

EVENING SITTING

ADJOURNED DEBATES

SECOND READINGS

Bill No. 55 — An Act to establish the Public Participation Program (continued)

Ms. Atkinson: — Mr. Speaker, before supper break I was talking about some of the examples of privatization on the part of this government, and I mentioned that the minister of privatization, the other day in his remarks, referred to a couple of examples of privatization.

I was talking about the privatization of PAPCO (Prince Albert Pulp Company) to Weyerhaeuser and how, in fact, the Government of Saskatchewan had entered into a deal with Weyerhaeuser to sell, to Weyerhaeuser, PAPCO for the amount of \$248 million. And when the minister made his announcement a few weeks ago, we learned that because of a re-evaluation of assets, apparently, the deal wasn't really a \$248 million deal but a \$236 million deal — another gift to Weyerhaeuser.

And I also mentioned previously that the member from Indian Head-Wolseley, the minister of privatization, did not, in his remarks, refer to the fact that Weyerhaeuser received PAPCO at a below market value price, that the provincial government guaranteed a \$248 million loan to PAPCO, and they also guaranteed a further loan of \$83 million for PAPCO — some privatization deal.

Then I went on to talk about the sell-off of the Saskatchewan Power Corporation drag-line to Manalta Coal of Alberta. And here we have another example of privatization gone awry. A \$45 million drag-line was sold to Manalta Coal of Alberta and we, in fact, lent Manalta the money to finance the deal. This deal goes on because the Progressive Conservative government sold the Saskatchewan Power Poplar River coal mine when, in fact, the assessed value of the assets was some \$129 million; they sold it for \$102 million, and the province lent Manalta Coal a further \$89 million. On top of all of that, we entered into a 30-year contract with Manalta for coal supply to repurchase all of the coal that we already owned.

And I know, Mr. Speaker, that the minister likes to talk about his privatization goals of encouraging more Saskatchewan ownership of Saskatchewan public assets. And I will therefore await with some interest his explanation of why in this case PC privatization meant taking an asset that was totally owned by the people of this province and selling it off at a fire sale price to an out-of-province corporation, a private corporation in which not one single Saskatchewan person owns a single share. And it's no wonder, Mr. Speaker, that when people consider that particular example of privatization — the sell-off of the drag-line and the Poplar River coal mine — they quickly conclude that Manalta Coal got the coal mine and we got the shaft.

I'm sure, Mr. Speaker, that the PC back-benchers noticed that the minister did not try to justify the PC privatization of Saskoil as one of his success stories — and no wonder.

And I'd like you to consider the following facts. From the outset, Saskoil was an excellent example of the practical approach to the Saskatchewan mixed economy. It was a made-in-Saskatchewan solution. It was developed here in Saskatchewan, by Saskatchewan people. It was our initiative, it was our risk, and it was our accomplishment — and it was indeed a proud and successful accomplishment. From the two years prior to PC privatization of Saskoil, Saskoil made profits of \$85 million — \$85 million in profits in just two years. And every single dollar of profit was available for the people of Saskatchewan to help finance public services like health and education.

But then along came the PC privatization of Saskoil and in the two years since then, that privatized corporation has not paid one single dollar of earnings to the Saskatchewan treasury. Private shareholders have received some handsome dividends, even though most of them live outside of Saskatchewan — but not one single dollar from Saskoil to the provincial treasury. Or perhaps the minister would like to justify how his slogan of public participation meant that three-quarters of the privately owned shares of Saskoil are now held by people outside of Saskatchewan. Or maybe the minister of privatization could explain how this particular privatization meant job loss for Saskatchewan people. Within a few months after the privatization of Saskoil, 25 per cent of the jobs in Saskoil were lost. Yet this company, this privatized Saskoil, has chosen to spend some \$66 million to purchase an Alberta oil company. Alberta jobs, but not Saskatchewan jobs — that's what PC privatization of Saskoil has meant.

And let me cite another example of the PC government's privatization, and that's the privatization of SED Systems in Saskatoon. This was a proud and unique Saskatchewan high-tech company, initially established on the campus of the University of Saskatchewan and based on research and development funded by the public sector. It quickly became successful and sought equity investment from the university itself and from the province of Saskatchewan. But then the PC privatization ideology claimed yet another victim. The PC government sold its shares, or should I say exchanged its shares in SED Systems — and took a loss — to an out-of-province corporation by the name of Fleet Aerospace from Ontario.

And what was the result of this particular PC privatization? Seventy jobs were lost in the city of Saskatoon when the new Ontario owners forced lay-offs. And what else happened? This Ontario company blackmailed the provincial government, and they blackmailed the provincial government in February of this year. The chairman of Fleet Aerospace in Ontario stated quite bluntly that he was insisting on still more financial assistance from the Saskatchewan taxpayers. In an interview in the Saskatoon *Star-Phoenix*, he was remarkably candid and he stated, and I quote:

The message to the government is, we better get some financial help and some help quick. If we don't have help, we'll cut it right back again and again, and we may even move it if we have to.

The PC government still had not learned the painful lesson from this example of privatization, so they came through with a further \$10 million for Fleet Aerospace of Ontario at the expense of Saskatchewan taxpayers. That's what PC privatization has produced in this case — a sell-off of a successful Saskatchewan-based, high-tech company to Ontario investors. It has meant job loss in Saskatchewan, it has meant loss of control over the high-tech industry in our province, and it has also meant blackmail.

Well let's talk about another privatization. I'd like the minister of privatization to explain a little more about his privatization of Saskatchewan Minerals. Here was a highly successful Saskatchewan resource company, producing steady profits for more than 40 years, and it's suddenly sold to two out-of-province corporations, one from Ontario and one from Quebec.

The minister likes to talk about his public participation and opportunities for Saskatchewan ownership of public assets. But was there any consultation with the communities or the workers affected? The answer is no. Did he advertise those assets for sale to give local businesses, Saskatchewan businesses, a chance to bid on them? The answer is no. Can he explain why he has sold off these Saskatchewan assets, privatized them so they are no longer owned or controlled in our province, so that any future profits from those assets will go to people living outside of our province?

I'd like the minister of privatization to explain that. The minister of privatization can't because the minister of privatization does not have an explanation.

Then I noted that in his remarks on the Bill, Mr. Speaker, the minister mentioned with some apparent pride his sell-off of Saskatchewan COMP and a major portion of SaskTel assets. But I was wondering why the minister did not tell the whole story, Mr. Speaker. Why did he fail to mention that this deal was cooked up in secret with no opportunity for other Saskatchewan businesses to participate from the beginning? Why did he fail to explain the intimate involvement of Urban Donlevy of Saskatoon through Mercury Graphics? Why did he fail to explain the cosy relationship between the Minister of Finance and his law partner, Peter Whitmore, who practised under the firm name of Lane & Whitmore? And why did he fail to explain the cosy involvement of Regina realtor Gavin Koyl or the PC business man from Yorkton, Ray Malinowski, whose PC political connections are well-known? The minister of privatization didn't explain those issues whatsoever.

The PC privatization of SaskCOMP, Mr. Speaker, has thus far been a shameful story of PC private deals. These have been in private, they're secret deals, and they are secret. If the minister of privatization chooses to deny that allegation, I invite him to table today, in this legislature, all of the documents and agreements associated with this deal.

Now let me turn for a moment, Mr. Speaker, to some additional examples that the minister does not want to address in his discussion of privatization — examples of what has happened when the PC government has

privatized public services.

We all know in this province that four or five years ago they privatized the Highways operations. They liberated the workers to go to the private sector — so claimed the former member from Wilkie, Mr. Garner. This was the callous and ineloquent way the PC minister described it. But what about the quality of public services and what about the quality of our highways? Will the Minister of privatization or will any of his rural back-benchers dare to stand in their place in this Assembly and try to pretend that PC privatization has somehow improved our highway system? They dare not even try, for PC privatization of highways has meant not only lost jobs but also reduced services and poor highways — highways that have never been seen like this in the history of the province.

Or will the minister of privatization try to justify his privatization of the provincial park services, which has been a disaster for his government and for Saskatchewan people? PC privatization of provincial park services has meant private profits for a few investors, some of whom are Conservative friends — they have not been tendered on many occasions — lost jobs for Saskatchewan men and women, and reduced park services and higher costs for families. All you have to do is go into any park, anywhere; go into any ski hill anywhere; and you can see what PC privatization has meant. It has meant a reduction in park services at higher prices for Saskatchewan families.

I particularly noted that the minister did not even try to use the example of PC privatization of the children's school-based dental plan to justify his ideology, to explain his policy, and to sell his privatization efforts. And it's not surprising, it's really not surprising that he wouldn't, for the PC government's attack on medicare, their attack on the prescription drug plan, and their elimination of the highly successful school-based children's dental plan, are the single most striking examples of their privatization at work.

Let's just consider the facts for a moment, Mr. Speaker, and I especially invite the PC back-benchers opposite to consider these facts. The children's school-based dental plan was a popular and successful Saskatchewan medicare program. It was particularly important for rural families and rural communities. It was a unique, made-in-Saskatchewan, medicare solution. We were the people that created the program. We created the program under the auspices of medicare for Saskatchewan families.

(1915)

And was there any public participation before this program was eliminated? No, there wasn't. And was there any significant economic or cost-saving reasons for its elimination? No. And has there been so-called public participation or increased individual ownership since the dental plan was eliminated? No. And has the service improved? Absolutely not; it has not improved, not at all. And did this example of PC privatization create any new jobs, Mr. Minister of privatization? It lost 411 jobs, and it hurt Saskatchewan families and it hurt Saskatchewan

working women.

And in short, Mr. Speaker, I'm not surprised that the minister of privatization is embarrassed to admit this elimination of the dental plan as the most outstanding example of his PC privatization. For he should, and he should be indeed embarrassed and ashamed. For in this case, privatization has meant an attack on important medicare service, it has meant reduced services to rural families in rural Saskatchewan, and the sudden and unjustified firing of more than 400 dedicated and professional dental plan workers.

And for tens of thousands of Saskatchewan children, for thousands of Saskatchewan families, and for more than 300 Saskatchewan communities and for more than 400 Saskatchewan working people, Mr. Speaker, this will for ever be the single most striking and most telling example of PC privatization — the attack on medicare and the elimination of the children's dental plan.

And there are other examples of the PC privatization record, Mr. Speaker. And in the weeks and the months ahead, Saskatchewan people will be reminded of them and reminded of them often, for every time they hear this PC privatization minister and this PC government try desperately to sell their myth of privatization.

I want to, for a moment, comment on the contents of the Bill itself, and I'd like us to consider, in a general way, in the second reading debate, the privatization Bill — the privatization omnibus Bill introduced by the minister of privatization. It is indeed an omnibus Bill, and it is a very troubling and omnibus Bill, Mr. Speaker. For in this Bill, in this Bill the Minister of Public Participation, or privatization, and the government are seeking to give to themselves almost unprecedented, broad and sweeping powers to implement their privatization ideology. They give themselves the power to do whatever they want, whenever they want, however they want, to whomever they want, and for whomever they want. That's what this PC privatization Bill does.

This is about privatization deals in private. This is about privatization deals in secret. This is about privatization deals that are done in the dark, or done behind closed cabinet doors. It has to do with power. It has to do with corporate power. It has to do with the corporatization of the Saskatchewan economy, and it has to do with changing the structure of our economy for ever. That's what this Bill is all about.

Now the minister of privatization tries to explain away this privatization Bill by pretending it's a nice, innocent, and not even really that necessary, but no one believes him. And I ask the minister of privatization these simple questions: why does he try to pretend that he somehow needed a special Bill in order to set up his department of privatization? No such Bill is necessary — Bill 5 gives you that authority, and it gave you that authority two months after you were elected in 1986. Why does this minister of privatization pretend that his Bill is necessary in order to deal with early retirement of workers whose jobs will be lost as a result of PC privatization? Over the past few years, the PC government has had several early retirement schemes and none of them required special

legislation.

Mr. Speaker, either this Bill does not give to the minister and the cabinet any additional powers which they do not already have, in which case this Bill is totally unnecessary and the minister should admit it and withdraw it — or, in the alternative, this Bill does indeed, as I submit, give to the minister and the cabinet more power, much more power, to implement their privatization ideology behind closed doors, without open scrutiny by the people of our province and without accountability to Saskatchewan people. The minister of privatization can't have it both ways. Either this Bill gives him no new powers, in which case it should be withdrawn; or it does indeed give him a wide range of almost unlimited new powers to act in secret, arbitrarily, without debate in this legislature and without public scrutiny.

