

EVENING SITTING
COMMITTEE OF FINANCE

The committee reported progress.

ADJOURNED DEBATES
SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 55 — **An Act to provide for the Division of Saskatchewan into Constituencies for the Election of Members of the Legislative Assembly** be now read a second time.

Mr. Mitchell: — Thank you, Mr. Speaker. This Bill, which is The Electoral Boundaries Commission Act, is the attempt by the government to try and load the dice in its favour for the next election, and I don't intend to take the time of the Assembly to describe or criticize any of the details of the Bill. Some of my colleagues have already dealt with various aspects of the Bill, and there will be people speaking after me who will expand upon our specific criticisms. My intervention tonight, Mr. Speaker, will be brief and simple. My point is simply this: the government isn't fooling anybody. Everybody knows what the government is up to; the government is trying to steal an election.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — They want to alter the legislation to set up a way of drawing boundaries so that they can pick off a few more seats, and they hope that those extra seats will somehow return them to power in 1990. They hope to set up a situation, Mr. Speaker, where they can win the government with a relatively small percentage of the votes. It is possible — and one of my colleagues will expand upon this a little later — it is possible for this government, on the basis of the criteria set out in this Act, to win the election with a relatively small minority of the total votes cast.

Now everybody knows what the government is not doing with this Bill. The government is not trying to create a situation which is more fair than under the existing Act. The government is not repairing any defects in the present law, and the government is not trying to solve any real and legitimate problems.

This legislation, Mr. Speaker, is prompted by improper motives. The legislation is prompted by a selfish concern of this government for its own re-election. This legislation is prompted by nothing more than the desire to steal the next election. It's an abuse of the government's power, and the government should be ashamed to bring the legislation before this Assembly. Saskatchewan people are entitled to better than this. They're entitled to an honest government. They're entitled to a government that will observe a reasonable standard of decency and honesty, and they are entitled to a government that will act in the best interests of all of the people. They do not need, the people of Saskatchewan do not need, a government that tries to find a sneaky, underhanded way

of clinging to power, and that's what this government is doing, and they should be ashamed of themselves for trying to do it, and they should withdraw this bill.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Speaker, I want an opportunity to say a few words on this Bill No. 55, which is before the Assembly at this time for second reading.

Very soon, Mr. Speaker, we will be to the day of November 11. November 11 is a special day in Canada, a special day in Saskatchewan. It's the day when we remember our forefathers who went abroad, in many cases, to fight a war. It was something that was patently evident to them; it was something that was distasteful, but something that had to be done. And I can recall, Mr. Speaker, having my father tell me about that war. He fought in the trenches in France and Belgium in the First World War. He told me some of the things that happened, what the conditions were like. And he didn't like it there. He volunteered, he went, and he fought. He didn't like it, but it was a job that had to be done, and it was fairly evident that it was a job that had to be done.

But what we see before us here in Bill 55, there's a job that has to be done, but it's not quite so evident. And I think the people of Saskatchewan should be made aware of the job that has to be done with regard to this regressive legislation that's being put forward in Bill 55.

I want to briefly review, Mr. Speaker, the history of boundary drawing in the province of Saskatchewan. Now I go back, Mr. Speaker, to the 1960s, and I had the experience of being elected in 1964, and one of the first things that the new government of the day did was to do some boundary drawing. This was done in about 1965. Now that really didn't create much of a problem. What the government did — and I really respect them for this — was to divide up constituencies that had multi-member seats into single member seats - really didn't create much of a problem, and I didn't resist it.

But before the 1971 election, but after the 1967 election, we saw something happen at that time which aroused us as members of the legislature, much as my father would've been aroused when he saw a system being imposed on the people of Europe which could eventually be imposed on the people of this country, and he went and he fought it.

And we fought it in this Chamber, Mr. Speaker. But we were unable to stop the government of the day because they had a big majority — well not a big majority, but a comfortable majority — and they brought in a boundary change.

And I recall, as the Deputy Premier was standing in the legislature a few days ago to introduce this Bill in second reading and to speak on the principle of the Bill, I recall in the '60s, Mr. Steuart — now Senator Steuart — standing in this chamber and discussing the redistribution of the electoral boundaries in Saskatchewan.

And the only difference in the two is the size, the only

difference in the two was size. The Deputy Premier is a much bigger man. And the trouble about bigger men is they fall harder. And that's what's going to happen to this government — it's going to fall harder, and it's going to fall in the next election.

