

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING REPORTS BY STANDING, SELECT, AND  
SPECIAL COMMITTEES**

**Standing Committee on Non-Controversial Bills**

**Ms. Smart:** — Mr. Speaker, as chairperson of the Standing Committee on Non-Controversial Bills, I present the fifth report of the said committee which is as follows:

**Bill No. 30 — An Act to amend The Research Council Act**

**Ms. Smart:** — I wish to report Bill No. 30, An Act to amend The Research Council Act, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that 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. 35 — An Act to amend The Jury Act, 1981**

**Ms. Smart:** — As chairperson of the Standing Committee on Non-Controversial Bills, I wish to report Bill No. 35, An Act to amend The Jury Act, 1981, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole be waived.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that the said 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. 34 — An Act to promote Regulatory Reform in  
Saskatchewan by repealing Certain Obsolete Statutes**

**Ms. Smart:** — As chairperson of the Non-Controversial Bills Committee, I wish to report Bill No. 34, An Act to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that the said 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. 51 — An Act to amend The Enforcement of Foreign  
Arbitral Awards Act**

**Ms. Smart:** — Mr. Speaker, I wish to report Bill No. 51, An Act to amend The Enforcement of Foreign Arbitral Awards Act, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole be waived.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that the said 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. 52 — An Act to amend The Queen's Bench Act**

**Ms. Smart:** — Mr. Speaker, I wish to report Bill No. 52, An Act to amend The Queen's Bench Act, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

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

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

**Bill No. 57 — An Act to amend The Attachment of Debts  
Act**

**Ms. Smart:** — Mr. Speaker, I move that Bill No. 57, An Act to amend The Attachment of Debts Act, as non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

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

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

**Bill No. 66 — An Act respecting Justices of the Peace**

**Ms. Smart:** — Mr. Speaker, I want to report Bill No. 66, An Act respecting Justices of the Peace, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

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

#### **Bill No. 67 — An Act respecting a Traffic Safety Court for Saskatchewan**

**Ms. Smart:** — Mr. Speaker, I report Bill No. 67, An Act respecting a Traffic Safety Court for Saskatchewan, as being non-controversial.

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

#### **Bill No. 53 — An Act to amend The Provincial Mediation Board Act**

**Ms. Smart:** — Finally, Mr. Speaker, as chairperson of the Non-Controversial Bills Committee, I wish to report Bill No. 53, An Act to amend The Provincial Mediation Board Act, as being controversial.

**Mr. Speaker:** — Second reading of this Bill.

#### **NOTICES OF MOTIONS AND QUESTIONS**

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. I give notice that I shall on Friday next move first reading of a Bill to amend The Department of Finance Act, 1983 (No. 2).

I give notice that I shall on Friday next move first reading of a Bill to amend The Provincial Auditor Act.

#### **INTRODUCTION OF GUESTS**

**Mr. Saxinger:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to introduce to you, and through you to the members of this Assembly, Mr. John Weyland from Bruno, Saskatchewan. He's sitting in your gallery.

Mr. Weyland came from Luxembourg, Germany in 1920. He's accompanied by his son-in-law, Percy Schmeiser, a former MLA of this Assembly. It's Mr. Weyland's first visit to the Assembly of this House.

It's also a very special occasion for him today as he celebrates his 98th birthday. Mr. Speaker, I would like to wish Mr. Weyland a very happy birthday, and I would ask this Assembly to help me welcome such a guest.

**Hon. Members:** Hear, hear!

**Mr. Tchorzewski:** — May I also extend our welcome to the gentlemen who have just been introduced, and say welcome to Mr. Schmeiser, the former MLA for a part of the constituency which I represented at one time as well.

And while I'm on my fee, Mr. Speaker, through you I would like to introduce another group of people of a different generation who are here today. They are 42 students from Dr. George Ferguson School in the constituency of Regina North East in the city of Regina. They are here to learn from their experience in the legislature. They are accompanied by Mrs. Burns, Mrs. Wolfe, and Mrs. Hack.

I hope that they find the proceedings here of interest and of educational value and that they enjoy their stay here. I intend to meet with them for some drinks and some questions after the question period, and I look forward to that. And I invite all the members of this House to join me in extending our welcome to these students from Dr. George Ferguson School.

**Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — Thank you, Mr. Speaker. I would like to introduce to you, and through you to the Assembly, some 17 young people from my constituency of Regina South. They're sitting in the west gallery, grade 8 students from Grant Road School, and they are accompanied here today by their teacher Charlotte Henryk, along with Wayne Eaton and Gary Holt.

Hopefully they will find their visit here this afternoon informational, informative, have a little bit of fun. And although business of this Assembly could affect my timetable, I look forward to meeting with them a little bit later, determining how they enjoyed question period, perhaps taking a picture.

Yesterday was a busy day, Mr. Speaker; we couldn't even find a room to meet our school. But today, I understand we might be meeting out on the front lawn, and I look forward to that. I ask all the members to welcome these people to this Assembly.

**Hon. Members:** Hear, hear!

**Mr. Koskie:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you to the other members of the legislature, some 32 students from the Lanigan Elementary School. They're grade 2 students; they're seated in the east gallery. They're accompanied by their teachers Marlys Jantz, Lauren Featherby; chaperons Mr. Strawson, Mrs. Nugent, Mrs. Bernauer, Mrs. Daelick, Ms. Dodd, and Ms. Sono.

I want to take this opportunity to welcome the students here, and I will be meeting with you. We couldn't find a

location in the building, also, so we'll be meeting on the front lawn for questions and for refreshments. I want to welcome you here. Have a safe journey home. Would other members join with me to welcome the students.

**Hon. Members:** Hear, hear!

**Mr. Gardner:** — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the members of the Assembly, some 32 students that are here from Assiniboine School in Kamsack, Saskatchewan today. They're in with teachers Lorne Reilkoff and Allan Kondratoff.

I hope they've had a good trip in. I hope they appreciate what they're about to see in the legislature this afternoon. I hope it's educational and interesting for them. And I will meet with them right after question period for some drinks and questions and to discuss what they've seen this afternoon. I wish them a good journey home. I hope that everybody in the legislature will help me welcome them in the usual manner.

**Hon. Members:** Hear, hear!

**Hon. Mr. Tusa:** — It's also my pleasure to introduce a group of 25 grade 5 and 6 students from the Margaret McClumb School in Semans, Saskatchewan. They are here today with their teacher Miss Sonia Shewchuk, and chaperons Heather Hodgins, Gregg Marshall, Kathryn Hodgins, and Ernie Oblander. Their bus driver today is Carol MacMurchy, and I extend a special welcome to her. Carol is the daughter-in-law of a former member of this House, Gordon MacMurchy.

I look forward to meeting with them after question period. I trust they will enjoy question period. I'd just like to inform them that according to the business of the House that is before me I may be 10 or 15 minutes late, but I do look forward to chatting with you and trust you will have some questions that we can discuss.

Please extend to them a warm welcome.

**Hon. Members:** Hear, hear!

## ORAL QUESTIONS

### Cancelled Lay-offs at Central Canada Potash

**Mr. Mitchell:** — Thank you, Mr. Speaker. My question is for the minister responsible for the Potash Corporation of Saskatchewan. Mr. Minister, you've told us a number of times in this House that the reason why you're shutting down the Cory mine is because of an over-supply situation and your chairman, Mr. Childers, has made that point in media interviews as well. And you've told us, tried to impress on us at least, that PCS (Potash Corporation of Saskatchewan) is trying to maintain its market share, hold on to its market share, at least in the last few years. I want to know in light of that, Minister, why Central Canada Potash announced yesterday that it was cancelling a four-week shut-down planned for this summer and a further lay-off plan for this fall?

**Hon. Mr. Lane:** — I'm not privy to the management

decisions of Central Canada, but I . . . (inaudible interjection) . . . Well, they laugh. Obviously they continue to show a lack of understanding of the potash industry.

Mr. Speaker, let me make it clear that what I've said before, that the Potash Corporation of Saskatchewan, as an entity unto itself, has a tremendous surplus of productive capacity. And, Mr. Speaker, the Potash Corporation of Saskatchewan has had record sales. What I didn't tell the House before, Mr. Speaker, that the record sales of the Potash Corporation of Saskatchewan last year — and I emphasize the adjective "record" — still do not meet the productive capacity of the potash mines when they were taken over by the New Democratic Party; and secondly, Mr. Speaker, what I did not give to the House in my previous answers is documentations with the hon. Leader of the Opposition being vice-chairman of the potash corporation, which shows the major expansions and projects which happen to be totally false and wrong, Mr. Speaker, which have led to that overcapacity.

Mr. Speaker, all I can tell the hon. member that within the potash corporation itself as a result of the decision made by the Leader of the Opposition to expand Lanigan, the potash corporation of itself, Mr. Speaker, has never met the sales of the productive capacity set out when it was nationalized; and secondly, it still has tremendous overcapacity, Mr. Speaker.

**Mr. Mitchell:** — . . . That is so much malarkey, Mr. Minister. It's just another red herring that you're trying to draw across the path . . .

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — . . . across the path of this decision to shut down the Cory mine. You've got too much overcapacity as a result of your Lanigan expansion; then why shut down Cory? Why not just ease the Lanigan expansion into effect over the years?

We've got Central Canada Potash cancelling its lay-offs. It has so much work for its employees that it has just opened new warehouses, two in the United States and two in eastern Canada, and it has to put something in them. Now it's quite obvious that Central Canada Potash is finding an expanded market for its product.

Now does this expanded market come about as the result of the Cory closure, or does it come about because under your administration PCS has just not been marketing aggressively and is leaving the market to be divided up between the private operators?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, I appreciate the hon. member's statement of the true NDP policy regarding the potash corporation when he said, why not shut down Lanigan because of the overcapacity at Lanigan. And I frankly hope that the students from Lanigan understand the New Democratic position, which is: keep Cory going, shut down Lanigan for an additional two to three months a year; shut down Allan for an extra two to three months a year; shut down Rocanville for an extra two to three

months a year. Mr. Speaker, from what I'm told by the people of Lanigan, they're quite pleased with the government's decision to keep Lanigan going for 11 months of the year. So I'm sure many people are very disappointed to hear restated, as the member of Quill Lakes has said, which is, shut down Lanigan for another two months.

Mr. Speaker, I have indicated to the hon. member and to the public and to the *Star-Phoenix* that there have been record sales. We have been increasing our market share every year, Mr. Speaker, over the last three years. We have increased our market shares outside of the United States as well, Mr. Speaker. We have increased our market share in the first quarter of 1987, Mr. Speaker, through the potash corporation.

But, Mr. Speaker, in 1979 the NDP decided they're going to have a major expansion of Lanigan. Today the potash corporation can produce nearly twice as much potash as has ever been sold by the potash corporation, Mr. Speaker, and some difficult decisions had to be made. We're trying to rectify a situation created by the New Democratic Party; we're trying to do it fairly, and we'll do that, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — Mr. Speaker, the minister has deliberately misstated what I said. I said nothing whatever about shutting down Lanigan.

**An Hon. Member:** — Yes you did.

**Mr. Mitchell:** — I did not. I said the expansion at Lanigan is no excuse for shutting down the Cory mine, and you can't make it an excuse for cutting down the Cory mine.

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — A new question, Mr. Speaker. The union at the potash corporation mine at Allan, Mr. Gary Phillips, while saying that they would prefer to stay working 12 months a year, said he would have been willing to sacrifice some work because it feels strongly that the production cuts should be spread throughout the industry.

As Mr. Phillips said in his statement: "We were assured by the hon. minister that The Potash Resources Act would save jobs by doing this. I have no idea why it was not enforced," so said Mr. Phillips. Now you and I both know that it couldn't be enforced because it was never proclaimed, and that's what we on this side of the House don't understand. Why wasn't that Act proclaimed so that these cut-backs can fall across the whole industry?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — First of all, Mr. Speaker, I think I will, as much respect as I have for the individual member, take as a grain of salt that the union in Lanigan is prepared to have an extra two months a year shut down, Mr. Speaker, because that's not the advice I have.

The advice I have is that they are pleased to be working

the 11 months of the year. If they're volunteering extra shut-down, that is the first I have heard of it. And I have some difficulty accepting that, Mr. Speaker, but I'll certainly pass that on to the potash corporation management, that the NDP say that the union at Lanigan is prepared to shut down an extra two months of the year, which he has just said that he wanted it spread around, and that's the position taken.