It should also be pointed out, Mr. Speaker, that this privatization Bill purports to be all inclusive. It purports to cover the privatization of every single public facility and public asset in Saskatchewan, and every single public service now offered in Saskatchewan. Absolutely nothing is safe from this Tory privatization fad, this Tory privatization frenzy.

I'd ask the minister to answer these questions. Does this Bill exclude hospitals, or the provincial laboratory, or the school for the deaf? The answer is no. The minister considers those to be fair targets for his privatization ideology. Does the Bill exclude hospitalization insurance, medicare insurance, and the prescription drug plan? No. They are clearly included under this privatization Bill because the PC government also considers them to be fair targets for privatization.

Does this Bill exclude basic legal services, or the court system, or the land titles offices? No, Mr. Speaker. They are clearly included, for the PC government also considers them to be targets for the PC privatization. Or does this Bill exclude basic auto insurance services, or SGI (Saskatchewan Government Insurance), or basic telephone services, or the basic services offered by SaskPower, Mr. Speaker? No. They too are all clearly included under the purpose and scope of this Bill, for the PC government also considers them as well to be targets for PC privatization.

What then is excluded from the scope of this sinister and alarming Bill? I would submit that absolutely nothing, nothing in this province, is excluded from its scope, Mr. Speaker, absolutely nothing. Every government department and agency and Crown corporation and public service and public asset is open for the government to privatize. Every single Saskatchewan publicly owned facility, every single Saskatchewan public service is a target, a victim of the PC privatization ideology.

I would urge you, Mr. Speaker, to take great care, for even the official mace on the Table of this Assembly and even this Legislative Building in which we speak today are not excluded from the PC privatization Bill and they're not excluded from the scope of this Bill.

Now I fully expect that in his remarks to close this debate,

the minister will try to assert that I am exaggerating, and that's fine. But let him prove it. Let him stand in his place in this Assembly and state clearly just exactly what facilities, what assets, and what services he considers to be outside the scope of this Bill. And I predict, Mr. Speaker, that when that minister stands in his place that he will not be able to name a single, solitary thing that's held in the public sector — not whatsoever.

Now, Mr. Speaker, I'd like to turn just for a moment to what even the minister of privatization must recognize as a major weakness in his position, and that's the actual record of PC privatization. I propose to consider that record very briefly under three headings: job loss, revenues lost, and the PC deficit.

Now let's first consider the jobs — lost jobs, lost job opportunities, lost job security. Now the minister may try to boast about new jobs he hopes to obtain, but that is no comfort for the many hundreds of families who've actually been victimized by this government's fad of privatization. They've been victimized through job losses.

The minister of privatization in his remarks the other day in second readings said, oh, but we've got 200 jobs — we've got 150 jobs at Weyerhaeuser; we've got 50 jobs at SaskCOMP. I want to review for everyone what privatization has meant in this province. When they privatized SED Systems in Saskatoon, 70 jobs were lost; when they privatized the Highways maintenance work, over 400 jobs were lost; and when they eliminated the school-based children's dental plan, 411 people lost their jobs; and when they sold off Saskoil, within months, 25 per cent of the Saskoil labour force lost their jobs.

Then, of course, there have been jobs lost in parks when they moved to privatize parks across this province. And now still more Saskatchewan families are threatened by job loss because of the privatization Bill now before us. That's what Saskatchewan people know, Mr. Speaker, when they try to tell the PC government that privatization isn't working. The minister can talk about his 200 jobs, but they know that thousands of jobs have been lost in this province because of PC privatization.

I want to talk about the revenues. There's the issue of public revenues being lost, Mr. Speaker, and let's just consider a couple of examples. Last year, Saskatchewan Mining and Development Corporation made a profit for the people of this province of over \$60 million. Every single dollar of profit was available to pay for public services like health and education. This government will be introducing a Bill to sell off Saskatchewan Mining and Development Corporation.

This government has acknowledged in Crown Corporations Committee that the long-term debt of over \$300 million will be gone in a couple of years from Saskatchewan Mining and Development Corporation. With 85 per cent of the uranium contracted, the province of Saskatchewan, through Saskatchewan Mining and Development Corporation, the treasury of Saskatchewan stands to gain over \$100 million in profits. That's a tremendous amount of money to pay for health and education. When these people are done, when they

privatize Saskatchewan Mining and Development Corporation, there will not be those kinds of revenues available to the people of Saskatchewan.

In the two years before Saskatchewan Oil was privatized, it made a total profit of \$85 million. Every single dollar of profit was available to be used for all of Saskatchewan people for important public services. But since the PC government privatized Saskoil, not one single dollar has been paid in dividends to the provincial treasury — not one single dollar. But dividends have been paid to the private investors, 75 per cent of whom live outside of Saskatchewan. Those investors have received dividends from a Saskatchewan-based, a former publicly owned company. And do they pay income tax on those dividends in Saskatchewan? No, they do not.

Then the minister of privatization boasts about his sell-off of Sask Minerals to two non-Saskatchewan corporations for less than \$16 million. But that's how much profit Sask Minerals made in the last six years for the treasury, and any future profits Sask Minerals make will go out of province and not to the people of Saskatchewan.

Over the past five years, SaskCOMP, which I referred to earlier, has made total profits of \$16 million — all available for important public services.

Finally, Mr. Speaker, in 1987 the PAPCO assets, which the PC government privatized, earned profits of more than \$62 million — \$62 million in one year alone from those assets. That PC privatization has given away to an American corporation, and are those profits staying in Saskatchewan? No, they're going to Tacoma, Washington. That's money that our provincial treasury could have had to pay for home care and health care, and there's no reason why we have hospital waiting lists in this province. There's no reason why we have waiting lists for cancer treatment. And if there is any reason, it's because this government is single handedly giving away all of our assets or selling off assets that could be making money to pay for important public programs like health care. And it's absolutely irresponsible.

And the list of these privatizations and the revenues that we've lost go on and on. But the central point of all of this is either we can use the profits from these public assets and facilities to help pay for public services like medicare and other programs, or the PC government can sell off these assets such that henceforward all profits will go only to a few private corporations and wealthy investors. In that case, Mr. Speaker, provincial government revenues will be substantially reduced, and the difference will have to be made up in higher taxes on Saskatchewan businesses and Saskatchewan families. And that, Mr. Speaker, is the price of PC privatization. Higher taxes — that will be the price. The people of Saskatchewan are trying to tell this government that the price is unacceptable.

(1930)

Let me turn, just for a moment, Mr. Speaker, to the problem of the PC deficit. Now the minister may try to pretend or to argue that his privatization policy has been designed to reduce the PC deficit, but as is so often the case with the minister's argument, Mr. Speaker, the facts

are otherwise.

In 1983 they privatized SaskPower assets, and their deficit increased. In 1984 they privatized Highways' operations and more Saskatchewan Power Corporation assets, and their PC deficit increased again. In 1985 they privatized Saskoil, and their deficit increased. And in 1986 they privatized PAPCO, and the deficit went up again. And in 1987 they privatized SED Systems and the dental plan, and the PC deficit ballooned to more than \$1 billion. And in 1988 they privatized Sask Minerals, SaskCOMP, and a major portion of SaskTel and a hug portion of SaskPower, and the PC deficit now amounts to more than \$3.6 billion.

The PC deficit, Mr. Speaker, has been caused by an incompetent, and it's been caused by a mismanagement type of government. And their privatization policy has been part of the problem and not part of the solution.

Finally, Mr. Speaker, I'd like to take just a moment to comment on what the privatization minister has identified as his objectives, what he has set out is the criteria by which he thinks his privatization should be judged. The minister did so in his press release in March of this year. He cited as his criteria increased employment, individual ownership, and improved public services.

And how is he doing, according to those criteria, according to those tests? With respect to the jobs tests, the minister has clearly been a failure and this government has been a failure. And with respect to the individual ownership test, he has failed as well.

Time and time again, PC privatization has meant the sell-off of public assets to private corporations and a few wealthy investors, and not to Saskatchewan people. And with respect to improved public services, the minister and his privatization policy have also failed. There is no one in this province that believes public services have been enhanced since this provincial government has come into power in 1982.

Mr. Speaker, those are the minister's own criteria, those are his tests, and in every single case, Mr. Speaker, privatization has failed. He has not created jobs, he has not created personal ownership in Saskatchewan, and he has not enhanced public services. The minister of privatization is a failure and the Government of Saskatchewan is a failure.

Now in conclusion, Mr. Speaker, the privatization Bill before us today is a bad Bill. It's based on bad policy, and it's based on a silly and stupid ideology. And despite the minister's gimmicky slogan, privatization is not the Saskatchewan way. On the contrary, PC privatization is a betrayal of the Saskatchewan experience; it's a betrayal of the Saskatchewan tradition of the mixed economy; it is a betrayal of our traditions; and it is a betrayal of our history.

PC privatization runs counter to the Saskatchewan way of doing things. It is based solely on a foreign and alien ideology imported by outside right-wing political advisers who have no roots in this province and no

understanding of this province. The goal of PC privatization is to turn back the clock, to turn back the clock to the minister's favourite decade, the 1890s, and to turn away from our history and our potential and our future. The goal of their privatization is to transform Saskatchewan into a mini New York Stock Exchange governed by greed and self-interest alone. Their privatization goal is to enable those who have much already to make further personal gain at public expense, and to provide nothing at all to those who have little.

And the minister of Meadow Lake better listen, the minister from Meadow Lake better listen and quit chirping from his seat because that minister knows fully well what privatization has meant in our health care system. Privatization has meant the elimination of the dental plan; privatization has meant the destruction of a prescription drug plan; privatization has meant more than 11,000 people on a hospital waiting list in Saskatoon; and privatization has meant people waiting for cancer treatment.

That Minister of Health is creating a two-tier health care system in this province. Those that have money have access to services and those that don't, don't. And the Minister of Health laughs and giggles in this legislature, and the Minister of Health better learn quickly that unless his government has revenues to pay for important public programs like health and education, that Minister of Health will soon become a teacher back in Meadow Lake.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — As I said, Mr. Speaker, the goal of their privatization is to fulfil their promise of open for big business in order that foreign corporations and outside investors can come in here and buy out Saskatchewan at give-away prices. And, finally, Mr. Speaker, their privatization goal is to be free from public scrutiny, free from the necessity for public tendering, and free from public accountability in order that they may make privatization deals in private, behind closed cabinet doors — secret deals done in secret.

And their privatization record is poor. Their privatization record is an embarrassment to them, and they are an embarrassment to the people of this province.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — They are ashamed — and quite understandably so — of their privatization of the children's dental plan. And they know that their privatization of PAPCO assets to Weyerhaeuser was unpopular. It remains unpopular, and has convinced the people that the major beneficiary of the deal was the Weyerhaeuser corporation itself, based in Tacoma, Washington.

They are embarrassed and ashamed that, to date, every single example of privatization has meant one of three things. It has meant lost jobs, lost assets and revenues, lost ownership and control for Saskatchewan people. They know that the vast majority of the people of our province are opposed to the PC style of privatization. And they

know that those in favour of it include the inner circle of PC Party friends, PC big business associates, and PC political cronies.

And so, Mr. Speaker, in order to minimize the political damage to the PC Party, in order to implement their PC privatization strategy and ideology in secret, away from public scrutiny, they now have introduced this alarming and sweeping privatization Bill now before us today.

Mr. Speaker, the ideology on which this Bill is based is unsound. The PC policy on which the privatization Bill is based is unjustifiable. The privatization Bill itself is unacceptable. PC privatization is a sell-out of Saskatchewan, Mr. Speaker. It's a betrayal of Saskatchewan people. It may be a part of the PC Party past but it holds out absolutely no hope for Saskatchewan's future. For those reasons, Mr. Speaker, my colleagues and I will be opposing this privatization deal.

And I just want to say one final thing. In 1990 or in 1991, when we become the Government of Saskatchewan, I want to serve notice on the members opposite that we will be scrutinizing every solitary privatization deal that these people enter into. We will be looking over every privatization deal in order to ensure that Saskatchewan people have not been taken to the cleaners. And I want the members opposite to remember that. I want the members opposite to be aware of that. I want them to know that they better be careful. They better be careful.

There are people in this province that think that there should be a public inquiry into their operations, there should be a public inquiry into the way they've misused the public purse. There are people who want to have a major public inquiry to see what sort of shenanigans have been done by the members opposite. And there are some people in this province that believe if they have misused government funds that they should be held accountable for it, and if necessary they should do a little bit of time.