Now, Mr. Steuart, in his attempt, had the full co-operation of his caucus and the support staff. And among the support staff was the person who is now the Minister of Finance — the Minister of Finance who practises a deception on the electors of Saskatchewan such as we've never seen before in the history of this province. He was one of back-room architects of the electoral boundary gerrymandering before the 1971 election.

What was the result of that electoral gerrymandering, Mr. Speaker? Well how did they go about it? Well, I'll give you an example. Previously you've heard examples by my leader, the member from Elphinstone, about some of the changes that were made in the city of Regina and some rural constituencies. I want to tell you something about some of the constituencies in Saskatoon.

At that time I had the good fortune and honour to represent the constituency of Saskatoon Mayfair, and Mayfair was an average-size constituency before Mr. Steuart and his back-room people drew the new boundaries. After they had drawn the boundaries, the constituency of Mayfair was one of the biggest constituencies in the province, except for the member for Elphinstone who had an even bigger one — the present Leader of the Opposition.

Coterminous with the boundary of Mayfair constituency was the constituency of City Park. The constituency of City Park was about one-third of the population of the constituency of Mayfair. That's how blatant the boundary drawing was by that government of the day.

Why? Why would a government go to that extreme? Well if we review history, as one of the columnists had suggested a week or so ago, that this government is using the same play book that that previous government did — that Liberal government did back in the '60s; the same play book. They, the Liberal government of that day in 1968, had brought in a budget which had increased every tax in sight, and before the 1971 election they had offended every group that they possibly could. And Mr. Steuart at that time said, or afterwards said, if there is some group that we haven't offended at this point, it's just because we haven't met them yet. And that's the same play book that this government is using, Mr. Speaker. Had huge tax increases, they had an arrogant government, and they brought in boundary changes. And I said some of the boundary changes in Saskatoon; others have said about other constituencies to show that this imbalance, the great imbalance between constituencies that lay side by side.

Now the consequence of that was that in that election campaign we had said, as a New Democratic Party, that we will bring in an independent boundaries commission. And in due course when we formed the government, that was one of the first things we did, was to bring in an independent boundary commission.

In the meantime, in the election campaign the Liberal government lost its majority and would up on this side with a very small number of seats, and they have never recovered. They have never recovered, Mr. Speaker, never recovered their political power because they had given themselves a body blow, plus other circumstances, which were much too great for them to overcome.

(1915)

We formed the government, and we brought in the first independent boundaries commission in the history of Saskatchewan — the first independent boundaries commission. It was my pleasure to be part of that process, Mr. Speaker, and I was proud of that piece of legislation. I felt at that time that I had accomplished a solid blow for the democratic system in this province. And I thought to myself, no government will ever touch that legislation except to improve it.

And what was the test of that legislation, Mr. Speaker? Well, I have here the *Canadian Parliamentary Review*, August 1987, and a person by the name of Harvey Pasis, an associate professor of the faculty of administrative studies, Athabasca University, Alberta, writes an article, and it's entitled "the Courts and Redistribution in Canada." And his article deals with the constitution, the charter of rights, as it affects constituency boundaries, and discusses the question of constituency boundaries in balance in light of the charter. And this gentleman has an index and it's called the gini index, g-i-n-i index. And really what it is, is a statistical measure used in the social sciences to show the level of inequality in electoral seats.

Now the province that has the best rating in Canada — the best rating in Canada — is the province of Saskatchewan. And that, Mr. Speaker, is no credit to those ladies and gentlemen that sit across the way. That is a credit to the independent boundaries commission. The rating of Saskatchewan is 0.011. The next best one is the province of Manitoba, 0.035. And it goes on down the list, and the worst one is Newfoundland at 0.167.

So is there anything wrong with our independent electoral boundaries commission? Not a thing. It gets the highest rating in Canada, Mr. Speaker, by this person. This article is available in a public document for anybody that wants to read it. It's the highest rating in Canada.

But this government says, we've got to change that; throw out that independent electoral boundaries commission completely; bring in a new Act, bring in a new Act. They're not amending this legislation, which is the best in Canada, which provides the greatest equality among the constituencies of any place in Canada — they're throwing that entire Act out. They're throwing out the independent commission. They're bringing in brand-new legislation. And the constituent parts of that legislation were described quite adequately by my leader when he was speaking in this debate a few days ago.

But I want to deal with the principle that's involved in relation to Bill 55, and I'll pick a couple of examples which should illustrate the point. Take the Bill. It says that the city of Swift Current, and the city of North Battleford and the town of North Battleford — there's two

constituencies, Swift Current in one, the city of North Battleford and the town of North Battleford in another. They'll get one member each in the legislature.