Secondly, Mr. Speaker, the hon. member did say that the tremendous expansion at Lanigan, doubling the capacity of the potash corporation, is no excuse for shutting down Cory. I'll tell you, Mr. Speaker, it's simple arithmetic.

When you're producing twice as much potash in the potash corporation as you can possibly sell, Mr. Speaker, you have tremendous overcapacity. That tremendous overcapacity comes about because of the decision made in 1979, set out again with the Hon. Leader of the Opposition . . .

**Mr. Speaker:** — Order. Order, order. Order. I'd like to remind the hon. member that exhibits are not . . . Order. Order. Order.

**Mr. Mitchell:** — Mr. Speaker, you simply don't listen. I said that the union president Mr. Phillips, from the potash corporation mine at Allan. Allan, Mr. Speaker — Allan.

Now, Mr. Speaker . . .

**Mr. Speaker:** — Order. Order. Order. I'm sure we're having some difficulty in hearing the hon. member from Saskatoon Fairview, and let's give him the opportunity to ask his question.

**Mr. Mitchell:** — Thank you, Mr. Speaker. A supplementary. Isn't it true, Minister, that had the law, had The Potash Resources Act been proclaimed in September or October of last year, you would have had considerably more trouble shutting down Cory, which is a move you had planned more than a year ago according to your buddy Paul Schoenhals.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Not at all, Mr. Speaker. Let's take a look at where the potash industry was a year ago prior to this government taking the courageous act to bring in legislation and, Mr. Speaker, to make the difficult decisions with regard to the potash corporation. Potash prices, Mr. Speaker, were 50 per cent lower than they are today.

**Mr. Speaker:** — Order. Order, order. Order. Now we're having difficulty hearing the minister, and I would like to ask the co-operation of the House in allowing the minister to answer the question.

**Hon. Mr. Lane:** — Mr. Speaker, a year ago potash prices were nearly 100 per cent lower than they are today. Mr. Speaker, this government took the action which has brought stability to the potash industry. Mr. Speaker, this government has taken the action . . .

**Mr. Speaker:** — Order. Order, order. We can't hear the

minister if he's being continually interrupted, and I know the hon. members will want to hear the answer.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. We have taken the action which has brought tremendous stability to the world potash industry. We have taken the action, Mr. Speaker, that has resulted in dramatic price increases in potash. Mr. Speaker, we have taken the action to try and put the potash corporation on a sound financial footing. Mr. Speaker, we have brought in management which is considered the best in the industry.

Mr. Speaker, the hon. member, Mr. Speaker, is advocating that we shut down all the mines for a period of three months. I have stated time and time again what the policy decisions were. Mr. Speaker, we start with the fundamental problem that because of New Democratic Party decisions . . .

**Mr. Speaker:** — Order. Order. I think the minister has made his point.

**Mr. Mitchell:** — Thank you, Mr. Speaker. Mr. Minister, you just keep changing your answers every time you stand up on this question. One moment it's over-supply, and next moment it's overcapacity. You don't know what it is. I'd like to quote once again from Mr. Phillips the president of the local at the Allan mine, Mr. Minister, the Allan mine, who says: "I can't understand why Cory was moth-balled. If they get away with this, I'd hate to think of who is next." Well, who is next, Mr. Minister? Mr. Phillips' co-workers at Allan because they protested your move?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Unfortunately, Mr. Speaker, the hon. member doesn't understand that Cory is continuing to produce white product, Mr. Speaker. It is not moth-balled. The decision to moth-ball any mine is a tremendously expensive one, Mr. Speaker. To shut down a potash mine and then start it up again is, in the cost estimates, anywhere from 20 to \$50 million, Mr. Speaker.

We did not moth-ball Cory. Cory is now producing a specialized product which we believe we can sell, Mr. Speaker. The demand is there. It's a specialized product. We are trying to bring the tremendous capacity of the potash corporation more in line with world demand, Mr. Speaker. We are trying to bring that tremendous excess productive capacity in line with reality, Mr. Speaker.

We are trying to correct a decision that the now Leader of the Opposition made in 1979, Mr. Speaker. It's not easy; it's difficult. I've said that. But I do believe, Mr. Speaker, that the decision we've taken will keep people working in Allan and Lanigan and Rocanville, Mr. Speaker, 11 months of the year, which is a risk and a change that they did not want to have of working a lot less, Mr. Speaker.

#### **Lay-offs of Sask Forest Products Workers**

**Mr. Thompson:** — Thank you, Mr. Speaker. I direct my question to the minister responsible for Sask Forest Products. Mr. Minister, on Monday, 50-plus employees at the Sask Forest Products mill in Carrot River got their

lay-off notices for an indefinite period of time. The reason for these lay-offs is because Premier Cdn, which purchased the land on which the mill stands, wanted the burner shut down.

Your government's sell-off of Sask Minerals to two out-of-province companies has just cost 50 employees in an unrelated industry their jobs. How does that square with your assurance that the privatization of Sask Minerals would not cost any jobs to Saskatchewan families?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, as we have said before, the sell-off to Premier peat will not cost jobs to Saskatchewan employees. Mr. Speaker, it is important for the member to recognize the Carrot river area is an extremely dry area these days, as we've heard about some other areas of the province in recent days here, in recent days.

The peat industry is adjacent to the saw mill. The saw mill has a burner, Mr. Speaker, and that burner presents a significant danger to a wider area at a time when it's extremely dry in the area. That's all that this is related to. Mr. Speaker, I give you the assurance, and to the hon. member, the saw mill in Carrot River will be running and will continue to run. What the members should join with all of us in hoping for, praying for rain, whatever it is, at Carrot River, as we have been doing and as it relates to south-western Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Thompson:** — Supplementary, Mr. Speaker. On Monday night at 6 o'clock the workers were informed that they were being laid off indefinitely, and you indicate that that's not true.

By way of information, Mr. Speaker, and a supplementary, there had been an agreement between Sask Forest Products and Premier Cdn that Sask Forest Products would be moving the burner that you speak of in July and there would be a six weeks lay-off to facilitate that move because of the fires.

Now, however, Premier Cdn has apparently demanded that the burner be shut down now, and your government has meekly bowed to its wishes and given employees indefinite lay-offs. Why have you placed the wishes of this Quebec company ahead of the needs of Saskatchewan workers and families in this province, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, as I've said, the immediate problem is as I've described it just a few moments ago. The burner, Mr. Speaker, will be moved at Carrot River; the burner will be moved. And during the time of the move of the burner from one location to another, there will be some lay-offs.

As the member knows, as the member knows very well, there is a requirement, and justifiably so — there's a

requirement for notification of those lay-offs prior to them taking place, and I think everyone in this House would agree with that being the case.

So, Mr. Speaker, I reiterate again, no people at that saw mill, or the vast majority of employees at that saw mill will certainly not be losing any of their employment as a result of Premier peat coming into the expansion of the peat industry in the Carrot River area, which is something that should be noted as well — major expansion of the peat industry, and more jobs in the Carrot River area.

But people in the saw mill industry will not be losing their jobs as a result of it. Yes, the burner will be moved, Mr. Speaker, and that's by agreement. And everyone in the saw mill industry there knows that that's a reasonable development to take place.

And secondly, it's also very reasonable that we express some concern, and that all of us express some concern about the problems of the burner at a time when it's extremely dry in the area.

### Cancellation of Two-Price Wheat

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, in the absence of the Premier and the Deputy Premier, I would direct my question to the Acting Premier, whoever it may be.

Your government negotiating skills, or the federal government negotiating skills have cost Saskatchewan farmers a substantial part of their income — the two-price wheat system. But the Premier has said, don't worry about that because it will be compensated for by the federal government in the form of a subsidy. But now we find that that's only going to be one year.

Now, Mr. Minister, farmers are going to get compensation for the two-price wheat system in the year of the election, of the federal election, but what happens after election year? My question is: where will that lost revenue come from after election year?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well, Mr. Speaker, with regard to the two-price wheat system, I think that most agree of two things happening. One is that over the last 10 years you saw more and more wheat being produced in Ontario. They were then starting to think about producing wheat in Quebec, to the point where the projections were that 70 per cent of any benefit from two-price wheat was going to go to the provinces of Ontario and Quebec, but which traditionally has come to the province of Saskatchewan and the prairie region.

We agreed, as did other provinces, including the province of Manitoba, that in fact if the two-price wheat system went, it would be replaced by a payment process that would be part of an ongoing deficiency payment process. That is in fact . . . That isn't . . . (inaudible interjection) . . . One year, the hon. member says.

That process, that payment will continue to be made over a long period of time, as the deficiency payments will be

made by the federal government over a long period of time for the benefit of the farmers of Saskatchewan.

And I would hope that you, for once, would take your hat off and acknowledge the contribution by the federal government to the farmers of Saskatchewan. It has been significant. It has been the area of a billion-plus dollars a year, something never, ever contemplated by previous federal governments well into history.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Supplementary, Mr. Speaker. Mr. Minister, your Premier and the Premier of the province led the people to believe that there would be a separate program to ensure that the farmers in this province had compensation for the two-price wheat, and you can't complicate the issue by talking about Ontario because if we wanted to get into the issues there's much better ways of doing this.

But you gave them that guarantee and now you've double-crossed them. You and the Tory government in Ottawa have double-crossed them, and in the year of an election you're going to give them a subsidy, and the years after you're going to roll it into the deficiency payments.

Now, Mr. Minister, my question is this: what guarantees are you going to give the farms of Saskatchewan that the compensation for the moneys lost from the elimination of two-price wheat will be there in the form of a separate program every year, not just the year of a federal Tory election?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well, Mr. Speaker, the members opposite made the same false statement when the first deficiency payment was made to the farmers of western Canada. It was just prior to the vote in 1986, and they said there's nothing more than simply a method to buy votes. You campaigned upon that, you yelled about that for a whole year. One year later, Mr. Speaker, one year later a similar payment was made. There was no federal election; there was no provincial election. The reason, Mr. Speaker, is there's a government in Ottawa that cares about the Saskatchewan farmer.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, this fall there will be more payments by that same federal government, and we can only hope and wish that that government continues to be in office for the benefit of the Saskatchewan farmer. Praise the Lord, Mr. Speaker, that an NDP will never, ever be in Ottawa because there would never be a financial payment to the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — New question, Mr. Speaker. Mr. Minister, your government and the Tory government in Ottawa is doing it to the farmers of Saskatchewan again, like they've done it to them many other times. You're making a promise in an election year to take care of them, but again

there's no long-term commitment, like we've seen in programs gone by.

Mr. Minister, my question is this, and I wish you would not make light of it as you did the last question: when is your government going to stop pegging agricultural policy around your own popularity polls, and when are you going to start using agriculture policy to benefit farmers in Saskatchewan in the long term? When are you going to do that?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well, Mr. Speaker, this government has been in power since 1982, Mr. Speaker, and since 1982 we have stood behind the farmers of Saskatchewan. Every year, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — And, Mr. Speaker, we are going to continue to stand behind the farmers of Saskatchewan well into the future. And, Mr. Speaker, since 1984, since 1984, with a new federal government, they too have stood behind the Saskatchewan farmer, and we should be happy about that, Mr. Speaker, not because, Mr. Speaker, not because of some poll, and not because of some election — and the members opposite should know that; they represent virtually all city ridings — we stand behind them not because of polls or politics. That's where we come from; that's the people we represent; that's what we believe in; and we will continue to believe in that, Mr. Speaker, and we will continue to represent rural Saskatchewan.

If, on the other hand, they would wish to elect an NDP, what would you get? You would get no deficiency payment, and you would probably get a national land bank program for the federal government to buy all farm land, not only here but all across the country.

**Some Hon. Members:** Hear, hear!

#### Co-operation with Provincial Auditor

**Mr. Rolfes:** — Mr. Speaker, my question is to the Minister of Finance. Mr. Minister, I've noticed in the auditor's report a statement by the auditor which no democratic and responsible government can simply be proud of. And I quote:

I find it regrettable that, for the first time since my appointment, I must include in my annual report comments concerning a lack of co-operation in obtaining information that I consider necessary.

Mr. Minister, the Provincial Auditor is the taxpayers' watch-dog and he makes it his business to make sure that the tax dollars, taxpayers' dollars are spent according to the laws laid down by this legislature.

Mr. Minister, would you tell the taxpayers today why you refuse to co-operate with the Provincial Auditor so that he is able to perform his duties. Why, Mr. Minister?