Now, Mr. Speaker, this is a bad Bill; this is a bad Bill. It does nothing other than destroy the very foundation of the people of this province. It goes against our history. It goes against our tradition. It goes against our values. And for those reasons and because of all the privatization deals that have gone amok and gone astray, the members of our side of the legislature, and the members of the New Democratic Party, strongly oppose this legislation.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — I would move that I adjourn debate.

Debate adjourned.

SECOND READINGS

Bill No. 37 — An Act to Provide for Security for Saskatchewan Family Farms

Hon. Mr. Andrew: — Mr. Speaker, in moving second reading of The Saskatchewan Farm Security act, I would like to first of all try to put in perspective the serious difficulties that are faced by the Saskatchewan farmer and by Saskatchewan agriculture today.

The challenges that many farmers in this province face are challenges that are both of a . . . both by nature and by economics, Mr. Speaker. Obviously we all know and see on a daily basis today the impact that nature can have when it doesn't rain in many parts of the province, when we find ourselves without rain and with very severe temperatures. Clearly, we have a problem in our agriculture industry and agriculture sector. One would hope that, one would hope that that cycle will soon part from us and we can see some solutions to that.

In the meantime, Mr. Speaker, this government, through the various existing forms, whether it's crop insurance or other programs announced by various ministers of this government, or programs to be announced in the very near future with regard to that particular problem, will be able to at least and in part offset some of the great damage that has come with that severe weather condition.

The other problems are economic in nature, Mr. Speaker. And I think they fall in basically two categories: one is the world commodity prices for many of the products that we in this province produce and have traditionally produced for a long period of time; and number two is the question of farm debt.

Let me turn first and briefly to the question of farm commodity prices and the world-wide collapse of farm commodity prices. What we have seen throughout the 1980s is a very significant, very dramatic drop in the commodity prices for wheat, oats, barley, and any other grains or cereal crops that are being produced in this province over a long period of time. Now I suppose there's a large number of reasons one could advance for that drop in commodity prices. The long and the short has been that the world was encouraged, for a variety of reasons, to increase production. And the agriculture sector of the world has, in fact, increased its production and increased it significantly, Mr. Speaker.

Let me put it into context of what we are talking about. The largest increase in production of wheat has come by the Europeans. If you were to compare the production levels . . . And you can take any year, but let's go by comparison: 1975-76, the Europeans have increased their wheat production from '75-76 to this year, '87-88, from 40 million tonnes to 72 million tonnes. That is an increase of 32 million tonnes of grain, of wheat, being produced by the Europeans. If we put that into perspective, Canada during that same period of time increased their production from 17 million to 26 million tonnes of wheat.

(1945)

What we see, Mr. Speaker, is the following: the Europeans through their subsidy programs have increased the amount of wheat that they produce to a level . . . The increase in the last 19 years is greater than the entire production of wheat in all of Canada. The Americans during that same period of time have remained relatively constant in their production at about 57 million tonnes. Mr. Speaker, the Europeans have now surpassed . . . They have now surpassed Canada for some time; the Europeans have now surpassed the Americans as

larger producers of wheat than do the Americans.

Mr. Speaker, the Europeans not 15 years ago were one of the largest markets for Canadian wheat. They are now probably our most difficult competitor that we have. Mr. Speaker, that has been done to a large degree by the advent of subsidies in Europe. Today, the European farmer receives a \$170 a tonne subsidy where the Canadian farmer receives an \$80 a tonne subsidy. That, Mr. Speaker, even though we have a significant amount of subsidy programs — significant amount of subsidy programs to our farmers and our farm community. Mr. Speaker, the European farmer now is receiving a guaranteed price, for all the grain he produces, in excess of \$7.30 a bushel — \$7.30 a bushel. And that, of course, creates a significant pressure on the European to grow more and more wheat. And I would ask and challenge all people, when they look at these numbers, to seriously look at where the increase has been, where the highest subsidies are, and therefore come to grips with that question. Mr. Speaker, the farmers of Saskatchewan obviously wish to see some progress on that front.

Mr. Speaker, it is our hope and the hope, I think, of most of the producers of much of the world, that that resolve itself in the near term. I suspect that that near term would at best be the end of this GATT (General Agreement on Tariffs and Trade) round, which would end in 1990. And therefore between now and 1990, we are going to have to, as Canadian and Saskatchewan farmers, face ongoing subsidies and ongoing subsidy battles between the Americans and the Europeans.

Mr. Speaker, at the same time that prices for our agricultural commodities fell, we saw interest rates go up, and those interest rates went up to a level of almost 20 per cent. And many of the farmers who now face the farm debt question, prior to 1980, prior to 1980, did not have the type of problems that we see today.

There is some concern now on the international scene, or at the national scene, that the Bank of Canada, along with the central banks of many other countries, are looking seriously at raising interest rates. The justification for it in this country is to somehow slow down the buoyant economy of Ontario and perhaps at the expense of others. So as grain prices fell, interest rates rose — factors over which the farmer and most Canadians had very little impact.

Mr. Speaker, during that same period of time, what we saw is, the value of land in the 1980s in Saskatchewan dropped in many areas as much as 100 per cent or more. And obviously that's seriously eroded the equity base of many, many farmers. Retiring farmers, Mr. Speaker . . . (inaudible interjection) . . . And the member opposite says we would . . . we would not be exaggerating. Mr. Speaker, in the area that I represent the price of land was selling for \$1,200 an acre back in 1980; it now sells for, at best, \$400 an acre. Mr. Speaker, that is far more than a 100 per cent drop in the selling value of farm land.

Mr. Speaker, what you see, then, is the farmer that looks to retire now has lost much of the base which he used for his retirement fund. Many of the young farmers are finding it difficult to obtain credit. Many of the existing

farmers, Mr. Speaker, that traditionally had no problem financing in any given year, are now being called upon to lodge or mortgage more and more of their farm land just to obtain operating loans, Mr. Speaker.

The farm debt in Saskatchewan has grown to a level of now in the range of \$6.5 billion. Mr. Speaker, it will take a great deal of effort by the farm community, by the financial institutions, and by government, both at the local, at the provincial, and at the national level, to come to grips with the farm crisis that is now real and it is urgent. We cannot wait, Mr. Speaker, for this year to end or for the drought to end or for the prices to go up. Mr. Speaker, something must be done now. Mr. Speaker, let me say initially, Mr. Speaker, that the solution to the crisis, to the farm crisis lies beyond the borders of Saskatchewan and, in fact, lies beyond the borders of Canada.

Mr. Speaker, virtually everyone in the farming community believes that the solution lies in increasing the commodity prices, rising to a level that any farmer that can farm his land in a proper way should get a proper return for that dollar, Mr. Speaker, and that means the end of the subsidy wars if that is to come to grips with that question.

Mr. Speaker, I would like to look at and go through the legislation, but before I do that, I would like to set out to the Assembly a solution that has been used in many other jurisdictions, including the United States, including the jurisdictions of Australia and New Zealand, and including some of the jurisdictions of Europe. It's what is referred to, Mr. Speaker, as the chapter 12 solution, to deal with the farm-debt crisis.

What the chapter 12 is, is a copy of the American bankruptcy law that allows farmers to file bankruptcy court, wherein the bankruptcy court can rewrite the value of that land and therefore rewrite the value of that mortgage down to its fair market value. We do not have the capacity or the power to do that in Saskatchewan. That power rests under our constitution with the federal government. We would encourage the federal government to look at ways by which they could come to that type of solution for the farmers of Canada and certainly for the farmers of Saskatchewan who face the biggest trouble and the biggest problem in this area.

Mr. Speaker, as anyone sets about to come to grips with the farm-debt question in this province, Mr. Speaker, you must look for a way to draw a proper balance, and that proper balance has to be in two forms, Mr. Speaker. On the one hand you see farmers faced with severe debt problems, farmers being taken to court by the various financial institutions, farmers facing the risk of losing their land.

And, Mr. Speaker, if you are to look at the area of Saskatchewan and look where the largest number of those debts — the largest number of foreclosure actions taking place — they happen to have in the west-central part of Saskatchewan. There are many of those people that are faced with foreclosures are in fact people that I know, people that I have dealt with over a long period of time, both as a politician and prior to being a politician. And I

can assure you and I can assure all members of the House, because I'm sure everyone that has a farm riding faces the same type of situation, where that farmer comes to you and asks in a very, very serious, almost desperate way, what could be done to help him save that farm.

Many, many times he will say, the problems are perhaps some of my doing. Perhaps I was the one that got caught up in the 1970s where prices were rising for farm land, and I figured it was going to go forward, was going to continue to rise, and we had to expand. They boys were coming back home to farm and we took on some more land, Mr. Speaker, and then all of a sudden it changed around and changed around dramatically.

That's the type of situation, Mr. Speaker, that we find ourselves in today. And everyone, Mr. Speaker, has compassion to look out for that particular farmer and the farmers around that see the value of their assets diminishing.

On the other hand, you talk to farmers and they say, yes, but if you go too far, as far as restricting foreclosures, you will have the effect of shutting off credit altogether to the agriculture sector, that is going to put further strain on the remaining farms. It's going to create a situation where it becomes difficult to borrow money to operate your farm or borrow money should you want to buy land or start a new farming operation for the boys who are . . .

Mr. Speaker, that's the type of balance that you must seek to come to grips with, with regards to the legislation we're dealing with here today. Mr. Speaker, as I said, I would — and we as a government — would like to see the federal government come forward with a section 12 situation for Canada that we could work with in that process.

Mr. Speaker, let me say this, though, to the federal government: as the federal government has come through with deficiency payments when they were desperately needed the last two years, Mr. Speaker, if the present environment continues, the federal government must continue with the level of support in those deficiency payments that we've seen in the last two years. They must continue those and stay step to step with the European and American governments, in their support to their farmers, otherwise our farmers do not have a chance.

Mr. Speaker, let me deal with the central purpose of the Bill that we're dealing with here today. The central theme of this Bill, Mr. Speaker, is to consolidate many of the existing laws and rules and regulations as it relates to foreclosure in Saskatchewan — many of those rules going back perhaps 40 years when they were first brought in, and some even back farther than that.

The central purpose of this Bill, Mr. Speaker, is to create at least the workings of a new system by which farm debt is dealt with, primarily between the bank and the farmer. And this, Mr. Speaker, is in the form of mediation. This mediation we would hope, when it gets up and running, will be a forum by which the farmer and the banker can choose from a panel of well-trained, independent, Saskatchewan mediators who will be able to . . . who will

be selected from the panel, by both sides, as someone that they would see as fair.

Mr. Speaker, and they would then bring the two sides together and say well, is there a way that we can make a resolve of this. Perhaps I will sell off a quarter of the farm land if I was the farmer; perhaps the bank will write off some of the debt that I owe. Perhaps that land then could be leased back to me. And many of these deals are being done today. This will create a forum and a vehicle by which that we believe that that will continue and work better.

Mr. Speaker, the two jurisdictions in the United States that faced, with some degree of success, the farm debt problem, have been the state of Minnesota and the state of Iowa. And their programs use a very, very similar program to this and it has worked very, very effectively, Mr. Speaker, and we would hope that we would be able to do it as well.

(2000)

With regard to the other details of the Bill, Mr. Speaker, before a lender can apply for permission to begin foreclosure on farm land in Saskatchewan, he will have to give 150 days notice to the Farm Land Security Board and to the farmer. During that time there will be a 90-day period during which the financial analysis of the farmer's affairs will be made by a representative of the board, and mediation will occur. Mediation will be conducted by a person who will have no connection to the board. They will be neutral as between the farmer and the lender, and will be given sufficient training to equip them to be first-class mediators. We expect that mediation of this nature, there will be increased confidence among the farmers and the lenders that equitable arrangements are being negotiated to resolve that debt.

In the situation where either the lender or the farmer has not participated in that mediation in a good faith manner, the mediator will be able to file with the board, the Farm Land Security Board, a certificate containing his opinion to that effect, together with his reasons. That certificate, Mr. Speaker, ultimately will be placed before a judge who must take it into account in deciding whether or not to allow the foreclosure.