Now that might sound, to people who are not familiar with the machinations of this government, to be fair. But if it was fair, they'd be using the old legislation; but they have new legislation, and the new legislation provides that there will not be a variance of 15 per cent from the median in the size of the constituency populations, but there will be 25 per cent. Now with the 15 per cent we recognize that you can't be right on because of conditions that exist in the constituency because of physical boundaries, and so forth. But that was very close, so close that it gets the highest rating in Canada with a 15 per cent variation from the median.

But this new legislation says it can have 25 per cent, so if you're 25 per cent higher on one side and 25 per cent lower on the other side, you've got quite a variation. On the 15 per cent variation, which is in the present legislation, which is rated highest in Canada, a constituency . . . if the population median was 10,000, the lowest number of population the constituency could have is 8,500 voters. The highest is 11,500. But under this legislation which this government has brought forward, that same constituency of 10,000 could have as low as 7,500, which is 1,000 lower, and it could have 12,500 at the high end, which is 1,000 higher. So what that will do, Mr. Speaker, that in itself will push us down this list of rating in Canada, as presented in this article that I referred to earlier.

But another problem occurs. And I mentioned the city of Swift Current, and the city of North Battleford and the town of Battleford get one member each. The city of Swift Current, in relation to The Battlefords, is rather static. North Battleford and Battleford are growing more rapidly than Swift Current, so as a consequence you're going to . . . Not only might you have the variances that is caused by the 25 per cent from the median, but you'll have the variation caused by the difference in growth rates.

Take the city of Regina and Saskatoon. The city of Saskatoon is larger, larger than the city of Regina; the population is greater. It is one of the fastest-growing cities in Canada; yet, Mr. Speaker, this legislation says that Saskatoon gets 11 urban constituencies and Regina gets 11 urban constituencies. So not only do you have the variation which is increased from 15 per cent from the median to 25 per cent from the median, but you also have the variation that occurs because one city is already larger than the other and will get the same number of members. And the growth rate is recognized in Saskatoon to be a much faster growth rate than in the city of Regina.

So not only do you have a variance increased by this legislation which this government has brought in, but you have it compounded. You have it compounded by the fact that it says in the Bill that the city of Regina will get 11 and the city of Saskatoon will get 11 members. So not only do you have inequities increased between rural and urban, you can have compounded inequities increased between the city of Regina and the city of Saskatoon, the city of Swift Current and the city of North Battleford. So that's what this legislation does, Mr. Speaker, and the

people of Saskatchewan should be fully aware of that.

Now what about the commission? Well this . . . Some people of some note have commented on this legislation already, Mr. Speaker. And I was interested to note, for the information of the Deputy Premier who introduced this legislation, and whose name shall ever be emblazoned on this legislation as the mover, as the mover of this Draconian piece of legislation which takes away our independent boundaries commission and gives us the Tory version of an independent boundaries commission . . . No, Mr. Speaker, they don't even say it's independent, because the member, when he introduced this, I believe used the word "independent" once, and then he realized he had made a slip, and whenever used it again, to the best of my knowledge. So I picked it up. The member says that I should have picked it up, and I certainly did pick it up because I noticed the absence of the use of the word independent boundaries commission after. Thereafter he used it once, and I'm sure it was just as a slip because he must have been thinking about the legislation which we had brought in which was an independent boundary commission.

Now, Mr. Speaker, we have Dr. Norman Ward, a man not of my political persuasion, but a man well-known, well-known, Mr. Speaker, in these circles regarding independent boundaries — Dr. Norman Ward, well-known and well respected, used by different governments in Ottawa for federal boundary adjustment through an independent commission. What does Dr. Norman Ward, now retired from the city of Saskatoon, have to say about this? Well I'll just quote from the article of October 31, '87, in the Star-Phoenix. It's headed, "Boundary commission duties prescribed — Ward." And one of the paragraphs reads as follows:

If a commission is to be independent, it should be really independent. It shouldn't be directed to do this and to do that.

Now there are some instructions that are issued, even in independent boundary legislation, which guide the independent commissioners on making their decisions. Some are necessary, but this government has increased the guidance that they're providing to this commission they intend to set up in this legislation, to the extent and to the detriment of the people of Saskatchewan. And Mr. Norman Ward — Dr. Norman Ward — says that he does not agree with that.

Dr. Ward worked on federal boundary commission for Saskatchewan, and he says:

The only direction we got was there was to be 14 seats for the province. We could arrange the boundaries any way we liked, provided we stayed within the guide-lines for population.