**Hon. Mr. Lane:** — Well unfortunately, Mr. Speaker, the

auditor's report is, and I'm sure will be, a matter of some debate, but the specific examples referred to by the Provincial Auditor dealt with requests for information from the Crown Management Board which were subsequently supplied to the Provincial Auditor and that there is a stated procedure and process for him to follow, and when he's followed the process he has received the information.

#### INTRODUCTION OF BILLS

##### Bill No. 82 — An Act to amend The Litter Control Act

**Hon. Mr. Swan:** — Mr. Speaker, I move first reading of a Bill to amend The Litter Control Act.

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

##### Bill No. 83 — An Act respecting the Operation of All Terrain Vehicles

**Hon. Mr. Hodgins:** — Mr. Speaker, I move first reading of a Bill respecting the Operation of All Terrain Vehicles.

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

(1445)

#### DIVISION DEFERRED

**Mr. Speaker:** — On Monday there was a deferral of a division of the vote until this time today. Therefore that vote will now take place.

I'll repeat the motion itself. It dealt with the first reading of a Bill respecting the Consequential Amendments to Certain Acts resulting from the enactment of Certain Acts and the Passing of Certain Orders and Regulations pursuant to The Government Organization Act.

Motion agreed to on the following recorded division.

#### Yeas — 29

Muller	Toth
Duncan	Sauder
McLeod	McLaren
Andrew	Hopfner
Lane	Petersen
Taylor	Swenson
Smith	Martens
Swan	Baker
Muirhead	Gleim
Hodgins	Neudorf
Gerich	Gardner
Hardy	Kopelchuk
Klein	Saxinger
Meiklejohn	Britton
Martin	

#### Nays — 20

Rolfes	Anguish
Lingenfelter	Goulet

Shillington	Hagel
Tchorzewski	Pringle
Koskie	Calvert
Thompson	Lautermilch
Brockelbank	Trew
Mitchell	Smart
Kowalsky	Van Mulligen
Solomon	Koenker

The Bill ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF THE WHOLE

##### Bill No. 22 — An Act to amend The Wakamow Valley Authority Act

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

**Hon. Mr. Klein:** — To my right, John Edwards; to his right we've got Jim Anderson. I guess that's it.

#### Clause 1

**Mr. Calvert:** — Mr. Chairman, I welcome this opportunity to engage in some discussion with the minister concerning the Bill currently before the House which will affect funding to the Wakamow Valley Authority.

This Bill, Mr. Chairman, in essence freezes the funding for the Wakamow Valley Authority at the 1986-1987 level, and not only does it freeze that particular level of funding, but it at the same time freezes the inequity in funding to Wakamow that's existed for some time and continues to exist. And I'll want to be discussing that inequity in funding and unfairness with the minister this afternoon, and I'm hoping that we can take some time to discuss these issues thoroughly.

Mr. Deputy Chairman, perhaps before we begin, if I can just review once more some of the background and the history that's brought us to this point. Mr. Chairman, the Wakamow Valley Authority was developed, was established in the city of Moose Jaw to develop and redevelop the Moose Jaw River Valley, by the former New Democratic government prior to 1982. It was at that time a very welcome announcement by the city of Moose Jaw, and it has proven to be one of the greatest things that's happened to our community in the last number of years.

Mr. Chairman, you should know that the Wakamow Valley has the wide support of the population of the city of Moose Jaw; enjoys the broad-based support of community organizations and Moose Jaw service clubs, businesses, individuals; and has been able over its short history to reach out to the province and to the country for support and funding.

But, Mr. Deputy Chairman, the issue that is at hand here has to do with the funding of the Wakamow Valley Authority, and it remains today the lowest per capita-based funding level of the four like authorities in Saskatchewan.

Today the Meewasin Valley Authority in Saskatoon and the Wascana authority in Regina are each funded at a level of four city mills. The Chinook authority in Swift Current is funded at a level 1.85 city mills. The Wakamow Valley Authority is funded at a level of 1.6 city mills — the lowest in the province, the lowest of all four.

This Bill that we're addressing today not only freezes the total funding in dollar amounts, it freezes that in equity, and that's something we'll want to talk about this afternoon.

Perhaps to begin our discussion, Mr. Minister, I want us to be absolutely clear about your responsibility and your role in terms of funding for the Wakamow Valley. I want to be absolutely sure that indeed you are the minister responsible for making the arrangements for funding to the Wakamow Valley. I want to know if that's correct.

I want to know if it is within your power, Mr. Minister, to negotiate that funding; whether it's within your power to raise the level of that funding, lower the level of that funding; whether it's within your power to propose legislation, if necessary, to do those things. Mr. Minister, I would like you to describe your particular responsibilities in regard to the Wakamow Valley Authority in Moose Jaw.

**Hon. Mr. Klein:** — Mr. Chairman, what the member says is correct.

**Mr. Calvert:** — I asked a question, Mr. Minister. I'll ask it once more. Will you describe, Mr. Minister, will you describe, in your words, from your point of view, your understanding of your responsibility in terms of the Wascana valley authority in Moose Jaw?

**Hon. Mr. Klein:** — Mr. Chairman, I'm the minister in charge of the Wakamow Valley Authority Act, I believe is the official title. And what the member indicates is true, that as minister in charge I have a control over the budget, control being that if there were any negotiations for new funding arrangements, that that would be within my jurisdiction. And it would be a negotiated process to see if the other players that are involved in it with us would be interested.

And just as when the Act was set up by the NDP government, it was set up in an inequitable proportion compared to the other urban parks that were in existence at that time, and has been dealt with since 1982. No new negotiations have formally occurred other than the fact that because of the restraint we were not in a position to increase that funding.

The chairman and the authority of Wakamow Valley understand that. We have discussed it on more than several occasions. And the fact that there is an inequitable situation to the formula right now is in existence, Mr. Chairman, because that's how the NDP set it up.



**Mr. Calvert:** — Mr. Minister, you have described the funding formula for Wakamow as inequitable. You have been in government since 1982. Will you give a fuller explanation to this House why your government, and now you as the minister responsible, have not acted to address that situation which you consider to be inequitable.

**Hon. Mr. Klein:** — Mr. Chairman, unfortunately when we assumed office in 1982 we found a lot of errors that the NDP had made. And as we are in a position to correct the mistakes of the NDP government, we are doing that. And to name one for the member of Regina North East, is the Bill that we're talking about today.

The NDP set up the existing formula, and now they question as to why the inequity exists. Mr. Chairman, they created the inequity. As soon as our government is in a position to change the funding, we will do that. I've said that on several occasions, and I'm not embarrassed to say that. We will correct your mistake in time, just as soon as we are able to.

**Mr. Calvert:** — Mr. Chairman, just for the record and just so that this House is very clear on this point — and it's widely known and widely admitted by all that when the funding level was established for Wakamow, it was established at a level for the developmental stage of the Wakamow Valley Authority. The minister knows that. And once the authority was functioning, the funding was to be changed and raised to become more equitable with the other authorities. He knows that, Mr. Chairman.

What happened? What happened was that in 1982 this group of people got elected. That's what's happened. And we've seen the neglect that the city of Moose Jaw has received by this government, even when they had two members from the city of Moose Jaw sitting over there. They've had, Mr. Chairman, seven years, seven budgets now, six years in government, to address the situation. What have they done?

Well in 1983, rather than addressing the inequity, they went and slashed all the funding to all of the boards across the province — 20 per cent to all the park authorities across the province, 20 per cent cut. That was in 1983. That's when world oil prices were at their very highest. That's before you had a chance to run up a \$3.7 billion deficit that costs us \$330 million a year to service now.

For this minister to stand in the House and say that inequity, as he describes it, was established in 1981, cannot be addressed by 1988, leaves the people of Moose Jaw and those concerned about the Wakamow Valley really wondering about his commitment to address this inequity some time, somewhere. Well let me ask, Mr. Minister, you've made a commitment; do you want to address this inequity?

Let's have a little future look. When do you expect we might see? Next budget year? The next budget year, perhaps just as we're coming into an election? When do you see some change happening?

(1500)

**Hon. Mr. Klein:** — We wouldn't be so crass as to think of doing it when an election is forthcoming. Listen, whatever the NDP promised . . . I don't know what the NDP promised; I wasn't part of the negotiation process, you have to understand that. So if the NDP gave them a song and dance, that's their problem.

All I inherited was the legislation and the existing funding. I've been questioned on it more than several times, not only in this Assembly, but by the people of Moose Jaw. They understand where the inequity began, how the inequity was put in place. They also understand that as our provincial economy improves, so will their position. They understand that.

And I believe that, Mr. Chairman, this continual line of excessive questioning on the same topic is going to do him no good in his constituency because it's going to get you . . . they understand the position and I freely admit it. So if he wants to continue along this line of questioning I have nothing further to add than that.

**Mr. Calvert:** — Mr. Minister, then may I ask why if you have found it impossible to address the situation of funding to the Wakamow Valley, how is it then when you established the Chinook authority in Swift Current, you found it possible to establish a better rate of funding for that authority than exists for the Wakamow Valley?

**Hon. Mr. Klein:** — Mr. Chairman that was negotiated between the city and the province.

**Mr. Calvert:** — Well how is it then, Mr. Minister, you couldn't negotiate that same sort of . . . at least that same level of funding for Wakamow?

**Hon. Mr. Klein:** — Mr. Chairman, I've said it a dozen times and I'll say it again: I didn't negotiate it; the NDP did. So if the NDP negotiated a deal that the people of Moose Jaw see as unfair, they should deal with it at election time and put you out of there.

**Mr. Calvert:** — Mr. Minister, did you not say to this House somewhat earlier this afternoon, a few moments ago, that it is within your power to negotiate? Is it not within your power to renegotiate? Mr. Minister, is it not within your power to renegotiate with the Wakamow people in Moose Jaw?

**Hon. Mr. Klein:** — Certainly it is, and I've freely admitted that they are aware that a negotiation process will take place and will occur. It occurs continually year after year, and that this will occur. And things will improve for them just as it improves for our province.

Mr. Chairman, while I'm on my feet right now, as the members of the Assembly know, I had a school visit this afternoon and, with leave, if their critic is ready, the same officials would be required for the Meewasin Act, and if they wouldn't mind going into the Meewasin Act, I would beg leave to go and visit my students for a few minutes and then I would return to continue with Wakamow, if that's permissible. I don't know.

Leave granted.

**Bill No. 36 — An Act to amend The Meewasin Valley Authority Act**

**Clause 1**

**Mr. Brockelbank:** — Mr. Chairman, Mr. Minister, during the second reading of this particular Bill I made reference to a period some time ago which dealt with the reduction of the statutory amount, in this specific instance to Meewasin Valley, from five mills to four mills. And at that time the minister in charge of Meewasin Valley Authority, the hon. Paul Schoenhals, said that it was too late to do anything in this particular budget year but there could be budgetary considerations next year.

In order to determine, Mr. Minister, the reluctance of the government to reconsider this matter, I wonder if the minister could go back just a little bit in history to give us the basis of why the government has not reconsidered increasing the mill rate equivalent to Meewasin Valley, when in fact the Meewasin Valley Authority is a creator of employment in the city of Saskatoon, and Saskatoon has one of the highest unemployment rates in the province.

And, Mr. Minister, I know this wouldn't be part of your considerations, but you are a member from Saskatoon. You have a responsibility to the whole province, but you also have a responsibility to the people of Saskatoon, and Meewasin Valley, a good portion of it, is located in your constituency. And I want to know the history of the considerations with regard to a drop from five mills to four mills and no further consideration of the matter.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, I certainly am very concerned about the Meewasin Valley and think that the authority is doing a tremendous job in so far as developing and creating a much better quality of life for the city of Saskatoon.

I believe it was back in 1983, the time that you mention, that there was a 20 per cent cut-back in the funding right across the board for all of these urban parks; and the reason for it being, as I understand it, that because of the economic situation of the day. And I know that the member well understands that the Meewasin Valley Authority is funded by the university, which is, indirectly again, from the government, and also from the city of Saskatoon. So any financial changes that take place, of course, affect all three of these bodies.

As I indicated, the cut-back, as I understand it, then was to do with the economic situation of the day. And the feeling has been then that the situation has not improved since that time to enable us to allow any further increase in the grants.

**Mr. Brockelbank:** — Well, Mr. Minister, your Bill in 1983 came into effect on April Fool's Day — April 1, 1983. That's when the Bill came into force that reduced . . . it was made retroactive, and that reduced the mill rate equivalent for Meewasin Valley from five mills to four mills.