Mr. Speaker, I think we've heard from all sides — from the farmer saying, well, don't just protect the guy that doesn't even try; or some financial institutions that are prepared to go along and do what they can to help that farmer out. Others who want to take a very much of a collection service attitude and simply want to realize as much money as they possibly can and as fast as they can. Mr. Speaker, this is something that will be used, one would hope, by the mediators in a very guarded way so that when there is in fact that faith certificate issued, it in fact means bad faith, Mr. Speaker, on the part of either side.

If the mediation is unsuccessful for any reason, the final 60 days of the 150-day notice period will be used by the board to analyse the farmer's financial affairs, hear the position of the farmers and lenders, and prepare a report for the court in which it will give the opinion on whether or not the lender should be allowed to foreclose.

The board will analyse the validity and the sincerity of the farmer. It will be noted whether or not the mediator has found bad faith in the part of either the farmer or the lender. It will comment on whether or not a homestead is involved in the application. As well, a number of other factors that will vary depending upon the circumstance of each particular case: if the lender has mediated in bad faith, the farmer may ask the court to adjourn the matter for a second round of the mediation; if the lender still has not mediated in good faith, then the court has the power to adjourn the application for the further six months. The board report will be primary evidence on which a judge will base his decision. He must presume that the farmer is viable and sincere, and if the lender cannot show otherwise, the judge must dismiss the lender's application for a period of one year.

This Act provides for considerable enhancement of the existing home-quarter protection. The current protection is retained. In addition, if foreclosure is currently permitted against a homestead, the mortgage on that homestead was entered into before this Act is passed, the farmer has sincerely tried to make his payments, then the judge must dismiss the application against the homestead for a period of three years. This applies to all mortgages in which a waiver of The Farm (Land) Security Act protection has been obtained, and it applies to the Farm Credit Corporation and to the Ag Credit Corporation. In other cases, if the land is a homestead, the final order of foreclosure will not have any effect until the farmer or his family no longer live there.

We have been aware of the delicate balance between security of the homestead and availability of credit, and have ensured that financing can still be arranged in relation to the home quarter in the appropriate circumstances. Henceforth, any exemption after the passing of this Act will only be granted if that has been reviewed and okayed by the Farm Land Security Board. Protection of the home quarter, as well as deficiency protection and mediation, will apply fully to the Farm Credit Corporation, Ag Credit Corporation of Saskatchewan, as it does to private lenders.

Farming corporations will also have full foreclosure and deficiency protection without the possibility of waiving it. Even if the court permits a lender to foreclose, it will not be possible to claim for a deficiency after the foreclosure if the mortgage was given to the purchase of land. When a final order of foreclosure does issue, or where the farmer has voluntarily transferred land to the creditor, the farmer will have a right, in a period of 30 days after the lender receives a bona fide offer, to meet that offer, to buy the land back at the same price as was contained in that offer — in other words, the right of first refusal.

When the lender attempts to seize assets of a farmer other than land, such as machinery, the farmer will be protected as well. The provision of The Limitations of Civil Rights Act regarding claims for a deficiency after seizing farm property other than land will be continued so as to include both vendors and their assignees. The provision from the Act dealing with the procedures by which farm equipment can be seized will also be continued but altered to include mediation.

When a lender completes the steps required to seize assets, the farmer may still claim certain assets exempt from seizure. The exemptions provided under The Exemptions Act have been carried forward into the new Act with certain minor clarifications. However, if there is a dispute between a lender and a farmer over whether or not something is truly

The Exemptions Act have been carried forward into the new Act with certain minor clarifications. However, if there is a dispute between a lender and a farmer over whether or not something is truly exempt, an expeditious method has been provided by which a judge will decide the issue. The most significant change in this section is that the Ag Credit Corporation of Saskatchewan will be now subject to exemption laws.

There has been considerable concern expressed in the farm community over the implications of guarantees. To address the issue, two significant changes have been introduced to the law of guarantees as it relates to farming. First, before signing a guarantee, a farmer or family member will have to be advised of the nature and the effect of the guarantee by an independent lawyer or notary. If this has been done . . . has not been done, a guarantee entered into after this Act is passed will not be enforceable.

Second, from now on, guarantees will have to be specific as to the total indebtedness to which the guarantor could be exposed. Unlimited guarantees entered into after this Act coming into force will be of no force and will not be enforceable.

What that is designed to do, Mr. Speaker, is to cover the following situation. You had the case where a young farmer went to the bank, perhaps had a half section, borrowed money to pay for the other half section, and now he has a section. The banker would say, well I think that's probably enough security, but perhaps you would get your father to come in and we'd just get him to sign sort of a further protection for us, but it'll never have to be exercised on because obviously the value of your land is there. That was at a time when land values were quite high, Mr. Speaker. Now some have sought not to worry about the hassle of simply going after the farmer, but simply to take the father perhaps who has no debt, and in some cases, Mr. Speaker, take his farm away.

Finally, we want to remove some of the differences in the way residents of other provinces have been treated in relation to the Saskatchewan residents in the area of farm ownership. Farm ownership laws have been included in this Act with certain changes. The significant changes are as follows: after July 1, 1988, Canadian residents, a resident of Canada will be able to own up to 320 acres of farm land — a half section, Mr. Speaker; two, non-agriculture corporations that are primarily Saskatchewan owned will also be allowed to buy up to 320 acres. Non-farmers will be treated the same as farmers when they leave the province or transfer land to non-resident relatives.

That is designed Mr. Speaker . . . In other provinces, you have a situation where perhaps one member of the family

stayed home to farm and the other member of the family went off to Ontario or B.C. or whatever. Finding themselves now in trouble on the home farm, the successful member of a family or close friend might say, well I've done well in my business and I would like to come back and buy that property to allow that individual to continue to farm, Mr. Speaker. The members opposite whine and squeal about that. That is a reality and there is a number of situations like that. If that was allowed, many farming operations would remain intact and that farmer could continue.

These changes form a package that will reshape the farm security law in Saskatchewan. Much of this has been piecemeal legislation enacted from the time of the Depression up to 1984 and has been consolidated into one package. And that was one of the recommendations of the Hardy report that reported earlier this spring.

Every effort has been made to eliminate uncertainty and improve some of the cumbersome and outdated provision. Throughout the Act, we have sought to strike a balance between the need to stabilize the farm community as it faces growing debt, and the need to preserve access to the line of credit. Even as the impact of this Act is being felt across Saskatchewan, we will begin to work on developing, Mr. Speaker, a long-term plan as it relates to assisting farmers with regard to purchase and repurchase of their land.

This piece of legislation is designed to protect family farms. It brings people together to help them solve their problems. It protects the home. It helps farmers understand their rights and obligations. It puts farmers and their families in a strong position to negotiate their future. It provides all the above without reducing the ability of the lender to advance credit, Mr. Speaker, and that's the balance that we must find.

Mr. Speaker, I would ask all members of this Assembly to carefully review this legislation, Mr. Speaker — to carefully review this legislation. And I would ask for all members of this House to support this legislation, Mr. Speaker, even the members opposite.

Mr. Speaker, what this does . . . what this does is a move, Mr. Speaker, to allow a balance between the farmer holding on to his farm and at the same time allowing credit to be available to the farmers of this province. Mr. Speaker, if we do not have that balance, we throw agriculture further out of whack.

Mr. Speaker, I think this is a proper piece of legislation. I think it goes in the correct direction, and I think it deserves the support of all members of this House. With that, Mr. Speaker, I move second reading of an Act — The Saskatchewan Farm Security Act.

Mr. Upshall: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I rise tonight to say a few words about this Bill. It's a very large Bill; it contains consolidation of numbers of legislation, and I don't think that we want to be too hasty when considering this because as we have seen in the past, sometimes what we view on this surface and expect, is not always what the end result will bring.

I think there are a number of interesting concepts being brought out in this Bill. Unfortunately, I also believe that this Bill does not address the farm-debt problem. It's a bit of a band-aid possibly, in some respects, but before that we go into the whole debate on what this Bill may or may not do, Mr. Speaker, I would like to have further time to consider it and talk to farmers and other people involved.

So therefore, at this time, I move we adjourn the debate.

Debate adjourned.

(2015)

Bill No. 53 — And Act to amend The Provincial Mediation Board Act

Hon. Mr. Andrew: — Mr. Speaker, I understand that the members of the opposition are prepared to go along with this Bill, and I have been advised by staff that this Bill is, with leave, to be referred to the Non-Controversial Bills Committee.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

Bill No. 54 — An Act to amend The Land Titles Act

Hon. Mr. Andrew: — Mr. Speaker, I rise today to read second reading of The Land Titles Amendment Act, 1988. The purpose of the majority of these amendments is to create certain efficiencies in the land titles system without reducing in service, that are intrinsically related to the functions of such a system.

Among the most significant changes are reductions or elimination of checking functions by the registrar where those functions are required for non-land title purposes and for purposes of other programs or statutes. The major change in this regard is the repeal of the provisions of The Land Titles Act which places responsibility on the registrar of land titles in the municipal tax enforcement proceedings.

Presently the registrar's involvement in the assessing of the municipalities and the tax enforcement process is extensive. He is required to give instructions to the municipalities regarding whom to serve and how to go about that service. He checks for compliance with the instructions, and if satisfied that everyone has been duly served two times, he issues title to the municipality.

The tax enforcement procedure will remain essentially unchanged and will now be dealt with completely in The Tax Enforcement Act. The new procedure will require the municipality to determine who is to serve, to be served, and ensure that the legislative requirements for service have been complied with. The proposal will not see a significant increase in the work-load for municipalities, but will result in an increase in responsibilities. This is consistent with other areas such as mortgages, and builders' liens, where the party seeking to enforce the lien is required to perform the steps themselves.

Another important amendment is the change to the function of land titles office respecting mines and minerals. The current practice is to issue a minerals certificate each time the minerals are dealt with, which involves a search back to the previous mineral certificate. This is time-consuming and not essential. The amendment provides that once a mineral certificate has been issued with respect to a particular mineral in a particular land, no further mineral certificate need to be issued respecting that mineral in that land. The need for a separate request for a mineral certificate, when required for the purpose of a disposition, creates unnecessary and additional documentation. The disposition will act as the request. Thus, the need for the request is being eliminated.

Also eliminated is the requirement for the issuance of a mineral certificate where the transferee is the Crown. The Crown does not require such a certificate.

In addition, the limit on the government liability for heirs with respect to mines and minerals is being removed. The limit, which is now \$5,000, requires the mining industry to conduct extensive, time-consuming searches back to the original grant. The role of the land titles personnel in these searches also involves a significant amount of time. Increased claims resulting from this change are unlikely due to other safeguards in the system and will be offset by increased productivity in the private sector and the decreased overtime costs in the land titles system.

Also included in these amendments is a change to the master of titles qualification. In the future, the masters of title shall be a barrister and solicitor of at least three years' standing of any jurisdiction of Canada. Of course, the masters of titles will still be required to be a member of the Law Society of Saskatchewan.

Finally, the proposed Act also includes several less significant budget-related amendments, such amendments that are designed to clarify and improve the legislation, and a number of amendments that are housekeeping in nature.

Mr. Speaker, with that, I move second reading of The Land Titles Amendment Act of 1988.

Mr. Shillington: — I just want to speak to this very briefly, Mr. Speaker. There is nothing in this legislation that I think we would object to. I hope this is not widely reported — there are even some things I mildly approve of. And I'm sort of hoping nobody repeats that comment, because I don't want it being known that I said something complimentary about a member opposite. But, in fact, there are some useful provisions in it.

There are some things that need to be done, Mr. Speaker. We badly need to do away with homesteads on the property that is owned jointly as joint tenants. But that is not necessarily a potent criticism to suggest that we need something that's not in the Bill. What is in the Bill I think is useful. We won't be objecting to it. And I frankly doubt that I'll have very many questions on Committee of the Whole. I thought it made sense.

Motion agreed to, the Bill read a second time and referred

to a Committee of the Whole at the next sitting.

Bill No. 73 — And Act respecting Wages, Hours of Work, Vacations, Parental Leave, and other Employment Benefits

Hon. Mr. Schmidt: — The members opposite seem to be practising for a chorus, Mr. Deputy Speaker.

The Employment Benefits Act, Mr. Deputy Speaker, I might say, has been reported in detail and with great accuracy in the *Saturday Leader-Post*. And I compliment that paper for understanding such a complicated topic and reporting it very accurately.

Overall this legislation, Mr. Speaker, ensures that the labour relations and labour legislation of Saskatchewan will be appropriate for the 1990s. It provides protection for Saskatchewan employees, particularly those working part time.