And he goes on to say, and this is all I'm going to quote from Dr. Norman Ward:

I don't know what the government's motives are, but I wouldn't myself want to sit on a commission given that kind of directive.

Well I think Dr. Norman Ward is being generous in saying that he doesn't know what the motives of this government are. I certainly recognize the motives of this government, and the motives of this government are that they're in a desperate situation, and they have to have some help in the next election campaign.

Rather than having an independent boundaries commission, they're going to impose on the people of Saskatchewan their version of how the boundaries should be drawn. They're going to impose legislation which will force the commissioners to draw the boundaries in a certain manner. And dare those commissioners reject the opportunity to sit on that commission? They dare not. They dare not, because the effect of them not, agreeing not to sit on the commission, avoiding appointment to the commission, is that the government themselves will appoint the commission.

If the commissioners, if the people they approach, refuse to sit on the commission, then the government will directly appoint the commission, and that's not democratic, Mr. Speaker. That's not the way it's been done in Saskatchewan. And I think if I do one thing this evening, it's to alert the people of Saskatchewan to the fact that this government is in a desperate situation and is attempting to alleviate that situation by imposing new legislation which will take the independence out of the independent boundary commission.

This legislation, by varying the terms under which the boundaries will be established and varying the balance, the weight of the constituencies, one against the other, will give that government its advantage if it's allowed to be carried to its conclusion.

So, Mr. Speaker, I believe it's quite clear that I shall resist this legislation. The people of Saskatchewan do not need this legislation. There was legislation on the statute books of Saskatchewan which is recognized by people outside of the province of Saskatchewan as being the kind of legislation that permits equality between the constituencies. This legislation the government intends to bring in Bill 55 will compound the inequalities, compound the inequalities between constituencies and among constituencies.

(1930)

Therefore, Mr. Speaker, I cannot support this legislation. I would urge all people to resist this legislation, not only the people in this Chamber, but the people in Saskatchewan. Mr. Speaker, I may have some more to say on this, and I beg leave to adjourn debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 77 — **An Act to amend The Power Corporation Act** be now read a second time.

Mr. Lautermilch: — Thank you, Mr. Speaker. I would like to take a few moments if I could to address this Bill, Bill

No. 77. The government calls it An Act to amend The Power Corporation Act, and I would have to take a little note from my friend from Saskatoon, it's more than that — it's more than An Act to amend The Power Corporation Act. It's an Act to give preferential treatment to large corporations at the expense of home owners and of renters and of apartment dwellers and people that built this province, because that, Mr. Speaker, is what it is.

And I would like to read into the record of this legislature the part that I am opposed to and I know that my colleagues are very upset with. And it reads:

(3) Notwithstanding subsections (1) and (2), Ipsco Inc., Weyerhaeuser Canada Ltd., Saskatoon chemicals Ltd. and any other industrial customer of electrical energy that the Lieutenant Governor in council may by regulation prescribe are exempt from the requirement to pay additional charges added to accounts pursuant to those subsections.

And what upsets us, Mr. Speaker, is the fact that municipal government had the option and had the ability and had the right, under the old Act, before this amendment, to put a surtax on electricity and gas bills, and this clause deletes that right. And what it means, in layman's terms, is that cabinet can make the decision to exempt any large corporation, or any corporation that it deems, exempt from this tax. And that means that the consumers in every city in this province and every rural community in this province may in fact have to pick up what they lose through this new legislation.

And I say that it's yet another new tax implemented by the Premier and his cabinet colleagues on the backs of the people of this province, on the backs of the small-business people — not the large ones, of course, because those, with the record of this government, would be exempt. Just by their record, people would understand that that would happen.

It imposes taxes on the renters, and it imposes taxes on the home owners because the municipal governments are going to have to go to those people to pick up yet more tax dollars than they already do. The tax burden is shifting from those that have, I say, too much, to those that have too little, and that number is growing rapidly.

I look, Mr. Speaker, at my home community, and I know that through this surtax we raise almost as much through this surtax, and have for many years, as what we do in revenue sharing. The revenue-sharing grants that come from the provincial government to the municipal government — those amounts are almost equal. And I note specifically that Weyerhaeuser Canada Ltd. is listed in here and that affects my home community. And I note that Saskatoon Chemicals Ltd. is listed in here and that will affect that community. And I know that Ipsco is listed and that may affect this community. But the discretion is wide because cabinet has the ability now, if this Bill is passed, to say in any community in Saskatchewan that a large user of gas and of electricity are exempt from that surtax.

