lingenfelter: — Well your executive director, administration and financial service division, the salary in March of '85 was 4,317 per month and that is now 4,803. And my calculation may not be quite accurate here, but can you tell me why there would be a fairly dramatic increase for that individual?

Hon. Mr. Schoenhals: — Mr. Chairman, that individual was promoted from comptroller to executive director.

Mr. Lingenfelter: — And what about the executive director of operations and maintenance, where there was a 7 per cent increase from 4,200 to 4,500? What would that be?

Hon. Mr. Schoenhals: — In that case, Mr. Chairman, the management series back pay did not come through in 1983-84 and was included in the 1985 numbers, and that's why that figure is above the guide-line.

Mr. Lingenfelter: — Well I wonder if the minister can outline what the guide-line is, because of the individuals you've listed here, five of them are above 4.5, and three of them are below. Now I suppose there's an easy way of getting peoples' salaries up, and that's to give them another name and pay them more. But it would seem to me when you have over 50 per cent of your executive salaries increased by in the area of 5 to 11 per cent, then there'll be those in the public who will believe that there's a mechanism in place to increase salaries at the upper level that isn't in place in the other areas of the civil service. Because obviously 50 per cent having some other guide-line than the normal rate applying to their salary increases, when you have these kind of increases on people earning 5,000 or 4,800 a month, I'll tell you that there seems to be a double standard.

We're talking about people earning in the area of 60 - \$70,000 a year. And when you start applying increases of 7, 6, and 11 per cent, you can call it what you like, whether you're reclassifying them all, or whatever you're doing to jack their salaries up, or whatever they're doing. I don't know whether you scrutinize these very closely, but when more than 50 per cent of them are getting more than 4.5 per cent, then the public service and other people who are being asked to restrain themselves and pay more taxes don't understand what's going on in the civil service because they see a double standard.

And I don't know whether we as legislators can blame them when there appears to be increases for people earning 50 and 60 and 70,000, and people earning 20 and 25 and 30 are being told that there's a restraint program on.

And these are the kinds of things going on in our society today that people are basically rebelling against and they don't want to have to pay more taxes so people at the top can get more. I think the people in the middle class, those people between 20 and 40,000, are getting very close to the point of rebelling against the massive tax increases they've seen over the past four years and the kind of increase in salaries that people at the top are getting, and I don't know whether we can blame them. But I would just say to you that if you could outline what your policy is for salary increases, and for having done that - I believe it's around 4 per cent, your guide-lines - explain to me how the five who are listed here got the increases more than the guide-lines.

Hon. Mr. Schoenhals: — Mr. Chairman, I won't take the committee's time to respond to the long, drawn-out comment from the member opposite. I'll try to explain exactly what has happened.

One of those was a promotion, which I have indicated. The others - the March 1985 numbers are actually indicative of their '84 salaries, because their performance rating, their management series pay, had not been approved as of that date. That money came through during the post-March '85 period. Consequently, the numbers appear to be of a percentage that is higher than they would. And it's simply a matter of picking a date and providing you the most up-to-date information, but it has nothing to do with any double standard or any of the other inferences that the member tried to indicate.

Mr. Lingenfelter: — Well I'm not going to dwell on it a great length of time. But I just say to you that the public, in each of the Crown corporations, in that committee and now in this committee, we see two different standards - one that applies to the civil service at large, which is firmly enforced, and in the general area of the civil service there would be some promotions as well. And it may be 2 or 3 per cent of the total within the civil service, but in the upper echelons of the civil service we have 30 and 40 and 50 per cent who are getting massive increases as a result of promotions or name changes. And I think it's just a tool that's being used to basically pay off individuals who are already earning 50 and 60 and 70,000. And I find that unfortunate.

But I want to ask you, Mr. Minister; have you got a complete list of all the property that the government has leased at the present time? It's been traditional that the opposition has been given, either before estimates or during the estimates, a complete document of all the property. It's basically a book that lists out all the property and has been made available in past years, and basically is a tradition of the Assembly. I'm sure the member from Meadow Lake will confirm that, that that has been made available to the opposition in the past. And if you have that available for us now.

Hon. Mr. Schoenhals: — Mr. Chairman, we don't have that information with us, but I'm informed that we sent you that about six weeks ago. That information is current. There have not been any significant changes. If that's not satisfactory we will commit to run off another copy and get it over to you.

Mr. Lingenfelter: — Well just on a point of clarification. I don't believe I have that copy but I will correspond with you directly if it has been misplaced in my office or one of the staff has filed it. But as long as I have the commitment from you that it will be forthcoming if I need it.

What I need as well is the executive aircraft policy of your government. Have you got that complete list of the flights that will have taken place in the past year and will you send that across to us?

Hon. Mr. Schoenhals: — We'll provide that information.

Mr. Lingenfelter: — Can you outline how many executive aircraft are presently in the fleet that cabinet ministers are allowed to use? I know there was a great hullabaloo made by the Premier when he cut down the number of people in cabinet, that he was also going to get rid of one of the executive aircraft. Can you tell me whether or not that aircraft has been sold, that Premier Devine talked so much about selling when he was trying to redo his image after the Regina North East by-election? Have you got any idea whether or not that aircraft has been sold?

Hon. Mr. Schoenhals: — Mr. Chairman, as the member indicated, I think it was in late '85 that the Premier indicated that we would be disposing of one of the aircraft. We have done that. We have moved one of our pressurized aircrafts to full-time air ambulance. I think that will be seen as a positive step. It has been equipped with an additional door to make the transportation of the sick and wounded that much easier.

The answer to the question is, there are now two full-time pressurized vehicles at the disposal of the exec air, and then there is a Navajo that is on back-up to both the air ambulance and to exec air. So the fleet has been reduced by one. There are two full-time and a part-time plane available to exec air.

Mr. Lingenfelter: — Did you .. I didn't catch it, but I think you said you sold the Navajo. And if you did, who did you sell it to, and what was the final selling price of that aircraft?

Hon. Mr. Schoenhals: — The plane was sold in March of

'86 to Prairie Air of Estevan, and the Prairie Air is owned by a Brian Hutton. The selling price was \$72,200.

Mr. Lingenfelter: — Are you saying that you sold that Navajo aircraft for \$72,000? Is that what I heard you say?

Hon. Mr. Schoenhals: — Mr. Chairman, that is correct. That was the selling price, \$72,200, and people in the field indicate that that is indeed an excellent price for that aircraft.

Mr. Lingenfelter: — Mr. Minister, did you have any appraisal done on that aircraft? Because I want to tell you that a 182 Cessna is worth more than that, or a 172 retractable, which are very small aircraft. Four-seaters are worth that kind of money. Who did the appraisal on that aircraft and what was their recommendation of the value of it before it was sold?

Mr. Chairman: — Order.

The Assembly recessed until 7 p.m.