Now the minister says — and that's rather a weak excuse — the minister says, the economic conditions of the

province. Well if you look at the main economic generators in the province of Saskatchewan, one of them being resource revenues, you'll find that the resource revenues for that year, the previous year, the following year and the following year after that, remained relatively stable at a high level. And in fact about two years after 1983, the resource levels for the province were higher than they had ever been before.

And the minister stands here and says: economic conditions. Well one of the economic conditions of that day was there was higher unemployment in Saskatoon. Did the minister take into consideration that projects would have to be cut or delayed in Meewasin Valley, which is recognized for generating employment in the city of Saskatoon. Did the minister . . . did his government not take that into consideration at that time? That's one of the economic factors too.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, the one thing that the member opposite forgets — that priorities of a government, of course, are dictated by need. And I would point out to him that certainly after the PCs came to power in 1982, that there were priorities in one particular area that his government had neglected, and that was in the area of nursing home construction. I mean, the fact that you had a moratorium on for five years certainly didn't help the situation in regard to the construction of nursing home beds.

One of the priorities of this government then obviously had to be in the construction in that area, and I think that the member would agree with that.

You indicate that there is a concern about unemployment in the city of Saskatoon. I would say that certainly because of the 20 per cent cut-back that there was some loss of jobs in 1983. But I will also point out to the member that since that time there have been a fair number of jobs created in the Meewasin Valley Authority through the New Careers Corporation. And that has been very, very well received, very popular and has employed a good number of people.

So even though that isn't included in the legislation, none the less, it is government funding. It has been applied to that particular area, and I think that you would have to agree has helped to maintain the job level, certainly, in that particular area.

**Mr. Brockelbank:** — Well, Mr. Chairman, I'm really surprised at the minister dragging in extraneous matter like nursing homes. Now some members in that government over there have been using that angle for an excuse; that is their crutch. And including the member for Wilkie, that's his crutch for not doing anything, for not doing anything because they had to put priority on nursing homes.

Well I'll tell you, Mr. Minister, I was on city council in Saskatoon, and I know how quickly you got started that nursing home in Saskatoon. I'll tell you how quickly. It was at least two years after this you still had not acquired all the property to put the nursing home on, because I know the city of Saskatoon sold it to the province. And I can get you the exact dates that make a lie out of the

statement that you've made. The truth of the matter is that this minister and his other government ministers have been using this as a crutch, as an excuse.

And I strongly object, Mr. Chairman, for the minister to drag in that extraneous material about nursing homes and say that they have to make priority decisions. The priority decision, I might remind the minister, of the city of Saskatoon at that time — and I have the resolution right here in my hand — is that they wanted the funding increased to the five-mill rate. And I want to know, Mr. Minister, what did you do about that? You had an opinion from the city of Saskatoon, who has some priorities as well, to increase the mill rate equivalent to five mills, from four mills that you had knocked it down to. What did you do about that?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, the member across the way obviously isn't too concerned about the Bill that's being presented here today. Typically of the NDP, he wants to live back in the past.

But you make mention, certainly, of nursing home construction in Saskatoon. I'd point out to you that the government of the province is not just building or wasn't just building nursing home beds in the city of Saskatoon. You had indicated a little earlier that we have, and I have responsibility, not only for the city of Saskatoon but it was happening all over the province.

Maybe you don't like to talk about priorities, but I guess your priorities back at the time you were putting moratoriums on, was more of an interest in buying potash mines and this sort of thing. So if you want to go back we can probably do that.

But why don't you take a look at what we're supposed to be discussing today, and that's amendments to The Meewasin Valley Authority Act, something that's providing a very, very good service to the community of Saskatoon today. And I would point out that the amendments that have been listed here, of course, are ones that were requested by the board of directors of MVA (Meewasin Valley Authority), and some that certainly have been in need for some time.

There's no doubt about it that when new Bills, and you people were the ones that brought in The Meewasin Valley Authority Act initially, and it was a good thing, but at the same time we recognize the fact that from time to time these Bills have to be updated. And these, of course, basically were at the request of the board of directors.

I know that you have pointed out, or one of your colleagues pointed out the fact about the change in the funding, and I know that funding is always a concern. We never seem to have enough money for all of these different projects that we feel certainly are very worthwhile. At the same time, I think that we're fortunate, because of the serious problems that we've seen in the last couple of years, that we have been able to maintain the level of funding at least at what it was the year before. In many departments and in many areas there had to be many cut-backs, and certainly I feel very pleased with the fact that the Meewasin Valley Authority did not have its grant cut and that we were able to maintain it.

(1515)

And I would hope that as time goes on that we're certainly going to be able to increase it because there is a lot more work to be done. Because of the changes and holding their grants as they were in the past, there's no doubt about it that some of the projects had to be put on hold.

But I think they are moving ahead. They are doing a lot of really good things there. It's very positive for the city of Saskatoon, and as new moneys become available they'll be able to do even more. But I certainly, to this point, congratulate them and I would just like to see us move along and deal with the amendments we've got before us.

**Mr. Brockelbank:** — Well, Mr. Minister, I said my congratulations to the Meewasin authority in the second reading. And even under the circumstances, the restricting circumstances which your government has put this authority, Meewasin Valley, and other authorities in by their actions, I've congratulated them on the good job they've done, and I look forward to a bright future for Meewasin Valley, as well as the other authorities in Saskatchewan.

But it's interesting to note that the member says that I'm living in the past, because I'll only talk about this revenue-sharing cut that they've brought in in April Fool's Day in 1983. But the very . . . One of the main thrusts of this Bill is retroactivity, on behalf of the minister who brought the Bill in, and it has to do with making right something that they neglected to do a year ago.

And I want to find out, Mr. Minister, if the provisions of this particular Bill, relating to the fiscal years commencing April 1, 1987 and ending on March 31, 1988 . . . why it was necessary to make this retroactive for that period, because this is one of the main features of the minister's Bill — retroactivity — the very thing he accuses me of being in error about, of looking back. Well the minister's looking back, and I want to know why he's got that section in there. It's 18, on page 7.

**Hon. Mr. Meiklejohn:** — Mr. Chairman, the reason that that section is in there is to simply cover off the freeze for the two years, and they're outlined, of course, there. This was commencing back on April 1 of '87 and running through until the end of March in 1989. This of course had to be included in the Bill, and that's what it covers, is the freeze over that particular period of time. Any change or whatever is going to happen for the next year, there would have to be another amendment, of course, come forward, so this is to cover off those two years during the freeze.

**Mr. Brockelbank:** — Is it there, Mr. Minister . . . Is that amendment there because of benign neglect on your part? Is it benign neglect or is it just plain sloppiness? Which is it, Mr. Minister? Why wasn't that taken care of before?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, I would point out to the member that it was neither of what he's indicating. This Bill was introduced last year but the session came to a close before it was carried through to its

completion.

**Mr. Brockelbank:** — Mr. Minister, the session lasted for months and months and months. I recall it well. And you had plenty of opportunity to deal with this Bill last year. What would you have done, Mr. Minister, had the authority insisted, or had some public-spirited citizen insisted, that you pay the equivalent of five mills last year? What would you have done?

**Hon. Mr. Meiklejohn:** — Mr. Chairman, I would point out that the member opposite is dealing with hypothetical situations. That certainly was not the case. This Bill was introduced; there were other Bills that had a greater priority, and it did not reach the final stages before the session ended.

**Mr. Brockelbank:** — Was this requested by any of the authorities, or this particular authority, this particular amendment, or was it a creation of your mind?

**Hon. Mr. Meiklejohn:** — Mr. Chairman, it's a budgetary decision.

**Mr. Brockelbank:** — Well I suggest to you, Mr. Minister, that had one of the authorities, or this particular authority, applied for and insisted on the five mills last year, you would have been hard pressed to deny them the five mills. Now, it has to be because of, as I say, benign neglect or just plain sloppiness on your part because you had an opportunity to bring that Bill forward and deal with it at the last session, and you didn't.

And while I'm on my feet, Mr. Minister, you suggest to me that the New Careers Corporation has provided jobs at Meewasin Valley. Well when you've got people backed into a corner, as you have the unemployed, and especially so in Saskatoon city where the unemployment rate is higher than any other major city; when you've got them backed in the corner and you're kicking the stuffing out of them, you can offer them just about any relief that you want and they're going to take it, rather than taking another beating from you on the unemployment situation.

Now what you've been offering up till only recently, and I'm not even sure whether you've ceased that now, is mickey mouse jobs through the New Careers Corporation. You know, get your high-tech future in order, join New Careers. You get two weeks of work and then you get off for two weeks.

**An Hon. Member:** — Pick stones . . .

**Mr. Brockelbank:** — What kind of high-tech jobs are these when you're cutting brush or piling stones and you get two weeks of training, two weeks of training, and then you're off for two weeks to look for a job in an employment climate where it's the highest unemployment in the province. And the minister stands up and says this is our answer. This is our answer to jobs in Saskatoon. Can you imagine that? This is the answer of this government.

This government is not planning ahead. It has no master plan unless it provides the kind of funding that's required

by these authorities. They cannot give the kind of permanency to employees that will do a good job for those authorities. And there's no evidence around to show that those employees didn't do a good job for their authorities.

There are good jobs, and the minister should be doing everything he can to put those jobs in place, and the way he can do it is restore the funding. And I'm surprised that the minister has not been able to convince his colleagues to do that. And I don't know why he . . . maybe he didn't take a presentation to treasury board or to the budget consideration that would have reconsidered and given these jobs, these good jobs to people of Saskatoon, Regina and Moose Jaw, etc. And I want to know when the minister is going to consider this matter again.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, the member opposite likes to ramble on and on, and I certainly did not suggest that the New Careers Corporation was the answer to unemployment in the city of Saskatoon, and he knows that. I don't have any problem with the New Careers Corporation and the task that it has set out in trying to find employment and train people for different jobs. And I don't have any doubt as to how successful it's been. I think it's been very successful.

And certainly I've talked to some of the individuals who have been involved with the Meewasin Valley Authority — and I know the members opposite, of course, are not in favour of any kind of welfare reform, and that's unfortunate — but I happen to believe in the programs of the government of the day, and feel that they are being very successful and that many of these people do go on and find permanent employment following their work with authorities such as Meewasin.

Now I would point out again that the other individuals, or the other groups that are involved with Meewasin, fully understood the situation as to why the grants were maintained at the same levels. As a matter of fact, they were quite happy to see the shares remain the same. There were probably other alternatives that could have been considered, but it might have meant that the provincial share might have decreased as a percentage, and it would have meant that the city of Saskatoon would have had to probably pick up a larger amount. so I would point out that the other parties were in full agreement that they would be willing to accept the grant as it was the year previous, and I think, felt quite fortunate that indeed they did not have a cut.

So these things are all talked out and fully discussed. And I would assume that as we move into the budget discussions for the coming year, that the same thing will apply, that the authority will put forward its budget and its request for grants and, as I say, hopefully we'll be able to give an increase, but there's certainly no guarantee at this time.

**Mr. Brockelbank:** — Well, Mr. Minister, I guess the same applies to the city of Saskatoon and the University of Saskatchewan. When you've got them backed into the corner and you're giving them a beating financially . . . and you know, you, from the city of Saskatoon you took away, and from urban municipalities you took away the

automatic revenue sharing and you slashed their grants. You did the same to the university, and you've done the same to Meewasin Valley, and you've continued it over the years.

And as I suggest, if that's the best you can do, Mr. Minister, if that's the best you can do for the municipalities, the university and Meewasin Valley, I guess we have to accept it, but that doesn't say that we have to like it, Mr. Minister. And I wish that you have more influence in cabinet and treasury board than you appear to have. It's unfortunate for Saskatoon that that's the situation we're in, that your voice is not heard there, that you're not able to get these grants restored. That makes me sad. But I guess we can't do anything about that for the time being.

I can feel confident that in the future when our government has something to do with these authorities again, which we had a great deal to do with in their original creation, we will give them a sympathetic hearing — we'll give them a sympathetic hearing, I can assure the minister of that.

Mr. Minister, I want to go on to the next section following the one we've just been discussing, about the liability of authority or participating parties. And on the representations that were made to you with regard to this particular clause, were examples cited to illustrate to you the difficult liability situations that the authorities had got themselves into because of the lack of this kind of a control or legislation?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, there were no specific cases where this had presented any problem, but I think it was a matter that was discussed and raised as a concern that there may well be things that could come up in the future where other individuals who are involved with Meewasin Valley Authority, whether serving on committees or whatever. It's just a matter of expanding, including all of those people, as well as the employees. But there had been no specific type of event that had taken place that had raised this, not to my knowledge.