And I have some questions of this Bill, and I have some

questions of this government because I don't believe, in my consultation with just a few municipal elected officials, that they're aware of what's happening. And I say that if they aren't, it was the responsibility of this government to make sure that they were. I don't believe that's happened.

And I think what's happening here is that this government is trying to sneak yet another tax increase through, place another burden on municipal government, and in the end result, place more taxes on the people that live in those jurisdictions.

We've seen the cut-backs of the transfer taxes or the transfer of provincial tax dollars to the municipal governments. We've seen that already. That's been a burden. And I say that this Bill is just another example of trying to slide something through, slip another tax on to the back of the people, and I would say it's unfair.

I say as well that the Premier has got a responsibility that he hasn't lived up to. He promised us lower taxes. And this Bill doesn't address lower taxes, it addresses increased taxes. Why would this government want to shift yet more tax burden on lower- and middle-income people and exempt the large, multinational corporations from these taxes? Mr. Speaker, I don't understand that, and my colleagues don't understand that.

I know, in the city of Regina, that there are about \$14 million raised through this surtax, and I know that their revenue-sharing grants are about equal to that, and I know that they can't afford to lose even a portion of this 14 million. And I don't know what the breakdown would be in Regina of industrial users that might be exempted — I don't know — because this Bill doesn't set any guide-lines as to which industrial users might be exempt. It only says that the cabinet has the ability to exempt anybody they want. And I wonder if perhaps half of this might — this 14 million that's raised now — might be exempt.

What would that cost and what would that mean to the increase of the mill rate in the city of Regina? How much more would it mean for people, for their taxes at home? Well we don't know because there are no limits and no guide-lines to this Bill. It just said that the Premier and his cabinet can decide how much more those people are taxed and I say it's unfair.

We saw in Prince Albert, in the agreement for sale that was made with Weyerhaeuser of Tacoma, Washington, that they were exempted from buying natural gas from the Saskatchewan Power Corporation, which meant they could buy at the cheapest rate going at the time. And if it happened to be Sask Power Corporation, they could buy from them as well, but that was all fine and dandy.

But what it meant was there wasn't a fair playing field and that all of the people of Prince Albert would share in whatever price of natural gas that there was at that time. But there was preferential treatment for one group of people — and they didn't live in Saskatchewan because the shareholders of Tacoma, Washington don't live in this community — but there was one set of rules for them and there was one for the rest of the people of Prince Albert.

And what it meant was that the people of Prince Albert will pay more and that Weyerhaeuser can shop around.

That wasn't the reason that SPC (Saskatchewan Power Corporation) was set up because it was there to give us all a fair rate and it was there to give us all a fair average rate. When the prices were high, we would all share, and when the prices were low, we would all share — but not meaning that when the prices are high for SPC gas, that one particular group could go and shop around and buy somewhere else. That was set up to have a spirit of co-operation, to have a fair price for all, as fair as could be gotten.

And this one has gone one step further. It's made it so that home owners will pay more every time they turn their toaster on, so that they will pay more every time they plug their car in in the winter; and there's only preferential treatment to some — those that have lost. And I say, Mr. Speaker, it's an unfair Bill, and for that reason I couldn't feel comfortable supporting this legislation.

As I look through the list of Bills that have been presented to this legislature in the last few days, it makes me sad because I don't see fairness from the government side, I don't see fairness at all. I see a double set of standards.

In the electoral boundaries Act that they're presenting, I see one standard for the Tories and one for other political parties, and I see that's what the end result of that Bill is going to be. And we've seen the history of that before. And in this Bill I see one set of standards for people who have lived in this province for years and years and years and supported this province through their tax dollars, and I see one for the rich. It tells me that this government's philosophy is no different than other Tory governments, wherever they may be, and it saddens me.

One of my colleagues said earlier this afternoon that she thought perhaps more of this government . . . And it might be a new type of a Tory government. But I say, Mr. Speaker, it's not a new Tory government. It's the same old Tory government from 3, 400 years ago, and I would suggest that it will be the same old Tory government that we'll see maybe 200 years from now because I don't think we'll see one in Saskatchewan for, maybe not 200, but at least another 50.

And I simply say, this is bad legislation for the people of the province and I can't support it.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I want to speak to this Bill 77, An Act to amend The Power Corporation Act — might well be called the Weyerhaeuser municipal tax exemption Act or a number of other similar titles.

This Bill has a number of objectionable provisions. I'm going to identify some so that we'll have an opportunity to deal with them in committee.