I notice the members opposite are shouting in a chorus, and I believe their problem is, Mr. Speaker, that they don't like progressive legislation of this nature. It disappoints them that our government would make improvements on the legislation for the workers of Saskatchewan. But we feel, Mr. Speaker, that this is a fair and reasonable Bill and that it improves and tidies up the benefits for workers in Saskatchewan, primarily the non-union workers of Saskatchewan.

In addition, this Bill brings in an employment standards board. We will have increased benefits for part-time employees in particular, and we will have an employment standards board. This type of board now exists in other provinces in Alberta, British Columbia, Manitoba, Ontario. As a matter of fact most people in Saskatchewan, when I ask them, do we have a labour board, they say, yes, we do. And they don't mean the Labour Relations Board. They believe there is a board to which non-union employees can take their grievances. And we do not have such a board, Mr. Speaker.

At present you can take your complaint to my department. My department tries to resolve the dispute. If it's not possible to resolve it, then my department will prosecute the employer in court. But it's not a dispute resolution method. It is simply a method in which case to collect wages but not to resolve the differences of parties.

So therefore, Mr. Speaker, we will now have an employment standard board which will adjudicate disputes without having people go to the court system, although they may still choose the court system where possible. In addition, Mr. Speaker, this board will assume the responsibilities of the Minimum Wage Board and we will consolidate these . . . (inaudible interjection) . . .

And the members opposite continue to shout, Mr. Speaker. And I really don't understand why the members opposite, if they can't listen, they can at least be quiet. We are trying to explain this Bill for the members of the Assembly and the members opposite hoot and holler and laugh. Now I don't really know why they don't wish to have progressive legislation in Saskatchewan. It could be that their politics is motivated only by winning and not

doing by what is correct, Mr. Speaker. So I ask the members opposite to restrain themselves, and if they can't listen, at least be quiet.

With respect to the employment standards board, Mr. Speaker, it will give employees an opportunity to quickly have their disputes heard. This board is prepared to travel to all parts of Saskatchewan, where practical, to hear these disputes. And this is something new, and we feel it's quite progressive, and we feel that it will assist employees in having their disputes settled without a great deal of expense. They could still go to court as they can now, but we feel that this will give the employees for the smaller claims an opportunity to have their day before the board, you might say, without great expense.

In addition, this Bill will recognize protection for unjust dismissal, particularly for employees who don't have access to the courts because of the cost of taking an unjust dismissal action to court. This board will have the power to make awards for unjust dismissal up to 12 months wages or a maximum of \$10,000. So anyone that would be claiming more than \$10,000 would still have to take the dispute to the court, where the smaller claims could be resolved by this board. Three other jurisdictions have this type of unjust dismissal: the federal government; Nova Scotia; and one of the territories, I believe.

In addition, this unjust dismissal protection will require the employees to mitigate — that would be to look for another job — or would also be able to consider partial cause. I might point out, Mr. Speaker, that currently the courts in Saskatchewan, in unjust dismissal, are not considering partial cause. They're going to an all or nothing type of a situation that we had many generations ago in negligence actions, and at that time the legislature had to bring in contributory negligence legislation so that the courts would then apportion negligence. It was an all or nothing prospect.

Unfortunately, the courts in Saskatchewan have taken this view of unjust dismissal as being an all or nothing proposal. This legislation, with respect to the board, will ask the board to consider partial cause when considering unjust dismissal, and I would hope and encourage that the Saskatchewan court would follow this example as has been done in other provinces by other courts.

With respect to sick leave, Mr. Speaker, this legislation will bring in new provisions that have never existed in Saskatchewan. And what you will have here is that a reasonable sick leave for employees of three months for illness not related to work injury and six months for treatment or rehabilitation under The Workers' Compensation Act. Members opposite will say that's not long enough, but I say to the members opposite that they were government for generations, and they did not have the nerve, they did not have the nerve to introduce this type of legislation for employees. So when the members opposite start their chorus of "it's not enough, it's not enough", Mr. Speaker, I caution them to remember that they did not introduce any sick leave provisions of this nature for employees at any time in this province.

To qualify for this sick leave, the employee would have to have continuous service for two years. The employee

could also be returned to a different position, but the employer is not required to take back the employee after the sick leave if there is no employment available. For example, if other workers have been laid off for the winter, or those kind of a situations for lack of work, then the employee will not get their position back automatically. There has to be work available, but it can be the kind of the work that the employee is now able to do after recovering from the injury or the illness.

In addition, this legislation will bring in parental leave of up to 26 weeks for both natural and adoptive parents. This will be an unpaid leave. The mother will be able to, of course, qualify for unemployment insurance. This is an increase from six weeks for adoption and paternity, and it was the view of the government that it should be consistent 26 weeks for all parents including adoptive parents.

It was the view of this government that the initial period of retraining that the employer goes through for the first six weeks is the most difficult period of time for the employer, and that once somebody has been placed in that position, it wouldn't matter that much if the leave was six weeks or 26 weeks because you've already had to fill that position for six weeks. So we extended it across the board, Mr. Speaker.

(2030)

In addition, this section recognizes the right to equal access to child care leave for all parents. We've now recognized equal responsibilities of fathers and mothers and have equal provisions with respect to this particular provision in the Act.

I might say that no other province has recognized this equality between parents, both father and mother, and that while the Government of Canada has longer provisions, this is one of the most generous provisions and we feel that it is very reasonable and will not be onerous upon the employer.

This Bill also introduces pro rata fringe benefits for employees. Not just minimum benefits as the former Act had, but pro rata benefits so that if you're paying part-time workers a particular benefit to full-time workers, you also have to pay that to part-time workers. Of course there's some limitations but . . . because you can't go straight across the board for very small amounts of hours, so casual employees would not qualify for this. Employees would have to have two years of continuous service and normally work more than eight hours a week or 35 hours a month to qualify.

It is the intention to phase this in over a period of time. The pension legislation is the most complicated, and we expect it will take a few months, or even a year or two, to synchronize all of the provisions in the pension legislation so that these benefits can be calculated and that the plans can be altered to allow for part-time employees. There's a clear commitment on the part of this government to equalize on a pro rata basis, benefits between full-time employees and part-time employees.

I might say also that no other jurisdiction has introduced

such significant protection for part-time workers, Mr. Speaker, and this morning my office received calls from four or five provinces inquiring as to the details of this legislation. In addition, Mr. Speaker, the public holiday pay calculation, and I might indicate here that we should probably adopt the American terminology that — and I know the members opposite don't like American terminology — but we should adopt the American terminology of vacation pay and holiday pay.

The provisions with respect to vacations remain the same and are among the most generous in Canada, and there is no change in those provisions. With respect to public holiday pay — that's for statutory holidays such as Labour Day and Christmas and all of the other statutory holidays — this Bill provides equal pro rata benefits for those public holidays, and the calculations for hourly workers will be on the basis of 3.5 per cent across the board. And at the end of each month, each worker will receive as part of their pay package, 3.5 per cent for public holidays.

Now this is not a major change in the number of holidays; it is not a change at all. It is not a major change in the amount paid, but it takes away the complicated formula of calculating the public holiday pay, which was based on the average hours worked in the previous week, and which allowed for two possibilities: it allowed for employers to adjust the shifts to avoid paying public holiday pay to all of the workers in the part-time category. Most employers did not do that, Mr. Speaker; they simply tried to pay pro rata the public holiday pays as we are now legislating. But it also made dishonest employers out of honest employers who had a difficult time calculating on the basis of this complicated formula. As a result, the complaints received at my department last year, Mr. Speaker, 40 per cent of those complaints were related to public holiday pay and vacation pay.

We feel that this simplification which has been used in the construction industry for many years, of paying 3.5 per cent per pay period for public holidays, will bring to the forefront for all of the part-time workers that they are actually receiving their public holiday pay and will limit the number of disputes between employers and employees with respect to the public holiday pay.

In addition, this Bill introduces a 30-minute paid meal break after five consecutive hours of employment. There are certain exceptions to this — where an emergency exists or where it's not practical to take the 30-minute break, or where the employer allows the employee to eat on the job, for example, at a gas station where at a slow period, they can have their lunch with them on the job and can carry on because the employee may not want to sit around for a half an hour taking their lunch break if they can get their hours in and get on with life and get home. So if they're allowed to eat on the job or if they agree to forego this break, then it isn't necessary that they have this 30-minute break.

But overall, the legislation — we'll go into the details in committee — for the first time brings in this provision that where possible and practical, the employee is entitled to a 30-minute meal break after five hours. And this is a new concept for this province. Other provinces have introduced it and it's working quite well.

With respect to other provisions, Mr. Speaker, there's now a notice of reduction in wages or working hours so that employees aren't surprised to be finding out that they are working 35 hours a week or 30 hours a week, and all of a sudden their hours are cut to 10 hours or five hours. This would give them some notice so that they could look for other employment or make preparations to get their forms and apply for unemployment insurance to adjust for the difference in hours. But some notice provisions to the employee so they know where they're at.

In addition there's a new provision in this Bill, Mr. Speaker, called reimbursement of vacation costs. And what this means is that up until now, there was no law that said the employer couldn't cancel your vacation. And if the employer does that, and you've already bought tickets to somewhere and you lose money by that, or you've got your vacation planned and you've got your down payment made on your trip, the employer, by cancelling this vacation without giving you any notice, will have to compensate you for your losses by cancelling your vacation.

Now that doesn't mean that you don't have to get approval from the employer for taking of your vacation. Once the employer agrees, the employer must stick with that or compensate you for your losses if at the last minute your trip is cancelled or you lose your deposit or anything of that nature on your tickets.

With respect to . . .

An Hon. Member: — Little bit of socialism in you yet.

Hon. Mr. Schmidt: — . . . And the members opposite say, "a little bit of socialism." I do not apologize for that, members opposite. I say this is fair, it's progressive, and it's reasonable . . . (inaudible interjection) . . . And the members opposite don't like the word "progressive," but it is progressive. That is the progressive part of our name in this government. We are Progressive Conservative Party.

Mr. Speaker, what that means is that we bring in progressive changes. We do them conservatively with thought. We are not radicals to change the world at once, but we change it gradually, in an orderly manner. That's the progressive element of this party, and it shows itself in this Bill, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Lastly, Mr. Speaker, I want to deal with the part of the Bill that deals with retail employees. With respect to retail employees who work more than 20 hours per week in establishments with 10 or more employees — that's now the existing cut-off line — they will continue to be entitled to two consecutive days off in seven.

We are including in this, one of which shall be Saturday or Sunday. Before it was simply Sunday where possible; now it's Saturday or Sunday where possible, to provide some form of weekend for the employees where Sunday is not possible.

In addition, there will be a limitation in this Bill with respect to short-shifting, Mr. Speaker. And what we mean by short-shifting is the requirement that you could have employees work split shifts. There now will be a 24-hour period, a day, and you are entitled to work that employee for eight hours for that day, and only once will you be able to require them — once in a week — require them to work more than eight hours in that day.

What it will do is cover the problem where we might get to wide open shopping of seven days a week, depending on the choice of the municipalities.

Prior to this kind of deregulation, when stores were only open one night, it was not possible to short-shift employees once per week because they could be working from 9 until 5 or 6 and then be asked to work part of the evening, and they'd been working all day. Now once per week is difficult, but if an employee were required to do that two or three days in a row, it certainly wouldn't be fair to the employee. So under this provision, the employee will not be required to work more than one short shift per week, and we feel that this will assist in the protection of, particularly, part-time employees.

I might say that this will not limit, for example, students who wish to work Saturdays and Sundays every week — will not limit them if they work less than 20 hours per week. They can work every Saturday and Sunday if they so wish. But those people who start working more than 20 hours — and we had to cut off the line somewhere — in establishments with 10 or more employees, will only be allowed to be short-shifted once per week.

So all in all, Mr. Speaker, it's my submission that as quoted in the headline in the *Leader-Post*, "Bill increases protection for Saskatchewan workers." I have indicated in my press release that this Bill does what most reasonable employers are already doing, and therefore will improve the working conditions for all employees, and in particular, those where employers have really not managed well and have not provided these benefits as they should be providing them in a fair manner. In those instances, those employers will have to pay a slight more amount of money. But for the average employer, there's not a great cost in doing what I believe most of them have already been doing, having reasonable working conditions.

But this put in law a guarantee that all employees will have reasonable working conditions; it will place in law a requirement that every employee be paid their public holidays, as has been the custom. Public holidays have existed in this country for over 70 years. So these employees will now have those kinds of protections and an employment benefits board to which they can go for a settlement of their disputes.