**Mr. Brockelbank:** — Mr. Minister, you make that comment relative to all the authorities, not necessarily specifically Meewasin. But it's a general comment, is it . . . (inaudible interjection) . . . Okay, Mr. Minister. I can understand the importance of this because you have a lot of people that contribute a lot of voluntary time to the authority as well, who I gather would be protected by the liability part of the statute here.

And I want your assurance, Mr. Minister, that what I'm saying here is reasonably accurate, that all people who work for the authority or contribute their time to the authority would have certain liability provisions that they would not previously have had, had it not been for this section.

(1530)

**Hon. Mr. Meiklejohn:** — Yes, that is correct, Mr. Chairman. As the member has indicated, there are a lot of individuals involved with Meewasin who are not paid employees; there are a lot of volunteers. And this, of

course, will protect those volunteers.

**Mr. Brockelbank:** — In conclusion, Mr. Minister, I want to say how much I appreciate the volunteers and the others in Meewasin Valley, and I'm sure other authorities too, of the time and effort they've put in, especially the volunteers who do it because they love the city and the location and they want to help. And I know they deserve recognition and credit, and I know the authorities try to provide that to them, and we should in this legislature do no less than that.

I do want to encourage you, Mr. Minister, to put stronger emphasis on the funding of the authority. And I say this not specifically to Meewasin but to authorities generally. And I think it would be wise to do that. It is a very far-sighted plan in each case, and it deserves the support . . . it had the support of this legislature in its creation, and it deserves continuing support. And I hope, Mr. Minister, that you can put more strength into your representations before budget bureau and the budget considerations in the next fiscal year.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, I'd like to thank the hon. member and also add, as well, comments with regard to the volunteers. We're all very proud of the Meewasin Valley Authority and the work that it's doing, and I'm sure that we are the envy of many other centres, not only with Saskatchewan but also throughout the country. People that visit Saskatoon often make comments about the beauty and the parks and the facilities that we have along the Saskatchewan River through the city, and there's no doubt a lot of good work is being done.

I certainly am very committed to ensuring that we get as much money as possible to help out in the provision of more services, but at the same time we have to consider that there's only so much money to go around, and we have to do the best that we can. But certainly they are doing a lot of good work.

Clause 1 agreed to.

Clauses 2 to 23 inclusive agreed to.

The committee agreed to report the Bill.

## **Bill No. 22 — An Act to amend The Wakamow Valley Authority Act**

### **Clause 1 (continued)**

**Mr. Calvert:** — Thank you, Mr. Chairman. Mr. Minister, I hope you enjoyed your opportunity to meet with your students.

Mr. Minister, if I may just ask some specific questions about the actual dollar amounts involved here and how this Bill will affect those actual dollar amounts: what was the actual dollar amount in funding in 1986-87 from the province to Wakamow, which I therefore assume will be the actual dollar amount that will be instituted not only for last year but for the year, the funding year to come?

**Hon. Mr. Klein:** — I'd like to thank the members opposite

for their co-operation in giving me leave to visit with my students. It's a big event in their life for them to come and visit the Chamber and to visit with their MLA, and thank you very much for allowing me the recess.

The funding grant to the Wakamow Valley Authority will be \$96,600.

**Mr. Calvert:** — Mr. Minister, I apologize, I was discussing the proceedings of the House.

**Hon. Mr. Klein:** — The funding in this year's budget is \$96,600.

**Mr. Calvert:** — So, Mr. Minister, that would have been the same figure then as in 1986-87?

**Hon. Mr. Klein:** — In rounded dollars they are the same figure, yes.

**Mr. Calvert:** — Mr. Minister, then could you provide me the figure ... if this legislation wasn't before the House, if the freeze was not being put into effect, what would that figure be for 1988-89?

**Hon. Mr. Klein:** — I understand \$98,300.

**Mr. Calvert:** — So in essence, this aspect of this legislation is saving your government something in the neighbourhood of \$2,000, not quite.

**Hon. Mr. Klein:** — Mr. Chairman, a rough estimate is \$2,207.

**Mr. Calvert:** — So for \$2,207 we have a Bill introduced into the Saskatchewan legislature to freeze funding. Mr. Minister, do you anticipate that you will be bringing a Bill like this again for the funding year '89-90?

**Hon. Mr. Klein:** — Well, just to put things into perspective, Mr. Chairman, and you know, I don't know what we can anticipate; I have no way of being clairvoyant. And although we find that we don't like to do what we must do, if you understand the other figures and put it in perspective, you can see where the restraint is showing up in the other urban parks, and that's why, in fairness, we affect all of these budgets in the same fashion. And as was just discussed in Meewasin, the difference in provincial funding was \$50,000; with Wascana, that we'll be doing later this day, the difference is \$139,000. So that at Wakamow, where they're only hit with approximately \$2,000, you can see that there's quite a difference.

**Mr. Calvert:** — Yes, again, Mr. Minister, I think that those figures clearly indicate the difference in funding that exists between Meewasin, Wascana, Wakamow, and Chinook. No one in the city of Moose Jaw would expect that the Wakamow funding ought to be on an exact par level with Wascana-Meewasin, but we're hoping, hoping, that in this budget year you would begin to at least narrow that gap, and that's not happening.

Mr. Minister, the arrangement, as I understand it, with the Chinook authority, is that the funding split is 50-50: 50 from the province, 50 from the city and district of Swift

Current. Mr. Minister, we were hoping, if you weren't willing to change the actual dollar amount at the funding level, that you might be willing to look at at least putting Wakamow on a par with the Chinook in terms of the split in funding. Currently Wakamow, as you know, is 40 per cent funded by the province.

Did you give consideration to bringing a 50 per cent funding from the province to put Wakamow on a par with the Chinook in Swift Current?

**Hon. Mr. Klein:** — Mr. Chairman, what the member says is right. Chinook is at 50 per cent, while Wakamow is at 40 per cent. But by the same token, Meewasin in Saskatoon is at forty and third per cent. So I suppose that back in the golden days when the NDP set up the original percentages, they probably fashioned it to some degree after the 40 per cent at Meewasin.

**Mr. Calvert:** — Well again, Mr. Minister, when we begin to look at the current situation and the future, and we saw the same thing happening with the discussions just a few moments ago in regard to Meewasin, the members on your side always want to talk about the 1970s. Mr. Minister, I'm asking you: did you give consideration in the budget year to change the formula for Wakamow to a 50-50 split?

**Hon. Mr. Klein:** — Mr. Chairman, I think it's fair to say that our discussions regarding the urban parks' budgets are ongoing, and we have good dialogue with them. We recognize the problems that exist throughout the authorities in the province, and they recognize our problems. And we certainly recognize the situation in Moose Jaw and why the member is pushing so hard.

And as I've said before, they understand that just as soon as the government finds itself in a position to do something to alter the existing formula with the Wakamow Valley Authority, that will be done. Until then we just continue our discussions and our deliberations with them and offering them the explanations that, as difficult as they might be, they accept. And hopefully one day we'll be in a position, if good times return, or when good times return to our province in the resource sector, Mr. Chairman, that the urban parks will share, as will the rest of the people in the province.

**Mr. Calvert:** — Mr. Minister, on another area that affects Wakamow that at least I personally hoped you might have addressed this year, has to do with the matter of landscape maintenance with the Wakamow authority. Just this morning I had an opportunity to drive through the valley. We had a severe wind in Moose Jaw last night. There's a fair bit of dead-fall from the trees around the valley, and it reminded me this morning that someone's going to have to clean that up, and that cost will go to Wakamow.

Mr. Minister, is it true that Wakamow is the only one of the four authorities that today must fund their landscape maintenance out of their statutory funding?

**Hon. Mr. Klein:** — Well, Mr. Chairman, it's all part of the negotiation process. For instance, in Saskatoon at Meewasin, the city picks that up, the maintenance part of

it. And so far in Wakamow, the city of Moose Jaw, we've got to negotiate details like that because they're not prepared to do that.

**Mr. Calvert:** — Well, Mr. Minister, of course the problem would be somewhat easier to deal with if the entire level of funding rose, particularly from the province's side, as you know. The city of Moose Jaw, even in these difficult times — and I mean times are as difficult for municipal governments as they are for the provincial government, if not more difficult, given the kind of cut-backs they've had to live with from your government. These have not been easy times for municipal governments.

But in the case of Wakamow in Moose Jaw, as you well know, the city of Moose Jaw has found itself able to maintain the two mill limit, its portion of a two mill share, rather than reducing to the 1.6 as you have from the provincial side. Clearly the city of Moose Jaw does support, with dollars, the Wakamow Valley Authority, and they're to be congratulated for that, and I know their support is welcomed by the Wakamow authority.

We come back then again to the funding. Did you give consideration in this funding year, Mr. Minister, to at least returning to the two mill, to going up from the 1.6 back to the initial arrangement that was made those years ago?

(1545)

**Hon. Mr. Klein:** — Well, Mr. Chairman, as I said before, that when we look at the urban parks budget, they're looked at universally. And I believe that if we went back to what might be considered an original agreement in one, we would have to, in fairness, look at the original agreements at all.

And as I said, these budgets have been thoroughly discussed with all of the authorities, who don't object strenuously. They're not objecting as much as the member from Moose Jaw is. And I find it kind of unique that I enjoy a better relationship with the authorities and their members than I do with the member from Moose Jaw.

I don't want to get into a lengthy discussion on what the said were municipal cut-backs — that will be dealt with in our next Act later in the day — because there are answers for that. and whether those cut-backs are real or not are yet to be determined. So I don't want to get into that area.

but I do want to correct something that I mentioned the other day, probably in our speech debates, that I must correct. And I mentioned that we did make available to Wakamow other government programs, and I think I mentioned New Careers. That was wrong. It was not New Careers, but rather additional funding went to Wakamow through the employment development fund. And I want that understood so that there is no problem in your mind with that regard. And I apologize for my error.

**Mr. Calvert:** — Mr. Minister, I thank you for that clarification, and indeed I realize that that is true, that the special funding of last year came through the employment development agency.

Mr. Minister, just while we're on that point then, will some funding be available to Wakamow this year from that same employment development agency?

**Hon. Mr. Klein:** — Well you see, Mr. Chairman, this is where we have been able to help Wakamow, and it doesn't particularly show up in our budget estimate, and in some way does allow a little bit of a catch-up situation for the original lack of funding that was in place. If we can qualify them for other government programs and assistance that the other urban parks don't receive, then to some degree that offsets the original funding.

If the minister in charge ... and I have brought it to his attention, as has the member from Thunder Creek who baby-sits problems on behalf of the government for the city of Moose Jaw. We have talked to him, and certainly if we are in a position to move some of the funding from there into the Wakamow Valley Authority, we would be glad to do that. And we're examining those possibilities now.

**Mr. Calvert:** — Mr. Minister, we are well now into the spring season, precariously close to the summer season when activity in the valley is at its height. How soon, from your point of view, can Wakamow expect a decision on funding from the employment development agency or from any other source of government?

**Hon. Mr. Klein:** — It's hard to say, Mr. Chairman, but we're still six weeks away from summer.

**Mr. Calvert:** — Well, Mr. Minister, I think you're going to have to correct yourself again. The Minister of Urban Affairs has just indicated to the Legislative Assembly that on June 8 we're now six weeks away from summer. Perhaps that's the problem, Mr. Chairman, in the province here — we're somewhat behind times with this government.

Mr. Minister, as a member of this legislature who represents the community most affected by Wakamow, who geographically represents the area in which the majority of the Wakamow Valley rests, I encourage you, as the minister responsible for Wakamow, to be lobbying your colleagues in cabinet and in your government to find that additional support, since you wouldn't do it through your own budget, to find some additional support from some other area of government.

Now it's my understanding that Wakamow this year has made a request of at least somewhere in the neighbourhood of \$70,000 in this regard. Is that a request that you think can likely be met?

**Hon. Mr. Klein:** — Well, Mr. Chairman, first of all, my apologies. Time flies when you're having a good time. Summer, I guess, is only a couple of weeks away.