I want to deal first with the way that the major consumers of electrical and gas energy from the power corporation pay their bills, how the bills are set, and whether or not anybody knows what they pay. We had a public utilities

review commission which set rates in public. That was dismantled by the government opposite. They provide in this Bill as a substitute that there shall be a schedule of rates which they will publish. And that's reasonable. If we're not going to have a public utilities review commission, there will be a schedule so that people will know what the rate is and they'll know that they're paying the same as somebody else.

But there's a further provision that they can enter into particular service agreements with particular customers. They can make a rate different than the schedule and there is no provision that that agreement or any part of it would ever be made public. Accordingly they can have rates with their favourites which are not subject to the public utilities review commission, because that's gone; which are not subject to the schedule, because while the schedule is published, the particular agreements with the favourites are not. And I think that's unwise because while there may be a case for special agreements for special cases, it strikes me that if the schedules of rates are going to be public property, so should at least the rate provisions of the special agreements with the special friends.

I move on now to another set of changes in the Bill which provides that the power corporation can purchase companies which carry on any sort of business. Previously, the power corporation can purchase companies which carry on any sort of business. Previously, the power corporation could have a subsidiary company, but the company had to carry on activities and objectives of the same kind that the power corporation carried on.

(1945)

Now it will be entirely possible for the power corporation to buy a company that's in the grocery business, in the restaurant business, any other kind of business, and there is no legal requirement that it have anything to do with the operation of a power corporation. That has not been necessary over the close to 40 years of operation of the power corporation, and another 20 or 30 years of the operation of its predecessor, the power commission. More than close to 60 years now this commission and corporation have operated with a general set of powers, broadly defined in the legislation.

It has never needed an unlimited power to, in private, purchase companies that are carrying on any type of business from bingo palaces to restaurants to any other type of business activity. And no case has been made for it, certainly not in second reading, and certainly we will want the minister to make a case in committee.

But the major objection that I have is to the provisions dealing with exemptions from tax. We are talking about payments to cities, towns, and villages. For many years The Power Corporation Act has provided that payments would be made to cities, towns, and villages by way of a surcharge on electrical bills, and that has been the arrangement for a long time.

The government opposite has wanted to make special arrangements for some of its friends before, and it proposed in 1985 to bring in legislation — indeed, it put it on the order paper — providing that the Lieutenant

Governor in Council could exempt individual customers of the power corporation from municipal taxes.

I remember contacting the city of Regina, and they wrote back saying they were very disturbed about that. I have a letter from Mr. Larry Schneider, addressed to the Hon. Eric Berntson, the member for Souris-Cannington, dated September 23, 1985, and I will not quote the whole letter because it's fairly lengthy, but it goes on:

We are extremely concerned about the generality of the proposed amendment. The long-term ramifications to the city are a major loss of revenue and also the foreboding threat to our municipal autonomy in that it gives the provincial government the direct ability to reduce municipal revenues by regulations which do not provide the open legislative review which should accompany this type of action.

That's a pretty fair statement by the mayor of Regina.

I had — I don't have it here — but I know that the then president of SUMA (Saskatchewan Urban Municipalities Association), Mr. Herb Taylor of Moose Jaw, expressed similar concerns. I'm going to ask the minister whether or not he has consulted SUMA and whether or not he has consulted the civic governments of Regina, Saskatoon, and Prince Albert about this Bill.

The Bill specifically provides that Weyerhaeuser Canada Ltd. will not have to pay the tax to the city of Prince Albert. Why Weyerhaeuser should be exempt from tax, when everybody else has to pay tax, is not very clear. It provides that Saskatoon Chemicals Ltd. in Saskatoon will not have to pay this municipal tax. Why Saskatoon Chemicals Ltd. should be exempt from municipal tax, as opposed to any other of a number of potential taxpayers, I don't know. No case has been made for tax exemption for these operations.

There's a reference to Ipsco. As far as I know, Ipsco is not yet within the city of Regina, so this is not now directly appropriate, directly effective, but as the mayor of Regina said in 1985, the insidious thing about this is that it means that the government, by order in council, can exempt any industrial customer from this municipal tax without the city knowing anything about it, without them being able to even argue about it, without them being able to budget for the tax loss. Nothing to stop the government opposite from passing an order in council on February 1 exempting a half a dozen industrial customers in Regina from paying this municipal tax. A little tough for the city to roll with that punch.

If they do it effective on May 1 when the city has already set its budget, nothing can be done because the city, while it is a tax going to the city, has no voice — has no voice. As the mayor of Regina says:

It provides the foreboding threat to our municipal autonomy in that it gives the provincial government the direct ability to reduce municipal revenues by regulation.