So therefore, Mr. Speaker, I am very pleased to move this progressive legislation for workers in Saskatchewan, and I move second reading of this Bill.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I listened

with some care to what the minister had to say. I might say that if everything he says is correct and it is a true reflection of the Bill, this may be one of the few pieces of legislation that this government will have introduced in this session that might be worth something considering in the positive sense. You might say it may very well be one of the few pieces of legislation in which the government isn't attacking somebody in a very vicious and direct way.

But we have to consider, Mr. Speaker, the comments of the minister and see how accurately they reflect what, in fact, is in the Bill in a specific way, because speaking of the intent and comparing it to what the Bill itself may say may be two different matters. I don't want to say that that's definitely so, but I think out of fairness to the public that will be affected by this legislation, we would want to do that. And so on behalf of the New Democratic opposition, I at this time adjourn the debate on this Bill.

Debate adjourned.

Bill No. 74 — An Act respecting the Production, Supply, Distribution and Sale of Milk

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. On behalf of the minister, it's my pleasure to rise before the House today to propose second reading of a Bill to introduce The Milk Control Act, 1988.

First, Mr. Speaker, I'd like to provide you with some background information regarding The Milk Control Act and also explain the intent and the purpose of this Bill. This Bill will replace the original Milk Control Act which was enacted in 1934-1935.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — The purpose of that Act was to provide control and regulation of the fluid milk industry in the province of Saskatchewan.

For a number of reasons, Mr. Speaker, it has become necessary to rewrite The Milk Control Act of 1934 to more accurately reflect the needs of the industry today and to update the Act in light of current-day activities of the board. For example, the original Act does not make clear reference to quotas and price pooling. It is intended therefore, Mr. Speaker, that the new Act will more clearly define the duties of the board and make that Act easier to understand.

I'd like to go through with you a few of the key features of the Act. The new Act provides updated and modernized wording which will allow for easier interpretation for both producers and all members of the industry.

(2045)

Secondly, a new penalty structure for contravention of the Act is provided as follows: for individuals or producer corporations, a fine of up to \$1,000, plus up to \$100 per day for each day the offence continues; for other corporations, a fine of up to \$5,000, plus up to \$500 per day for each day the offence continues.

The definition of milk has been changed to clarify that the

Act refers only to cows' milk and to avoid any confusion . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — . . . And to avoid any confusion about the inclusion of goats' milk.

And I smirk at this, Mr. Speaker, but I can tell you that it's an important part of the Act and indeed there should be a distinction between goats' milk and cows' milk.

Fourthly, Mr. Speaker, the board will be continued with Lieutenant Governor in Council appointed members and no restriction on the number of members. The Lieutenant Governor in Council may appoint a general manager to the board. Section 9, which establishes the powers of the Act, has been rewritten and clarifies the board's authority for the conduct of day-to-day operations.

Section 12, which establishes authority for board regulations and other orders, is rewritten.

Section 13 sets out a procedure for holding hearings. The old Act provided little direction on the conduct of hearings.

Section 14 provides that the board shall not hear and decide a matter unless a majority of the members present have no personal interest in the matter. Finally, appeal to the courts is allowed on a point of law or jurisdiction.

Mr. Speaker, the intent of this new Act is in keeping with our commitment to provide fairness and efficiency to the agricultural producers of Saskatchewan. Mr. Speaker, this is indeed . . . I believe the time has arrived to bring forth this legislation. As I stated earlier, The Milk Control Act is now being rewritten, it has been in place since 1934, or 1935. The Act has worked fairly well. But I believe, Mr. Speaker, on behalf of the dairy producers in the province, these changes are well warranted. I feel that they will be met with a great deal of appreciation by those affected in the industry.

And, Mr. Speaker, after some 55 years or thereabouts, I believe it is time that this Act be rewritten as we have suggested here to the Legislative Assembly. And with that, Mr. Speaker, I do move second reading of The Milk Control Act, 1988

Mr. Speaker: — Order, order. Order! Order.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, as we have seen in the last few months in Saskatchewan in the dairy industry, there would be a number of problems that have arisen out of what I believe is interference by the government members opposite. I don't know how this Bill right now will affect them. I'm in the process of ensuring that the dairy producers of this province get a fair deal. Then we won't get locked into a situation where we will be eliminating anybody from the industry, or whether we'll be discriminating against the major dairies in the province or allowing others to come into this province

and replace the milk that is produced here.

So with that, Mr. Speaker, I would like to say that I will be further looking into this Bill and will have much more to say at a later date, and I would now like to move we adjourn debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

COMMITTEE OF THE WHOLE

Bill No. 27 — An Act to adopt the Model Law on International Commercial Arbitration

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

Hon. Mr. Andrew: — Yes. With me today is Doug Moen, Susan Amrud, and Rita Vogeli.

Clause 1

Mr. Shillington: — Ill be very brief. I would like from the minister an explanation of the sort of circumstances under which this legislation would be used.

Hon. Mr. Andrew: — Well an example of where this might be used would be in the private sector. Let's say Ipsco, for example, entered into a contract with a company in China or Japan or some place else, and they decided a clause of their contract would be . . . rather than going to court on a commercial dispute, that they would mutually agree to set it to arbitration and that they could use the arbitration and the situs of that arbitration would be the province of Saskatchewan. Until we had this legislation, that could not be done.

That would be the type of situation that would be envisaged.

Mr. Shillington: — I gather that this is used in the private sector and only by two consenting parties and thus I . . . If that is the case and if the minister will confirm that, then I think I have no further questions. If there's something wrong with the legislation, I guess they can use alternative means, Mr. Chairman.

Hon. Mr. Andrew: — I can confirm to the hon. member that is what the Act says and that's the intention of the Bill.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

Schedule agreed to.

The committee agreed to report the Bill.

Bill No. 28 — An Act to amend The Matrimonial Property Act

Clause 1

Mr. Shillington: — I have no questions on this legislation.

I think its changes are appropriate and at that we'll let it go.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

Bill No. 29 — An Act respecting the Convention Between Canada and the United Kingdom of Great Britain and Northern Ireland providing for the Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters

Clause 1

Mr. Shillington: — With respect to this Bill, it had always been my assumption that such a piece of legislation was unnecessary and, in fact, now there is full reciprocity with respect to enforcement of judgements. I will take the minister's word for it that this ratification of this convention is necessary to accomplish that. The need for it is obvious. And, again, I'll let it go without any questions.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

Schedule agreed to.

The committee agreed to report the Bill.

The committee reported progress.

THIRD READINGS

Bill No. 27 — An Act to adopt the Model Law on International Commercial Arbitration

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

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

Bill No. 28 — An Act to amend The Matrimonial Property Act

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

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

(2100)

Bill No. 29 — An Act respecting the Convention Between Canada and the United Kingdom of Great Britain and Northern Ireland providing for the Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters

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

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

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Consumer and Commercial Affairs
Ordinary Expenditure - Vote 4**

Item 1

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

Hon. Mr. Meiklejohn: — Yes, Mr. Chairman. I am pleased to introduce Mr. Ron Kessler on my left, the deputy minister; on my right is Mac MacGillivray, superintendent of insurance; and directly behind me is Al Dwyer, director of administration and human resources; and beside him is Phil Flory, director of corporations.

Mr. Koenker: — Thank you, Mr. Chairperson. In some respects, Mr. Minister, this is a rather sad occasion because it's a time — and it's been quite a time since the last sitting of the legislature — this is a time when we have an opportunity to come back and review some of the details of your government's handling of the Principal Trust affair and the lack of regulatory enforcement and competency that cost 6,733 Saskatchewan individuals, in most instances their entire life savings.

I think, Mr. Minister, and I'll say this right from the start, that the actions of your Premier and of previous ministers and other ministers of your cabinet are nothing short of criminal with respect to the treatment of people who invested in First Investors Corporation and Associated Investors Corporation — that those individuals, 6,733 Saskatchewan individuals, should now stand, having lost their entire life savings because of government mismanagement, negligence, and incompetence, is a damning indictment of your Progressive Conservative government and its entire philosophy of deregulation.

I can only say that in the strongest possible terms, and I would say it stronger if it were allowed in this Legislative Assembly, because I speak for those Saskatchewan investors who can't get an answer out of you or any of your predecessors.

Now I will say to your credit that you are new to this position, but I will also say that you still bear responsibility and you still bear accountability tonight to those people who invested in First Investors and Associated Investors, respectively.

Previous ministers — your predecessor, for example, has refused consistently to talk about the issues to people outside of this Legislative Assembly. The Minister of Justice has refused to do the same; the Minister of Finance has refused to do the same; the Premier has refused to do the same.

I think it's high time tonight to have an accounting of what your government has done — or not done, as the case

may be — with respect to those investments that Saskatchewan people had in First Investors and Associated Investors.

These Saskatchewan depositors in these two corporations were victimized not only by Donald Cormie and his family, as is very evident in the Code inquiry which has taken place these last months; they were victimized not only by Donald Cormie and his clan, but they were victimized by your government, by your negligence, by your government's lack of regulatory enforcement.

Your Premier has talked about homosexuals, described them as being like bank robbers, and yet he has stood by and your ministers have stood by and allowed robbery to happen to 6,733 Saskatchewan individuals — depositors in First Investors and Associated Investors. And you, Mr. Minister, by virtue of being in the cabinet, are complicit in that crime of those investors losing their life savings.

The Premier has all sorts of concerns for personal morality of individuals on a number of topics like homosexuality and abortion, but he won't deal with public morality, the morality of his government — the immorality, maybe we should say — of seeing these life savings deposited under The Investment Contracts Act of the province of Saskatchewan obliterated in a twinkling because of Donald Cormie and his criminal activity.

I think that this is a testimony to the failure of your government to protect Saskatchewan people. The issue then is government complicity in the demise of Principal Trust and the loss of these life savings and public protection from this point on. Your Premier will fully deny his responsibility in this regard. Your predecessor has denied her responsibility as minister of Consumer Affairs. But tonight, I want to ask you how you understand your role vis-a-vis the depositors, the Saskatchewan depositors who lost their life savings in First Investors and Associated Investors. They're waiting to hear.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I find it somewhat surprising to listen to the member opposite because I know that he's a very compassionate, caring individual, and he has a sincere concern, I'm sure, about seniors and others that have invested. And I would point out that these people are investors; they did not deposit with First Investors and with Associated Investors.

But what really concerns me, Mr. Chairman, is the fact the this individual, as members opposite are so inclined to do, is once again throwing out the old scare tactics. And I find that somewhat appalling. And the reason I say that, Mr. Chairman, the reason I say that, Mr. Chairman, is that the member opposite is saying that these people have lost their life savings.

But, Mr. Chairman, I would say to you, at this time, that to this point, nobody has lost their life savings — unless you're saying that the hearing is over and that the whole case is closed and that these people have got all of the

money they're going to get. But to this point, Mr. Chairman, no one has lost their life savings, nor have they lost the money that they have invested in Associated Investors nor First Investors.

An Hon. Member: — That's as artificial as a three dollar bill.

Hon. Mr. Meiklejohn: — Well it is not artificial. I mean, if you look at the facts — you look at the facts. To this point in time, those people who have invested in First Investors have received 30 cents plus eight — so 38 cents they have received on the dollar. Associated Investors have received 30 cents on the dollar, I think, with another 5 cents pending the sale of the real estate.

Now you've been told on many occasions, and I know that you visited the Code inquiry in Edmonton yourself, and I give you credit for that, but until such time as the Code inquiry is finished, until such time as the reasons have been firmly established as to why First Investors and Associated Investors went down — until that time, there is not going to be any further settlement in so far as the investors are concerned.

That's been made quite clearly. And you've been told, I'm sure, on many occasions that the number of investors that we have is not 6,733. I don't know where you're getting that figure from because the total number of individuals that have invested in these two particular companies is 4,392, and that figure was given to your colleague last fall when you were in estimates for 1987. So I don't know where you're getting this inflated figure. But I would simply ask you to desist from saying that these people have lost their life savings and scaring them into thinking that it's all gone, because it isn't gone.

We don't have any way of knowing at this point in time that when the hearings are finished — and I know your colleagues visited the inquiry as well — there's no way of knowing until the inquiry is finished that the investors are not going to receive the full money that they have put into these two companies. So I would suggest to you, sir, that until that time is done or has come, when the hearings are finished and Code comes in with his recommendations and we see what the primary regulatory jurisdiction of Alberta is going to do, that it's really unfair for you to be saying that these people have lost their life savings.