Yes, I hear what the member is saying, and I will stay in touch with our minister in charge. I have been talking to the authority people. I know the member of Thunder Creek has been talking to the minister as well. And as I mentioned earlier, if there's any way that we can take your requests — and mine for that matter, because my

budget didn't have the room — but if there's any way that we can help Wakamow by the use of other programs that are available for purposes that it may fall within, keeping in mind the taxpayers of our province, then certainly we would like to do that. And I hear what your request is.

**Mr. Calvert:** — Well, Mr. Minister, a few moments ago in our discussions you indicated to the House that you get along better with the Wakamow board than you do with me. I'm glad you said that. You've solidified some of my political support in the city of Moose Jaw. I'd have been very concerned if you indicated to this House that we got along well.

Mr. Minister, I want you to be sure, and I want the House to be sure, that the issues that I raise in . . . and have raised when we discussed your estimates, and have raised in both our readings of this Bill, the second reading, and now in the committee — I want to assure you and the House that these are not simply my concerns, that they are indeed concerns of Wakamow and that of the people of Moose Jaw. And so I'd like to, just for the record this afternoon, read a number of quotes into the record and ask you to respond to them.

Now this is from a letter that was dated March 11, 1987 from the then board chairman of the Wakamow Valley Authority, Walter Yakiwchuk, a gentleman whom I'm sure you've met and know, and from his letter that went to a number of people in the city of Moose Jaw, he says:

Among the existing urban park authorities, Wakamow has always received the lowest tax base support. We have tried in the past to convince the province to at least return to its original funding base and preferably to match the city of Moose Jaw's contribution. Simply stated, we have not been successful.

At this time, Wakamow board was very concerned that there would be yet another cut-back in provincial funding, and so he was asking friends of Wakamow and citizens of Moose Jaw to write you, sir. He says:

Indeed, because we receive the lowest statutory support, an additional major cut-back will seriously jeopardize Wakamow's financial abilities to develop and manage our valley projects.

And I know they were happy when they didn't face that severe cut-back that was feared.

And so he, at that time, invited folks to write you personally emphasizing how significant Wakamow is to our community and emphasizing the need for provincial government funding. After receiving Mr. Yakiwchuk's letter, as you may recall, I sent a letter to you to raise those points. You responded to me with certain arguments and then copied that letter to the Wakamow board and its executive director. At that time, the executive director of the Wakamow board wrote a letter to me, and you have a copy of this letter, at least a copy was sent to Mr. D. Innes, your deputy minister at that time.

And if I may just read one or two paragraphs from the

letter from the general manager of the Wakamow Valley, another individual who I'm sure you know and I'm sure we both respect. He identified a number of points in his letter, the similar points that I've raised in our discussions. He noted:

When Wakamow was established in 1981, a funding mill rate equal to two city mills was determined. Meewasin and Wascana were operating at five of their city mills for substantially more per capita support. It was intended that Wakamow's two mills would be a minimum figure. If any change were required, it would be upwards once Wakamow got operational. In spite of these dramatic differences, a uniform 20 per cent cut was applied in 1983.

Unlike Regina ( he adds in his letter) and Saskatoon, Moose Jaw's mill rate has remained virtually at an even level for the past five years. This has resulted in Wakamow's statutory funds remaining at a constant level, and Regina and Saskatoon mill rate increases have virtually offset the cut-backs to Wascana and Meewasin.

So, Mr. Minister, I can go on with the letter; it's several pages long, and it indicates many of the points that I've raised in our discussions this afternoon. Mr. Minister, I do this to just re-emphasize, to re-emphasize that the concerns that I'm bringing to this House are not just simply mine, and they are not just somehow political concerns. They are real concerns that are being felt and expressed by Moose Jaw people and people involved in Wakamow, and that's a large number of people.

So, Mr. Minister, you will again in this budget year, the coming budget year now, will again have opportunity to review the funding for all of the valley authorities; you'll have opportunity to renegotiate with Wakamow. And so I sincerely hope that you will take into account the issues, the issue of the fairness and inequity that faces Wakamow, and that next year we won't see this kind of a Bill coming to the House, but that next year we'll see a Bill that substantially improves rather than freezes the situation facing Wakamow.

So, Mr. Minister, I'd like you just to respond to those few comments.

**Hon. Mr. Klein:** — Well, Mr. Chairman, I'd really like to wrap this up because, as important as it is, we're going around in circles. But I do appreciate the member mentioning the fact that he is concerned for the people.

That is what my concern is, is absolutely for the people, and that's why we do what we must do. As a matter of fact, the Wakamow annual meeting is soon, and I hope that this legislature will permit me the time away from this Assembly, rather than arguing some other committee stage, so that I could attend to that annual meeting

But regarding the letters — and I explained publicly at the annual meeting that unfortunately all those good people that took the time and expense to write, and then took our time and expense to respond to, was not necessary. And unfortunately it was an unfortunate exercise that was not



required. And Mr. Yakiwchuk knew that because we had discussed on several occasions the funding.

I didn't need in particular that kind of a lobby put on me. And as a matter of fact, as I indicated at the public meeting and the annual meeting, that that kind of thing almost hurts rather than helps the situation, and it wasn't necessary. Everybody knows the situation.

And you can get into the whole funding formula and how it's in existence and why it's in existence and the assessments of Moose Jaw and all the rest, how it affects the mill rate, and it simply gets back to the original thing: the original deal was set wrong, and when we hoped to be in a position to improve on that, we found that we weren't in that position.

They understood that. They understood how we're trying to help them by giving them additional funding through other areas and other programs of the government. They're looking forward to the day that our budget situation improves so that we can help them.

And I'm glad that it's on record. It is on record. And unlike what the NDP may have chosen to do in the future at the time they drew up the original agreement, there was nothing there to be found that held out any hope. Here was the formula; here was the legislation; you live by it.

We're trying to improve that. Everybody understands that. It will be done just as soon as possible. Everybody knows that. There is no lobby necessary, there are no demands necessary, and discussion and negotiation and consultation will take us to where we all want to get to.

In the meantime, all that this hassle will do, or all that the letter writing campaign will do, is probably deter the many, many good volunteers that go out and assist at that project and see that things get done and get things done that wouldn't ordinarily be done or couldn't be done without their help.

And I'm must pleased as punch to see how the volunteers and the people of Moose Jaw get behind the authority, do indeed help, and see that the Wakamow Valley Authority is operating well and efficiently as best they can under the circumstances, knowing that one day, just as soon as we can, we will be in a position to renegotiate the whole financial structure for them.

(1600)

**Mr. Calvert:** — well, Mr. Minister, I thought we were moving to a bit of a conclusion in our discussion, but perhaps I was wrong, because what we have just witnessed, Mr. Chairman, is a minister of the Crown stand in this House and say that he doesn't want to receive letters from the people of Saskatchewan. Don't you send me letters, he says, because that just might irk me and I might just turn on you.

Mr. Deputy Chairman, is that the attitude of this minister? Is that the attitude of this government? Perhaps it is. I mean, this minister is building a bit of a reputation — maybe more than a bit of a reputation in this province — for not listening, for not listening to the people of

Saskatchewan when they want to talk to him about the ward system; for not listening when they want to talk about store hours; and now he stands in the House today and says that people ought not to send him letters because it just might irk him.

He talks about the volunteers who work for Wakamow. Mr. Chairman, I can assure you that many of the letters he received — and it sounds, from what he said today, that they were substantial in number — that many of those letters came from those very same volunteers who are giving hours and hours and hours of their time because they love the valley and they love Wakamow.

Mr. Minister, is it your position that Saskatchewan residents, the residents of the constituency I represent, and other constituencies, ought not to be sending you letters? Is that your position?

**Hon. Mr. Klein:** — I didn't say that, Mr. Chairman, and it's unfortunate that the member takes that position. The people from Moose Jaw understand very well where this minister is coming from. I don't believe that I have the enemies that he says I do. They understand our position. They see me frequently. I frequent Moose Jaw an awful lot. I visit their chambers.

We'll get into the ward system and the store hours at the proper time. I'm talking Wakamow Valley. I'm talking the hundreds and hundreds of volunteers that give of their time to do that, and I was just simply mentioning the fact, and it was no threat. And he shouldn't put words in my mouth or we will be arguing this Bill until the snow flies.

And I can defend myself in Moose Jaw very easily, and I don't have any problem doing that. And I did receive many, many letters. And at the public meeting, I simply explained that that was not necessary for them to trouble themselves with that. And I get lots of letters, not only against the ward system, for instance, but for the ward system. And I don't mind receiving letters, and they can write all they want.

What I simply said, Mr. Chairman, was in the case of Wakamow Valley it wasn't necessary, because I knew the problem; the authority members knew the problem — we had discussed the problem more than several times. I discussed it openly and publicly in Moose Jaw, not here in the Chamber where nobody sees us, but out there with the real people, the people involved with it, the people that work at it — not in shame, but in pride of what our government is doing, and in pride of what the people are doing themselves.

And I congratulated them publicly and openly, as I do here, as I have done. As I said, Wakamow Valley is an example for the other urban parks around the province.

So don't go putting words in my mouth about me being hated or about me being arrogant or about me not listening. This government continues to consult and will continue to consult, and does consult and does correspond. So if you want to get off half-cocked and go start putting words in people's mouths or supplying misleading statements and all the rest of it again, as you always have a tendency to do over there, instead of

talking openly and freely about the truth, then we will be here arguing this Bill for a long time. And I don't mind doing that, because I'm ready to put in a long, hot summer and work on it till the snow flies.

**Mr. Calvert:** — Well, Mr. Minister, that makes two of us — that makes two of us. Perhaps we will be exchanging Christmas greetings in this legislature.

Now, Mr. Minister, you stand in this House, and you said, not moments ago, that the folks in Moose Jaw who are concerned about the Wakamow Valley should not have troubled themselves to write you because you understand the problems. Well then I ask, if you understand the problems, why haven't you dealt with the problems? What have you done to deal with the problems? And the answer is: nothing.

If you know the problems, why aren't you dealing with them?

**Hon. Mr. Klein:** — Mr. Chairman, if I could control the price of oil throughout the world, if I could control subsidies throughout the world, if I could increase the price of grain throughout the world, if I could sell our forest products throughout the world, if I could market our potash throughout the world at proper prices, if I could make it rain, then I suppose I could give Wakamow and all the urban parks all the funding that they would like.

But until then, until then, Mr. Chairman, all I can do is talk to the authorities and discuss and negotiate — which we are doing and which they understand — and which they are prepared, under the circumstances, to go along with. And it's just about that simple and they understand, and it's unfortunate that you don't.

**Mr. Calvert:** — Mr. Minister, it's just about this simple, it's just about this simple. If you can get a leash on the spending of your government and patronage appointments, if you'd get a handle on the advertising budget of your government, if you'd get a handle on some of the other waste and mismanagement that's so typical of your budget, there would be, Mr. Minister, ample, ample, ample funding for not only the Wakamow Valley Authority but for all of the valley authorities in our province.

Mr. Minister, this afternoon I shared with you concerns of the people of Moose Jaw, concerns of the Wakamow Valley board. I asked you if you would give serious consideration to those concerns. I'm going to ask you that one more time. In your budgeting and in your negotiations for the coming year, will you give serious concern, concern that will effect some action, to the issues that we've discussed this afternoon, the issues that have been presented to you by letter and by lobby?

**Hon. Mr. Klein:** — Well, Mr. Chairman, I don't believe that the negotiations are between the member and I in this Assembly. I believe the negotiations belong where they are: between the minister and the authority. And I can tell the member that discussions with Wakamow Valley and this government were going on about funding matters well before he was elected and sat in this Assembly.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

## **Bill No. 23 — An Act to amend The Wascana Centre Act**

### **Clause 1**

**Mr. Shillington:** Yes. Mr. Minister, a couple of questions before we get to the main issue which is item no. 5. The minister can handle this in any fashion the minister wants. I can deal with the items on a section by section basis, or we can deal with it all under no. 1. With respect . . . and I'm assuming we're dealing with all the issues under section no. 1. Mr. Minister, with respect to 14.1, I am wondering what immediate use do you plan on making of this section? Do you have some immediate use of it?

**Hon. Mr. Klein:** — Mr. Chairman, as times move along on the Wascana Centre, we find ourselves with changing times and we find it necessary to appoint other committees to deal with matters such as heritage sites and conservation and the like. And this will simply extend the powers to the authority to move along with the times and establish committees as is required, as time goes by, I suppose is the best way to describe it.