That ought not to be. That's bad legislation, and I believe

that the government should, in the committee stage, fully justify why they should be able to exempt some particular customer of SPC from paying municipal tax and thereby putting the burden on the rest of us. We shouldn't for one moment think that if Weyerhaeuser pays no tax it doesn't mean higher taxes to the other citizens of Prince Albert, because it assuredly does. We shouldn't think for a moment that if Saskatoon chemicals doesn't pay tax, and if the government shouldn't pay tax in Saskatoon, that the general citizenry won't have to pay more; they will. And if they provide exemptions for people in Regina, I and my constituency will have to pay higher taxes. And no case has been made. That, I think, is bad legislation, and I will certainly oppose it.

Just before I sit down, I will refer to one other principle in the Bill which deals with what happens when power lines and gas line are injured by, I'll say, a contractor. And there is an unfortunate provision in the Bill which provides that the corporation is conclusively deemed to have accurately located a power line or a buried electrical cable.

I don't think there's any place in this type of legislation for giving the power corporation special rights before the courts. Power corporation is quite able to look after itself. It's got money. It's got lawyers. And when dealing with the public and litigating with the public about damage if buried power and gas lines are hit, it should stand on the same footing as any other citizen and shouldn't have special rights.

So, Mr. Speaker, there are a number of other, I think, a number of objectionable provisions in this Bill, particularly the one offering municipal tax exemptions to major industrial users. I will be asking questions in committee, I or my colleagues, and I will be opposing the Bill on second reading.

(2003)

Motion agreed to on the following recorded division.

Yeas — 28

Muller	Sauder
Duncan	Johnson
Andrew	McLaren
Taylor	Hopfner
Swan	Petersen
Maxwell	Swenson
Hodgins	Martens
Gerich	Baker
Hardy	Gleim
Klein	Neudorf
Meiklejohn	Gardner
Pickering	Kopelchuk
Martin	Saxinger
Toth	Britton

Nays — 16

Blakeney	Upshall
Prebble	Simard

Brockelbank	Solomon
Shillington	Atkinson
Koskie	Anguish
Tchorzewski	Lautermilch
Rolfes	Trew
Mitchell	Koenker

The Bill read a second time and referred to a Committee of the Whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. McLeod that Bill No. 94 — **An Act to amend The Saskatchewan Medical Care Insurance Act (No. 2)** be now read a second time.

Ms. Atkinson: — Thank you, Mr. Speaker. I am pleased to continue the debate on the Bill introduced by the Conservative government earlier this week. Bill 94, An Act to amend the Medical Care Insurance Commission of Saskatchewan, in fact, is an Act to destroy the Medical Care Insurance Commission. Before addressing the issues raised by the Bill itself, Mr. Speaker, I would like to make one brief comment about the circumstances surrounding the introduction of this Bill.

Several months ago the Progressive Conservative government made it clear that they were setting out to erode and undermine medicare. They made that very clear. They also made it clear that they were planning on destroying the Medical Care Insurance Commission. Why then, Mr. Speaker, why then when they indicated in May of 1987 that they were going to roll the Medical Care Insurance Commission into the Department of Health, why did it take until 106 days into the session to introduce this Bill? By introducing a Bill such as this only after day 106, are they the ones that are trying to prolong this session, or are they simply trying to sneak through a Bill that they know is extremely controversial?

I listened with considerable interest to the remarks of the minister when he introduced the Bill yesterday. And his speech was quite brief. I was surprised that it took only three and one-half minutes to explain an important and complex Bill. But then, this is the same minister that only took two and one-half minutes to explain the changes to the prescription drug plan, a drug plan that destroyed the former prescription drug plan in this province. He must be pretty ashamed and embarrassed by the truth if he can only spend three and a half minutes explaining the Bill; he must be ashamed and embarrassed. And as I listened to his speech, I noted particularly what the minister did not say.

Mr. Speaker, it was 25 years ago this year that a New Democrat government introduced medicare in this province, and with that medicare came along the introduction of the Saskatchewan Medical Care Insurance Commission. And with that commission has come a lot of accomplishments, in the last 25 years, when it comes to the enhancement of health care services to our province.

Mr. Speaker, it's pretty clear now. It's pretty clear that this government is out to undermine and erode our health care system in our province; that it is now clear, based on

the evidence that the government has shown in the last year, that health care in this province is not a priority of this government.