Mr. Koenker: — Mr. Minister, this is beginning to be a bit of a disappointment, I'm sure, to the investors who are monitoring your government's actions because they're looking for you to do something a little bit different than your predecessor in this position has done, and that is to be responsive to their concerns. It seems to you to be a small matter whether they have lost 30 per cent or 100 per cent; you're just very patient with the Code process.

Yours, Mr. Minister, is a do-nothing department, a do-nothing government, and you're looking to be a do-nothing minister in this matter as well as your predecessor was. That isn't good enough for Saskatchewan people who were looking for your department and your government to monitor and to regulate The Investment Contracts Act of Saskatchewan.

Saskatchewan people have been betrayed by your government. You have an opportunity tonight to set the record straight and, if nothing else, to hold out some shred, some minuscule shred of hope for these people that they might see justice done. It hasn't occurred yet. There hasn't even been a hint of that from any of your colleagues. Why can't you tonight do the honourable thing, do the just thing, do the responsible thing, and stand up and say to those people that you understand their plight, and not only understand it, but you're prepared to go to bat for them rather than to give excuses like your predecessors have done?

Mr. Minister, I'll ask you again: what do you understand to be your legislated responsibility to these depositors?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, let me make it quite clear that I certainly do have sympathy for those individuals who have invested in these two particular companies, and I have talked to several of the investors that have invested in these two particular companies. But I would point out again, the fact of the matter is, the accepted practice is that the province where these particular institutions are licensed or registered is the prime regulator.

(2115)

We are monitoring the hearings; you know that. There is nothing further that we're going to be doing at this time. It's been reported in the media by the Premier of Alberta that if the Government of Alberta has been found to be negligent in monitoring the situation with these particular companies, that they will be looking then at compensating the investors. So until such time as the Code inquiry is finished, there is nothing that this government is going to be doing nor any of the other provinces are doing in so far as paying compensation to the investors.

Mr. Koenker: I notice that the minister had his hands folded as he was talking, and it's probably a good thing. He better be praying that some of the facts don't come out with respect to his department and his government's negligence. And it's little wonder that his government and other governments aren't willing to do anything with respect to these investors.

Mr. Minister, your government had the facts, or should have had the facts about First Investors and Associated Investors, as it was regulating through the years. Your government had the responsibility to see that they were conducting their affairs properly. And tonight you have the responsibility to be accountable — you have the accountability tonight.

Mr. Minister, this legislature is the place where the public ultimately decides who will assume responsibility for regulatory or administrative failure. You may want to wash your hands of it tonight. Your predecessors have wanted to wash their hands of it in the past, but this is the place, this is the public forum where accountability and responsibility is established, and I intend to do that tonight. People want to know who will police the police. If the Department of Consumer Affairs is unwilling to put its shoulder to the plough and to look into these matters

and to act on behalf of the public and to regulate and to give an accounting tonight, who in the world is?

Mr. Minister, the people who invested in Associated Investors, in First Investors, deposited their money and may well have taken risks with respect to the interest payment that was going to be made by Associated and First Investors. But they did not assume the risk of regulatory failure in depositing their money with the Principal Group. That was one risk that they did not assume — regulatory failure. Or do you disagree with that, Mr. Minister?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I'm pleased to see that finally the member opposite is referring us now to investments and not deposits.

I would also point out to him that to this point there certainly was no regulatory failure in the province of Saskatchewan. And it's during the Code inquiry where it will be determined whether or not there was failure on the part of the Alberta government.

Now if the member is interested in the answers to his questions, I'd like to proceed . . .

An Hon. Member: — We are listening with bated breath. We wouldn't miss a thing you've said.

Hon. Mr. Meiklejohn: — All right. There was no regulatory failure in the province of Saskatchewan, and it hasn't been established whether there has been one in Alberta.

But let me point out — now you like to make a big thing of this, and I know your colleague did in the past as well, trying to maintain that there was negligence on the part of the Government of Saskatchewan. But that was not the case at all. We were following all the procedures in same way that your government did.

Now let me point out to you a little bit of information as well. An article here then that refers to the fact that some 15 years ago, 1973, a recommendation was made at the time by the Alberta Securities Commission that the licences be pulled on these two particular companies. Why wasn't the government of the day in Saskatchewan doing something at that time? Because I think you know who was in power in 1973 in this province. Why wasn't the government of the day doing something — the NDP? Nothing was done at that time, and in all probability it was because you didn't have the information or your government didn't have the information. That's part of the problem that we have faced as well in the last while.

Let me point out another fact to you, just to get you straightened out on this. It was in 1981 that the Department of Consumer and Commercial Affairs assumed the responsibility insofar as The Investment Contracts Act. The administrative procedures respecting the filing of financial and other reports in practice in the Department of the Provincial Secretary, which had the responsibility up until 1981, were continued without change when the Department of Consumer and Commercial Affairs assumed the responsibility of the administration of this Act. And I would point out to you,

sir, that that's the same procedure that is being followed today — the procedure that was established when the NDP government was in power.

So for you to suggest that there was regulatory failure in this province and that we weren't following the proper procedures, we were following exactly the same procedures as your government had followed prior to 1981 . . . prior to 1982. The reports were filed when they were supposed to be filed, with the exception of the last one in 1987, and of course that was what triggered the whole thing, where the Alberta government pulled the licences of those two companies.

So just a couple of things for you to get straight. There was no regulatory failure in Saskatchewan; it hasn't been proved yet that there has been in Alberta — and that's one of the things that we're waiting for — but we are following the same procedures that your government followed from the 1970s right on through until 1982 when this government took over.

I would also point out that these companies have been around for a long time. They've been around for over 30 years, since the early 1950s. So, I mean, you've seen all three parties in power in this province when these companies were in existence and, in fact, were having some bit of difficulty. But for the most part, the difficulties were overcome until June of 1987.

Mr. Koenker: — Mr. Minister, it's hog-wash to say there was no regulatory failure here in Saskatchewan — pure and utter hog-wash. There was fraud in the Saskatoon office on Principal Trust during the tenure of your government, and if that isn't regulatory failure, I don't know what is. Your people, your regulatory people knew about what was going on in that Saskatoon office of Principal Trust with its sales-people, blew the whistle, but did nothing.

Mr. Minister, another one of my objections to your regulatory failure or negligence has to do with the whole issue of the Principal Group being able to place on their contracts that were sold to Saskatchewan people, representations — representations that repeated various provisions of The Investment Contracts Act.

They said, for example, that the assets of the company must be equal to all liabilities, or that licences are granted by the government to FIC (First Investors Corporation) and AIC (Associated Investors Corporation), and other Principal Group companies in keeping with the provisions of what? — The Investment Contracts Act.

And these weren't just incidental addenda to the sales pitch offered by Principal sales people; these were representations continued on documents that investors saw and read, and were referred to, that gave a level of legitimacy to the contract that was used as part of the sales mechanism. And this encouraged investors to sign contracts by virtue of your government being the regulatory agency, through The Investment Contracts Act, overseeing the affairs of the Principal Group, AIC and FIC. And it created the expectation and the understanding in the minds of Saskatchewan people that the government had investigated and regulated and in fact sanctioned the

operation of these companies, or else these companies would not be operative. Do you deny that, Mr. Minister?

Do you deny that consistently on their sales materials that the Principal Groups placed representations that led Saskatchewan people clearly to understand and to believe that your government was in fact regulating them, and that as a result their deposits were secure and safe by virtue of that regulation. Do you deny that?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I would point out to the member opposite that this same type of questioning was asked last year, and I could probably give you the same answer if you'd like, or I could refer you to *Hansard*, October 27, 1987, because at that same time you were saying that the investors were under the impression, certainly, that everything was okay, and as far as we knew everything was okay.

You're well aware of the fact then that Alberta had prime jurisdiction with regard to these companies. We had not received any information from Alberta to the contrary that there was anything wrong in so far as these companies were concerned, so there was really no reason for my department to have concern at that time as to whether or not these companies were in difficulty. Certainly, according to the latest annual report that was filed in the spring of 1986, everything was in order as far as our department was concerned, and there was no indication that those companies were in difficulty at that time. So we hadn't received any information from Alberta to state otherwise.

Mr. Koenker: — Mr. Minister, at the Code inquiry there's been numerous testimonies given to the fact that the Principal Group misrepresented itself here in Saskatchewan. I have in my possession here an investment contract issued to a resident of Saskatchewan, purchased with the Associated Investors of Saskatchewan limited, and on the investment contract is the heading:

Security. You can feel secure! First Investors Corporation Ltd or Associated Investors of Canada Ltd guarantee your principal and interest. First Investors and Associated Investors are investment contract companies and are regulated by The Investment Contracts Act. Assets equal to 100 per cent of certificate liabilities must be maintained on deposit with a government approved custodian.

Now, I'm sure that you've read those words yourself, Mr. Minister, if you've reviewed any of the Principal affair. And do you not deny that this pitch from Principal, this pitch for the security of the investment by virtue of it being regulated by The Investment Contracts Act does not lead Saskatchewan people to assume that their investment is safe because the government is regulating?

Hon. Mr. Meiklejohn: — Mr. Chairman, a couple of things. I would point out again to the member opposite, as has been pointed out in the past, that the first indication of any difficulty with either of these companies that we had in Saskatchewan was in June of 1986, and the licences were cancelled two days later.

I would also point out to the member opposite, Mr.

Chairman, that with regard to his usage of the term “asset” here and what it really means — The Investment Contracts Act details the requirements here in so far as the assumption that an asset is money — is incorrect. The Act specifically defines qualified assets to include bonds, debentures, stocks, and real property.

(2130)

Now there's no doubt about it, with the decline in the value of real estate property in Alberta, that the assets as such were going down in value, to a certain extent. The monitoring by the Alberta government regulator indicated a shortfall in meeting the asset provision of the Alberta Act. On notice to the investment firm to deposit further assets to increase the value of assets held in custody to meet outstanding liabilities, the companies failed to do so, resulting in their licences being cancelled in Alberta and subsequently suspended in Saskatchewan.

Now the information that we got then, as I say, was the end of June, 1986, '87, and the licences here were cancelled immediately after that. So you can't be referring to assets then as money, because it does refer to bonds, debentures, stocks, and other property. So when they were asked to up those qualified assets, they did not do it, and that's when the licences were cancelled in Alberta.

Mr. Koenker: — Now we're getting somewhere, Mr. Minister, because you're quoting legalese. We're not interested in legalese; we're interested in the question of the public understanding of government regulation.

I want to ask you again if, when a depositor reads the kind of representation on an Associated Investors of Canada term certificate, the kind of representation that talks about security and the fact that investors can feel secure, exclamation point, quote:

First Investors and Associated Investors are investment contract companies and are regulated by the investment contract company.

Do you not think, Mr. Minister, that in the understanding of Joe or Mary public, implicit in those kinds of references is the understanding that the Government of Saskatchewan has investigated these firms?

Let's just start at that level. Do you not believe it to be the case that Joe or Mary average would understand that their government had investigated First Investors or Associated Investors, that it was regulating it, monitoring the activities such that the companies could make such a claim for security as they did on their investment contracts?

Hon. Mr. Meiklejohn: — Mr. Chairman, it has been raised on different occasions, I know, at the Code inquiry, and certainly been reported in the media, that in fact it would appear that some of the literature that the sales-people were circulating was misleading. I'm sure that the member opposite knows as well that there is a police investigation — one has taken place; I suppose it's ongoing — plus the Code inquiry. And the contracts that were returned to the investors did have a disclaimer in

bold print on them, certainly point out the fact that they weren't covered by CDIC (Canada Deposit Insurance Corporation).

And I know that individuals at first probably felt that they were investing in Principal and this would be something that would be covered, but as I understand it, when the contracts were returned it was in very clear print on there that they weren't covered by CDIC (Canada Deposit Insurance Corporation).

Mr. Koenker: — Mr. Minister, in your own mind does the invocation by Principal Trust, Associated, First Investors, does the invocation of government regulation by The Investment Contracts Act not legitimate the representation made by the Principal people? Does their invocation of The Investment Contracts Act not lend legitimacy to the representation of the Principal Group in your mind?

Hon. Mr. Meiklejohn: — Mr. Chairman, I don't think there's any question that there have been some bad selling practices that have been utilized here, and I think at the same time we have to consider the fact that we probably have had numerous financial institutions across the country that have failed, even though they were fully regulated.