**Mr. Shillington:** — Mr. Minister, with respect to section 35.1, I'm wondering . . . I wasn't aware that any of the streets or highways within the Wascana Centre were in fact provincial highways. Which one are we referring to here?

**Hon. Mr. Klein:** — The bypass.

**Mr. Shillington:** — You're not seriously contemplating closing the bypass without the consent of the Department of Highways, are you? What do you plan on doing with the bypass? You're not going to close . . . the marginal note says, road closure. You're not going to close the bypass without the consent of the Department of Highways, are you?

**Hon. Mr. Klein:** — In reading the explanatory notes, I suppose is, it says in there, Mr. Chairman, "Notwithstanding The Highways and Transportation Act".

And then if you go down to clause 5, it excludes any portion of a provincial highway or an extension of a provincial highway within Wascana Centre. So that although I mentioned the bypass as an example, it's excluded from the closure part of it.

**Mr. Shillington:** — My more substantive questions, Mr. Minister, as you may have gathered, relate to section 5, the amendment to section 56.1.

Mr. Minister, I had pointed out to you the other day that the formula used to be based on four mills. Your government reduced that to one and a half in 1985-86, and I may say that had been the formula since the

mid-'70s — four mills. Your government reduced the criteria by which the funding of the other authorities was to be measured, to a mill and a half — in essence reduced it to 40 per cent of its former funding, and then in '86-87, held it at that; '87-88 it crept back up to 1.6 mills; '88-89 to 1.7 mills, and now is to be frozen there.

Mr. Minister, do you have any plans to restore the level of funding of the Wascana Centre to the level at which it once was, or is it going to be permanently frozen at this artificially low level?

**Hon. Mr. Klein:** — Well I suppose all I can do in response to that question, Mr. Chairman, is say that in our continued dialogue with the authority and with the partners, the city and the university, the funding formula seems to be satisfactory to our partners under and given the existing circumstances to all. I think that under the circumstances they, too, saw it as a welcome relief. We are, as you've noticed in the paper, presently redoing the long-term master plan for the Wascana Centre Authority, and it may very well be that in the near future a funding formula for the new master plan could be changed because the three partners would agree to the changes. And it's part of the ongoing and continual process.

**Mr. Shillington:** — Mr. Minister, I do not know what the other two partners said. I doubt very much, given the relationship and given the vindictive way this government has approached any person or institution which opposes them, I doubt very much, Mr. Minister, that they would publicly say that they disagree with you on it. Both the other two institutions receive very substantial grants from this government. I'm not suggesting that the city of Regina has lived under the thumb of this government and marched to the beat of its every request, but suffice it to say, you do not here truly have a truly independent authority.

(1615)

Mr. Minister, I just want to take a moment, if I may, to illustrate the extent to which this funding has fallen behind. In April of 1982 the consumer price index was 107. It's now 139.5 — I got those figures from Statistics Canada. That represents a 30 per cent increase in inflation since you people took office, or a 30 per cent decrease in the value of a dollar, which is to say the same thing.

During that period of time, Mr. Minister, in '81-82 the total budget of the province of Saskatchewan was 2.4 billion; it's now 3.6. Your spending has gone up by 50 per cent.

During that period, Mr. Minister, the spending in the authority has gone up by a negligible amount. The general grant has gone up by less than 1 per cent; the grant for maintenance for the grounds has gone up by 4 per cent — a really negligible amount when you consider that there's been 30 per cent inflation over that period of time.

Mr. Minister, I wonder when you're going to restore the level of funding to the level at which it once was and, by so doing, restore this centre as the place of great beauty

that it once was. And which I have said, Mr. Minister, on past occasions — I know this is a subjective judgement which doesn't really admit of any sort of empirical proof — but this place is not the centre it once was, it is not in the condition it once was, the maintenance is not what it once was, and it is not the place of great beauty that it once was. And I wonder, Mr. Minister, when you're going to restore it by restoring the funding to what it once was.

**Hon. Mr. Klein:** — Mr. Chairman, I'll spend a little bit more time in my response than I would like, but as I would like the member to understand some of the situation and hopefully keep this out of the realm of politics and certainly keep it out of bickering. I don't want to get involved in that, and they're tempting me to get angry, but I won't.

But Wascana Centre, Mr. Chairman, Wascana Centre truly is an independent authority. I know that the board members would feel hurt, is the best way to describe it, and so would the partners, to hear the comments of the member from Regina Centre that it isn't a truly independent authority, because it is.

For instance, in the last year I've had the pleasure and the honour of being the chairman of the Wascana Centre Authority, because it happened to be the government's turn. It's rotated amongst the three partners. The president of the university will be the next chairman, and following that will be the mayor of the city of Regina. So that as a result, I have a very close working relationship with the partners and with the entire board authority of which two city aldermen sit.

The budget is a continual discussion in my performance in my duties as the chairman. And I can tell you that in spite of the withdrawal of funding from the three partners over the last couple of years, it hasn't affected the operation; and the board authority, including the two aldermen and the mayor, are aware of that.

As a matter of fact, we have had a surplus in the last two years — a surplus. So that surplus is set aside and has nothing to do with the expansion plans for Wascana Centre, the development plans for Wascana Centre, and indeed absolutely nothing to do with the maintenance.

And I'll point this out again: when you speak about the maintenance around this building, Wascana Centre Authority acts as a third party, a contractor, to the Minister of Finance, who, as a result of his budget — it's not a cut but his spending — he says: here, this is what we're going to spend on maintenance this year; what services can you provide? The Wascana Centre Authority then comes along and says, all right, for those funds, as an independent contractor, here is the service that we will provide.

Now we say — as a customer of theirs, which is what we are — where can we save dollars without affecting anything? So they will pick a plot of land that isn't even watered, that has no sprinkler systems, that has nothing, that is barely maintained, and they say: this level is not planted; there's no use of spending any of your money there because nobody would notice the difference anyhow.

Or you might get into the area of street sweeping; you might get into the area of snow removal; whatever the government does. And it has nothing to do with what you're saying, that it's in the worst shape that it's ever been in. And that is just a derogatory remark on the poor people that work so hard trying to maintain the beautiful grounds around this legislature above all odds.

We have had a drought. I mean, I don't have to point that out to you. We have had no rain. Understandably, grass will not turn green without water. Not all of the areas are maintained under sprinklers, and have to be hand watered.

The budgets have not affected that maintenance schedule; Mother Nature has. And the maintenance schedule and the maintenance standards, Mr. Chairman, are identical this day as the day the authority was set up. So when you're slamming the appearance, you're slamming the workers that are providing the same service that has been provided over the last 25 years.

I suppose that covers pretty near all of the observations and comments of the member.

**Mr. Shillington:** — There's no point in continuing this indefinitely. I just will wrap up the comment, and my comments — with one exception, I guess; I have one more section I want to go to — wrap up my comments on this section by saying, Mr. Minister, that we disagree very strongly on this. And we register our opposition to the freezing of funding year after year after year after year on these centres.

Mr. Minister, it has . . . as I've said, inflation has decreased the purchasing power of the dollar by 30 per cent. Spending of this government, in a total sense, has gone up by 50 per cent; the freezing . . . the spending on the centre has gone up by less than 1 per cent. Mr. Minister, your standards may be the same, but the resources with which they work are not.

Mr. Minister, section 66, the amendment to section 66 — what are you intending to accomplish by this? I frankly don't see why the employees of the authority and the officers of the authority shouldn't be liable on the same basis everyone else is.

**Hon. Mr. Klein:** — Mr. Chairman, this has been discussed at the authority level with the board for quite some time now. And what we're doing here is extending legal protection that is given currently to the members — officers or employees of the authority; to include further the certain participating parties — the architect planner, the landscape adviser, the architectural advisory committee, the engineering committee, and other committees that are appointed by the authority because they're provided for by the Act and they perform responsibilities on behalf of the authority. They're all volunteers, and they provide this.

And we believe that it's just, you know, a natural extension of the legal protection that is given to the paid people that should go to the volunteers. I mean, after all, if you want to get a good class of volunteers, I think that you

should be able to provide them the same provision that you provide for the rest of the employees.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

## **Bill No. 21 — An Act to amend The Cost of Credit Disclosure Act**

Mr. Chairman: Would the minister introduce his officials.

**Hon. Mr. Meiklejohn:** — Mr. Chairman, on my left is my deputy, Ron Kessler, and behind him is Ron Zukowsky, in charge of policy.

### **Clause 1**

**Mr. Koenker:** — Mr. Chairperson, I want to start out by saying that our side of the House simply does not buy this legislation. This legislation has nothing to do with protecting the interests of consumers, and it has everything to do with protecting the interests of financial institutions, as I will show in my remarks this afternoon.

I want to say that this is shoddy, second-class legislation, particularly when it comes from the Minister of Consumer Affairs. The amendments to this legislation, the cost of credit legislation, are certainly needed. But the amendments put forth by the government are not the amendments that effect the proper disclosure of the cost of credit. These amendments are in some respects worse than no amendments at all. There is a sense in which it would be better for the interests of consumers if no amendments were proposed by this government in this legislation.

This legislation makes consumers second-class citizens by virtue of the PC government's commitment to the raw forces of the market-place, by virtue of its preferential option for protecting the interests of the financial institutions and not those of ordinary Saskatchewan families who are borrowing at variable interest rates.

This legislation reveals the *laissez-faire* capitalist attitude of this government. It leaves consumers dangling in the faces of deregulation. Effectively, there is no protection for consumers in this legislation, but there is certainly protection for the financial institutions. There's provision to assist them when it comes to disclosure of credit costs.

Effectively, Mr. Deputy Speaker, or Mr. Speaker, Chairperson . . . excuse me; a little bit of confusion there. Effectively, Mr. Chairperson, there is no means for consumers to even really effectively find out what they will be paying for their use of credit. And this legislation, let me remind you, is An Act to amend The Cost of Credit Disclosure Act and these amendments don't effect the cost of credit disclosure.

Now I want to put this into a context before I get to remarks specifically related to Bill 21 itself. This background perspective, or this context is vitally

important to understand if we are to appreciate the deficiencies of this particular piece of legislation. And it has to do with the questions of regulation in the financial sector across the country that are presently being raised in the House of Commons and elsewhere.

(1630)

I have in front of me a clipping from *The Globe and Mail* of June 2 that talks about the Royal Bank's first-half profits for 1988 jumping by 30 per cent. The Royal Bank of Canada showing a 30 per cent profit gain for the first half of 1988. And it goes on to talk about similar gains for the Toronto Dominion Bank and the Bank of Nova Scotia, and to comment that the Royal Bank's profit rose to 297 million from a restated \$228 million profit a year earlier. Clearly at issue across the country are the rising profit figures for the financial institutions.

And I have with me figures for the chartered bank, service charges, and this homes in a little bit more directly to the issue of the cost of credit disclosure when we're talking about service charges effected by financial institutions.

In this case we're talking about the five chartered banks operating in Canada and their service charges for 1987. For the Toronto Dominion Bank, \$138 million worth of service charges for last year; for the Canadian Imperial Bank, \$235 million worth of service charges; for the Scotiabank, \$113 million; the Bank of Montreal, \$283 million; the Royal Bank, \$365 million; for a grand total of \$1.134 billion in service charges.

And this, Mr. Deputy Speaker, represents an increase of over 20 per cent in service fees assessed to consumers of financial services in the big five chartered banks here in Canada.

And furthermore, these service charges don't include fees assessed for foreign exchange, for credit card fees, for loan fees, securities commissions, letters of acceptance, guarantee fees, and all sorts of other fees. These are just the basic service fees. And it's been estimated that the average Canadian household will now pay from 160 to \$300 per household in financial service fees to their financial institution where they do their savings, conduct their chequing account, and the like.

So when it comes to legislation that is dealing with the cost of credit disclosure, it's of the essence that the government proposing this legislation takes to heart the interests of Saskatchewan consumers, those people who are doing the borrowing, and not simply the interests of those people who are doing the lending.

I'll also indicate one more minor point to just substantiate how important the regulation of the financial sector has become in our day and age. It was just on June 1, that in *The Edmonton Journal*, there was an article on "Credit card rates baffling consumers." That's the name of the title of the article. And the article concludes with the observation that since 1977, the volume of credit card transactions in Canada has increased by an average of 15 per cent each year. That's an average increase of 15 per cent in credit card transactions over the course of the last 10 or 11 years.

And I think it needs to be pointed out at this point, that with respect to this Cost of Credit Disclosure Act, we're dealing with . . . among other companies that are to be regulated by this legislation, Canadian Tire Acceptance corporation. And anyone who holds a Canadian Tire credit card will be familiar with the Canadian Tire Acceptance corporation.

What they might not be so familiar with is a report from last month, in *The Globe and Mail*, that Canadian Tire Acceptance corporation, their credit division, recorded a 29 per cent profit for the past year. And this 29 per cent increase in profitability for the credit division far surpassed the revenue increase of 13 per cent for Canadian Tire Acceptance corporation.

The acceptance corporation - let's talk about profits for a minute — made a pre-tax profit of 25.5 million in 1987, accounting for 13 per cent of Canadian Tire's total profit. So clearly we have before us with this legislation, a matter of very pointed, practical concern for Saskatchewan consumers, of variable interest rate loans.

And I think it's fair to point out that the minister himself, in his opening remarks has indicated, and I quote:

Consumer demand for financial products with variable interest rate loans is substantial. Such rates expand consumer choice in financing.

Well if we take his words as truth that the demand for variable interest rate loans is expanding with consumers, then it behooves a responsible government to deal with the issue of credit disclosure. And I'm going to be dealing with the negligence and the shortcomings in this particular legislation that don't protect the interests of Saskatchewan consumers.

Mr. Deputy Speaker, I would like to continue by saying that at the very least, that at the very least Saskatchewan consumers ought to be able to look at this legislation and point to something in it, something in the legislation that speaks to consumer protection. And do we find it in this legislation? No we don't. There is precious little that speaks to consumer protection in this legislation; there's considerable that speaks to the protection of the financial institutions and their interests.

And as I alluded earlier, Mr. Deputy Chairperson, the issue of bank service charges and the regulation of financial institutions continues to be more and more in the forefront of the Canadian population and of Canadian legislators — legislators who are responsible to the interests of consumers, and responsive to the interests of consumers.

It was just on Monday of this week on June 6 that the House of Commons Finance Committee tabled their report or their Bill which would set a precedent by forcing financial institutions to eliminate some of their service charges. Now obviously this Bill drew furious reaction from the vested interests of the financial community and particularly those of the big five banks whose profits and whose gouging of consumers I've mentioned earlier in my remarks.

Little wonder then, Mr. Deputy Chairperson, little wonder then that this government in Saskatchewan doesn't dare to tackle the interests of consumers. The federal politicians are doing that and are responsible in addressing the issues of consumer concern and protecting consumers from unfair service charges, are studying the issue of effective and efficient cost of credit disclosure.

And yet, what does this minister and what does this government do? It brings in cost of credit disclosure legislation that scarcely effects disclosure at all, in fact, legislation that begs the question.

I want to continue by indicating that it was non other than the Minister of Finance federally, Mr. Michael Wilson, who proclaimed his interest in the report based on its call for consumer protection measures to be written into the Bank Act, to be written into the Bank Act federally.

And it's section 201 of the federal Bank Act that has been under review in Ottawa these last weeks and months. In fact the House of Commons Standing Committee on Finance and Economic Affairs has been having hearings with the expressed purpose of looking at charges for personal financial services.

And I would just like to read into the record, so that the people of Saskatchewan fully understand what responsible legislators in Ottawa are doing with respect to issues that are contained in this cost of credit disclosure legislation, what responsible federal legislators are doing with these issues. They're studying them; they're not rushing in haste to protect the interests of the financial institutions.

And I would like to quote from the order of reference for the federal committee:

Witnesses will be called at the discretion of the Chair, and the committee will review representations concerning the adequacy of section 201 of the Bank Act, and regulations thereunder to determine whether:

- (a) present regulations ensure that the customer has sufficient knowledge of charges for the keeping of an account.
- (b) posting the notice in a readily accessible place in the branches of a bank is a fair and reasonable way of notifying customers of changes in charges for the keeping of an account.

And I would say, parenthetically, here that this is precisely the issue that's at stake in section 3 of this Bill, whether the posting of notice in a readily accessible place is, in fact, a fair and reasonable way of effecting disclosure.

The Minister of Consumer Affairs would lead us to believe with this legislation that in fact that is the case, that just simply by virtue of posting a notice in a public place that the financial institution effects disclosure and consumers are protected. This side of the House says that is not the

case. It is not nearly so simple or simplistic as posting a notice if you're to protect the interests of Saskatchewan consumers. And the federal legislators, in their order of reference, are addressing that particular issue very, very squarely and deliberately.

To continue, and I quote:

- (c) any new charges for the keeping of an account can be effected without prior consent of the customer in whose name the account is kept.
- (d) a right to written notification of changes in charges and a right to advanced authorization of new charges can be waived by consumers.
- (e) current charges and recent changes in charges for the keeping of an account are reasonable and fair.

And I would say, parenthetically here, that it's precisely the use of the term "reasonable", again in section 3 of this legislation that, practically speaking, effects no protection for Saskatchewan consumers. And simply by virtue of changing that word "reasonable" in section 3 once or twice, the minister responsible could have protected the interests of Saskatchewan consumers and effected disclosure at the same time by simply changing the terminology "reasonable" into "pre-agreed", but it was too much trouble, too much trouble, and, dare I say, perhaps too much of a preferential option on behalf of consumers and not enough of a give-away to the financial institutions.

(1645)

So we see very clearly where the interest of this minister are in protecting Saskatchewan consumers; where he can't even make a minuscule change, a reasonable change that clearly effects disclosure on the front end of things by virtue of a term like "pre-agreed", so the consumers know where they stand, other than saying "reasonable", as this legislation does.

And so I can say to the Minister of Consumer Affairs: Minister of Consumer Affairs, you be reasonable and protect the interests of Saskatchewan consumers. And your interpretation of what reasonable is is going to differ very, very widely from my interpretation of what reasonable protection for Saskatchewan consumers is. And I say to you, Mr. Minister, that this legislation is not reasonable protection for the interests of Saskatchewan consumers, and I think that if Saskatchewan consumers knew about this legislation, they would smell the rat, and they would insist on "pre-agreed" being written into this legislation so that their interests would be more adequately protected.

This is a betrayal of Saskatchewan families and Saskatchewan consumers of financial affairs, as my colleague from Saskatoon Eastview has indicated. It's an abrogation of ministerial responsibility. I say it is an abomination to bring in legislation that affects, that purports to effect the cost of closure discredit, and can't even use a simple term like "pre-agreed" to effect that disclosure on the front end.

And as I've been saying, Mr. Chairperson, the federal legislators know fully well that they have an obligation to protect the interests of the Canadian public before they have an interest to protect the private interests of the Canadian financial community.

And I'll just conclude by again quoting from the term of reference, for this federal finance committee:

The purpose of this review is to determine whether section 201 of the Bank Act, and the regulations pursuant thereto, are in need of revision. The increasing role of non-bank financial institutions in the provision of retail banking services, and the intended future application of section 201 to these institutions, is recognized.

Very clearly, Mr. Chairperson, very clearly the federal legislators know the importance of looking at the role, not only of conventional financial institutions such as the chartered banks, the credit unions, or the trust companies, but the federal legislators are looking at the effectiveness and the need for revision to section 201 of the Bank Act with respect to non-conventional, non-traditional, non-bank financial institutions.

And what might those institutions be? Some of the very institutions that are regulated provincially by this legislation, some of the very institutions that this Progressive Conservative government opposite bears responsibility to regulate, but it chooses not to with Bill 21.

And so I say that this legislation, although it is not well-known to Saskatchewan public, is very central to their interests when it comes to the issues of financial service charges, adequate disclosure of those service charges, and the issues pertaining to deregulation of financial services that this provincial government is committed to, as we have seen not only in this legislation but with respect to its action taken with Principal Trust.

Really an abandoning of the interests of consumers, a *laissez-faire* kind of attitude toward the market place. We'll let the institutions do what they want to do unless and until they're actually caught in the act of robbery, and sometimes even then we won't stop them.

Now are there options for the minister? Are there options when it comes to the question of disclosure of the cost of credit when it comes to Bill 21? Well there are several possible ways that the minister or the financial institutions, by way of regulation, can effect cost of credit disclosure. One option is to do what's done with the credit card rate. There is simply no change in the rate in credit cards unless and until you have received written notice of that change.

Is that what's put forth as the option here? Is that the option acted on in Bill 21, that there's no change in the rate unless and until written notice has been received? Hardly. Hardly the option pursued here, because that would put too much of a burden on the lender. Oh, we mustn't have that. We'll let the . . . that would limit the freedom of the lender. And so we'll let them provide

written notice after the fact.

A second option would be to simply post notice or have no notice at all of any change in the cost of credit for the borrower. The minister here has gone half-way. He said that, well, we can't have no disclosure at all; that wouldn't be fair to the borrower. What we'll do is we'll allow for the posting of notice in the place of business. And what we effectively have with that kind of decision is that the borrower now bears responsibility for disclosure of the cost of credit to himself or herself.

Now I would like to say, and this is of the essence, Mr. Chairperson, that another option — and this would have been the preferred option, the simple solution — the third option would be to require in the legislation itself that changes in the cost of credit are only allowed within a certain scope; in other words, to set some parameter in the legislation itself such that the public knows, the financial institutions know, that there shall not be increases in variable interest rates beyond X percentage point.

What that percentage point ought to be is open to debate. But what that kind of provision would have done, had it been inserted in section . . . in this legislation, what that would have done, it would have allowed for consumers to be ensured of notification and of disclosure of the cost of credit when there was a variable interest rate change.

And what we're talking about with variable interest rate changes are rapid changes, potentially rapid changes in the interest rate, based on it being pegged to the prime rate at the Bank of Canada or the prime rate of some other financial institution. This can change weekly; it could possibly change even more often.

The point is that we're talking about variable interest rate loans; we're talking about loans that, for the most part now, the interest rates are relatively stable. And so the issue isn't quite as pointed as it might have been, let us say, six or seven years ago, or as it might be six or seven months from now.

Therefore the need, for the sake of the future, is to put some kind of parameter or context in how much these variable interest rate loans can float.

And so in the legislation itself, to say that the interest rate shall not exceed more than 2 per cent or 3 per cent or 4 per cent without written notice being served to the borrower, or consumer of services, would have effected disclosure of the cost of credit in a far more adequate way than the provision that we find in this legislation.

That would have been fair and positive for the lender. It also would have been equitable for the borrower. The lender would have been relieved from the burden of providing written notice for even minor changes, but the significant point would be that the borrower's mind would be jogged by that written notice received when, let's say, the interest rate increased by 2 per cent, and the borrower could then make an informed decision as to whether to keep that variable interest rate loan, or to move on the trail of another financial institution and to check what that interest rate loan might be at that point.

But it's precisely the deregulation policies of this PC government that abandon that kind of provision and, in the process, abandon Saskatchewan consumers and protection for their interests. What we have is a return to the raw forces of the market-place, implicit faith in the forces of capitalism and the financial institutions to serve the interests of Saskatchewan consumers.

And I say, and members on this side of the House say, that simply isn't going to happen if you trust naively in the unbridled forces of the market-place. If you trust in the interest of the foxes to protect the interests of the chickens, it's just not going to happen.

And therein, I say, is a positive role for the government to make sure, when it brings in legislation that purports to affect the cost of credit disclosure, that that legislation in fact does effect cost of credit disclosure. A fee is always what the financial institutions want. A profit is always what the financial institutions want. And there's nothing wrong with a profit, but there is something wrong when Saskatchewan consumers aren't entitled to know what they are paying for particular financial services. And there's something even more wrong when their own government does not bring in legislation which protects their interests. It's simply that simple, Mr. Chairperson.

The consumer ought to be able — ought to be able — to point to something in this legislation that protects their interests adequately. They ought to be able to point to something that effects cost of credit disclosure.

**Mr. Chairman:** — Order. Order. Being near 5 o'clock the committee will report progress.

### **THIRD READINGS**

#### **Bill No. 22 — An Act to amend The Wakamow Valley Authority Act**

**Hon. Mr. Hodgins:** — I move that 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. 36 — An Act to amend The Meewasin Valley Authority Act**

**Hon. Mr. Hodgins:** — I move that 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. 23 — An Act to amend The Wascana Centre Act**

**Hon. Mr. Hodgins:** — 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.

The Assembly adjourned at 5:02 p.m.



**CORRIGENDUM**

In the *Hansard* No. 54A Tuesday, June 7, 1988 the word  
“employment” in the second-last line on page 1905 should read  
“unemployment”.

[NOTE: The online version has been corrected.]