You're, of course, trying to indicate here that they weren't fully regulated, and that's, of course, what the Code inquiry is going to point out as to why these two particular companies failed. Some of the information — and I haven't seen the literature that was circulated to the investors — but some of the information obviously was misleading. I believe that when some of the sales-people have been questioned on the stand in the Code inquiry, that they pointed out that some of the information that they were in fact giving to the investors, they firmly believed to be the case. And yet they have now found out that that was not the case. The guarantee was not there.

I believe in some cases that some of the investors, when they saw the change in the contract, once they had received it and went back and questioned the sales-person that there were, in fact, told for the most part that it would be covered by the Alberta government. So whether or not this is going to happen, we don't know at this point.

But certainly I would say there was misleading information going out to the investors. I know, as I indicated to you, I have talked to several of the investors, and they have indicated very clearly to me the process that was used in getting them to purchase some of these contracts, and obviously they felt that they were fully secured. But in fact they have found that that was not the case, and they learned that as soon as they received the contract in the mail.

Mr. Koenker: — Mr. Minister, how might it be that misleading information was shared with Saskatchewan investors? How might that be that misleading information was shared with Saskatchewan people?

Hon. Mr. Meiklejohn: — Mr. Chairman, the question in itself was a little bit vague, but if I'm not on track here in

answering it, I'd ask the member to ask it again.

You're wondering about how misleading information was used. I would think that this was not information that was in printed form, for the most part; this was the line, I suppose, of salesmanship that each representative was using. Certainly it's not . . . we don't have any printed information; certainly nothing was shared with the department that would give us an indication as to misleading information. We haven't received that at all. This was not shared with us.

Mr. Koenker: — Well, Mr. Minister, in the investment contract that I'm referring to tonight, the claim is made, and I'll quote again if you need to hear it once more:

First Investors and Associated Investors are investment contract companies and are regulated by The Investment Contracts Act. Assets equal to 100 per cent of certificate liabilities must be maintained on deposit with a government approved custodian.

Now do you consider that a piece of misleading information? That was shared with Saskatchewan investors. Was that misleading information in your estimation, Mr. Minister?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I would point out again that the conditions of The Investment Contracts Act were met. You're making reference again to the assets, and the assets had been deposited. The only problem was that they weren't adequate enough, and that came about through the fall in the price of the real estate. And that, of course, had been met up until last spring, and when the companies failed to put in additional assets, that's when their licences were pulled.

So there certainly was no indication there of any problem with conditions not being met, because they were. And it's when they weren't met that the licences were pulled, but the problem was caused by the decrease in the value of the real estate that was involved.

Mr. Koenker: — Precisely, Mr. Minister. And this was the problem that was apparent as far back as 1982 or 1983 or 1984 or 1985, Mr. Minister, that the assets weren't adequate, and so for people to receive an investment contract that reads: "Assets equal to 100 per cent of certificate liability must be maintained on deposit with a government approved custodian," do you not agree, leads people to assume that it's the government who is establishing whether the assets are adequate or inadequate. And if they're inadequate, the investment contract isn't issued. The company isn't even in operation because the government is there regulating. Isn't that the case, Mr. Minister, if in fact the government is doing its duty — that the assets are adequate?

(2145)

Hon. Mr. Meiklejohn: — Mr. Chairman, I would ask the member opposite: who said the assets weren't adequate? You're saying the assets weren't adequate. What regulatory body was saying they weren't adequate?

The Alberta government was saying that things were okay until last spring, and that's when they pulled the licences. You were wondering why the Government of Saskatchewan wasn't doing something.

I've indicated to you before, and I'll do it again, that we were not given any indication from the Government of Alberta that these companies were, in fact, in difficulty. Yet you're going back and saying they were in difficulty in '82 and '83 and '84. I can tell you they were in difficulty back in 1973 when the NDP were in power, but you weren't doing anything about it. You probably didn't have the information, any more than we did, that there was anything wrong with those companies.

The renewal of a licence is based on the submission of the appropriate application and payment of the prescribed fee, unless it has been previously cancelled or suspended. The requirements outlined in The Investment Contracts Act were met, so we didn't have any reason here in Saskatchewan to suspend or cancel the licences of either one of those companies.

Mr. Koenker: — Just so I understand, Mr. Minister, you just said you had no reason to suspend the licence of any of those companies based on the information you had?

Hon. Mr. Meiklejohn: — That's correct. Until the notice was given by Alberta that they were going to be suspending the licences, which I think was on or about June 29, 1987, the Government of Saskatchewan did not have any other indication that there was any difficulty with those companies. And following that, we pulled their licences, I believe, on July 2, 1987.

Mr. Koenker: — So what you're saying, Mr. Minister, is you gladly took their money and you issued them a licence. Isn't that what you're saying?

Hon. Mr. Meiklejohn: — The licences are issued following the . . . The year end, of course, is December 31. The licence is reissued pending, or not pending, but depending on the annual report that was filed for the previous year. Obviously if the year end of 1986 — December 31, 1986 — was when the licence had to be renewed, now it's impossible to have an audit done immediately, that your going to renew that licence on January 1, 1987. So the information that the Government of Alberta would use would be the final auditor's statement which was issued from 1986 and forwarded to the departments, I think somewhere around May of 1986.

The 1986 report would have been due, or would have been expected some time in the spring, probably around May, I suppose, again of 1987. And it was when that report was not forthcoming and the problems were indicated here that they were short of some of the assets that they were required to have, that the Alberta government at that point moved in and suspended their licences, and then we followed suit.

Mr. Koenker: — And what you're saying, Mr. Minister, is before the Alberta government suspended the licences of First Investors and Associated Investors, meanwhile the Government of Saskatchewan was quite happy to take the application fees put forward by these companies and

issue licences — to set these companies free to victimize the people of Saskatchewan.

Now, Mr. Minister, according to the departmental mission of the Department of Saskatchewan Consumer and Commercial Affairs annual report, 1986-1987, point number three in the general mandate, or statement of departmental mission is, I quote:

To ensure that basic standards of conduct in the market-place are upheld.

And it's precisely adherence to that kind of self-professed departmental mission or mandate, "To ensure that basic standards of conduct in the market-place are upheld," that we would expect the Department of Consumer and Commercial Affairs to do more than collect licensing fees and issue licences. But we would expect them to go further than that and read the materials that are tabled, to read the investment contracts that are sold to Saskatchewan people, and to see if in fact the representations made in the sales materials are lending an air of legitimacy to the sales process by invocation of The Investment Contracts Act and government regulation of the same.

I don't think that we're going to get very far with you on this matter. I think that we've established enough for the investment contract holders to know very clearly where you stand on this issue tonight. But before we leave it, Mr. Minister, I'm wondering if you could tell us what steps you contemplate with respect to eliminating or tightening up the kinds of misrepresentations that occurred with respect to Principal Trust? How do you propose to eliminate these kinds of misrepresentations?

Hon. Mr. Meiklejohn: — Mr. Chairman, the member opposite makes a point again with regard to the issuing of licences and what the process is, and the fact that we might be happy to take that money and issue the new licence.

I pointed out earlier in my remarks that we have followed the same procedures that were established by the NDP government back in the 1970s. And I can go through the dates here if you want, and I can tell you that your government was in some cases issuing a new licence before it was even year-end — before the end of December. And there was no way that you had any audited statement until 2, 3, 4, 5 months after the end of the year. So we're following the same procedure.

So for you to say that we're being irresponsible, and that we're issuing these new licences and taking their money without any thought for the consumers or the investors, that's just total nonsense because we're doing the same practice that you did, and I can't understand why, if you think it was okay for you, why it's not good for us to do, to follow that same process.

You asked about the steps that we're taking. The provinces across the country right now are very concerned about this. We had a meeting in Edmonton last week of the western provinces and looked at some of the steps that can be taken out here in western Canada in so far as the better sharing of information. We certainly feel

that there was information that probably the Government of Alberta should have been providing us much sooner than they did. So we're in the process of developing an agreement, a memorandum of understanding, for the sharing of information, and information that is going to be more readily available — something that's not going to be held back until something like this happens.

We also have the provinces across the country that are looking at the usage of terms like "guaranteed" and "secured" and "insured", and how they're applied in making sure that they are adhered to. There is no doubt about it that the Principal Trust affair has attracted a fair bit of attention, not just in western Canada but all across the country. Certainly some of the Atlantic provinces have also been involved in it, and I think it has pointed out the fact that all governments really need to take a look at the systems that they have had in place and that changes have to be made. So we certainly all want to ensure that a situation like this does not arise again.

We want to also look at the early warning systems that can be built in, and education, of course, is a good part of the work that our department does, and we continually are trying to make people aware of the options that are available to them, but it's not always possible to get that information out to everybody, and it's unfortunate that we can't do it. It seems that in spite of all the advertising that is done and the awareness programs that we have, that we simply can't seem to touch everybody and protect them.

Mr. Koenker: — It's more than unfortunate, Mr. Minister, it's tragic for many of the people who invested in First Investors and Associated Investors. I think we're talking about the green light syndrome — the government regulators giving the green light to financial institutions to do what they want to do. And I hear you saying tonight that while you're looking at it and you're studying the problem and you're consulting, that you've taken no steps to protect Saskatchewan investors from a reoccurrence of precisely the kinds of misrepresentation we've been talking about here tonight. Have you done anything? Do you have anything in hand that you can point to as evidence of a concrete step you've taken to deal with this problem, other than to jaw-bone about it?

Hon. Mr. Meiklejohn: — Mr. Chairman, some of the steps that have already been taken and programs that are in place — one thing that's been developed, a financial planning kit specifically designed to meet this need of taking a look at people who may be potential investors in various types of companies. We've also made amendments to the Saskatchewan Insurance Act to pave the way for a natural insurance compensation fund to compensate consumers.

Those are just a couple of the things that have been done, and we're continuing, of course, on with our education program and making people aware of some of the pitfalls, I suppose, that exist when it comes to investing their money and trying to ensure that they do look very carefully that they are investing in safe securities or investments that are going to be covered by insurance like CDIC.

Mr. Koenker: — Mr. Minister, we're not talking about

education, we're talking about action to deal with the problem of misrepresentation with respect to financial investments such as those offered by Associated Investors and First Investors. These companies used the invocation of government regulation and The Investment Contracts Act to legitimate the security of their product and to boost their sales pitch. They offered comfort to innocent investors, if we can put it that way, by their soothing words about The Investment Contracts Act and the Government of Saskatchewan as an approved custodian of the assets — guaranteeing, legitimating, securing the investments that were made. So I'm asking you about actions you've taken to deal with these kinds of misrepresentation.

Hon. Mr. Meiklejohn: — Mr. Chairman, I'd point out to the member that at the present time there is only one company, there's one company in the province that is handling investment contracts, and they have to file reports monthly, so we're monitoring that very, very closely.

We're always open to people raising concerns with us. Until such time as the end of June, first part of July of 1987, we certainly did not have complaints raised with the department with regard to any one of these companies, First Investors or Associated. So I mean, you're talking about the concerns of the investors. I know there's been a lot of contact since that time, but prior to then we didn't have complaints being raised by them — even when they were getting some of the contracts back, that they thought at first they had invested money with Principal and then found that it was maybe under the name of First Investors or Associated, that we were not getting complaints within the department from those people who had invested.

So when we get those concerns raised, certainly we act on them. But as I said, we've only got the one company right now, and we have stepped up the filing of the reports in that they now are on a monthly basis. So they're being monitored very closely.

The committee reported progress.

STATEMENT BY MR. SPEAKER

Ruling on Provisional Rule No. 33(2)

Mr. Speaker: — Before the House adjourns, I wish to make the following statement. Earlier today the new provisional rule no. 33(2) was used by this Assembly. Since this was the first time this rule was implemented, unfortunately, as the hon. members noted, it did not work as smoothly as it could have. I now wish to further clarify the matter for the future.

The new rule 33(2), provides for the deferral of divisions of debatable motions. Rule 46(2) states that the motion for first reading of a Bill is not debatable, that the motion for first reading of a Bill cannot be deferred, slipped by the entire collective House today.

Since the division bells were turned off this afternoon on the understanding that the division would be deferred, and since the division was in fact deferred, the recorded

division will take place as scheduled before orders of the day on Wednesday, June 8, 1988. However, in the future, deferral of recorded divisions on first reading of Bills will not be allowed, in compliance with rules 46(2) and 33(2).

The Assembly adjourned at 10:03 p.m.