And, Mr. Speaker, they choose to ignore the achievements of the past. Instead, they choose to undermine and erode our health care system, and it seems to us that they are stumbling backwards, blinded by their ideology, rather than the real challenges that face us in the coming future.

The minister, in the last year, has made no comments when it comes to a commitment that there will be no health care premiums in our province. He's made no comments whatsoever. Or has he said that he plans on ensuring that deterrent fees in this province are never introduced? No, he has made no commitments when it comes to that. What he has done, Mr. Speaker, is introduce changes to our health care system that are taking us backward in time, and we say that the decision to roll the Medical Care Insurance Commission into the Department of Health is a backward decision; it is not a decision that will take us forward.

Now it seems to us that it is clear that with this new legislation that the Medical Care Insurance Commission and the kind of function that it performed in the past will no longer be an independent function. As we all know, the Medical Care Insurance Commission was an independent commission, and it had an effective independence from the government.

With the changes to the legislation, that function is now put into the hands of the Minister of Health and the Minister of Health alone. Mr. Speaker, we are concerned that the Minister of Health, along with his colleagues, will be making decisions that are of utmost importance to the medical profession in this province behind closed cabinet doors.

Now this Bill before us, Mr. Speaker, eliminates entirely the obligation on the part of the government to establish an appeal procedure for persons with claims against the plan. Medicare is a large and complex program. It touches the lives of hundreds of thousands of people in this province, and it touches their lives each year. And there obviously are problems in the system, but those problems should be resolved fairly with a fair appeal process. This Bill eliminates that process altogether. That's hardly an administrative change, as the Minister of Health has tried to indicate to this legislature.

This Bill also sets up a system of a joint professional review committee, and it's not like the former joint professional review committee. What we need, Mr. Speaker, is a committee that will represent the interests of the people of this province. And the doctors have a great deal of concern, and the Saskatchewan Medical Association has a great deal of concern with the changes to the article in the Bill that affects the joint professional review committee.

As it's now structured, the committee looks at concerns that have been expressed by the public and others when it comes to over-billing by physicians. In the past, Mr. Speaker, the Saskatchewan Medical Association did not

seem to have any problems with the way that committee functioned. Unfortunately, with the changes to the legislation, a doctor can be fined up to \$50,000 if the committee believes that that doctor has irregular billing procedures, or if that doctor, in the committee's view, has overcharged.

Now the concern that the Saskatchewan Medical Association has is that the appeal process is only to a Court of Queen's Bench judge, and the appeal on the part of the doctor can only be based on a point of law. It is not based on a point of fact; it is not based on evidence that may not have come before the appeal committee or the joint professional review committee when the decision was rendered. And now we have a situation where the doctor conceivably could go to a Court of Queen's Bench judge, and on the basis that the committee has not erred on a point of law, that perhaps the committee erred on a point of fact, the Court of Queen's Bench judge would not have to hear the case. And that causes the Saskatchewan Medical Association a great deal of concern, and it causes the members of the opposition a great deal of concern.

We also are concerned, Mr. Speaker, that the Saskatchewan Medical Association was advised by the Minister of Health that they would have at least two weeks to review the draft legislation. But that didn't happen at all. The Saskatchewan Medical Association was advised last Wednesday that this legislation was coming before the legislature. They received a copy of the Bill on Friday, and they met with representatives from the government on Sunday. And they are concerned, Mr. Speaker, that they have not had an opportunity to properly consult their association and members of their association. They are meeting this weekend, and they have a paper ready to present to their members, and we now have this Bill before the legislature.

Some consultation, members opposite, some consultation! And the consultative process that you have used is entirely indicative of the kinds of changes that you've introduced in the past, with no consultation with the groups involved, and no consultation with the public.

We also have a concern, Mr. Speaker, that the Medical Care Insurance Commission over the last 25 years has been able to build up one of the most impressive data bases in the world. We have 25 years of data available in this province, and researchers and scientists and sociologists have been able to use some of that research to show some very significant trends.

(2015)

We are concerned that with the roll-over of the Medical Care Insurance Commission into the Department of Health, that that data base and the information collection that has gone on for the past 25 years could be jeopardized. We see no provisions in this legislation to ensure that the data base will be protected and not eroded by the members opposite.

Mr. Speaker, the Medical Care Insurance Commission has been an independent body. It has been independent from the members opposite. It has been independent from cabinet decisions and the Minister of Health. We

now fear that with the roll-over of MCIC into the Department of Health that we could very well have a situation where political appointees could be put into positions in . . . and have access to the health records of the people of this province. And we do not think that's appropriate.

We do not think it's appropriate that any member of the public — including elected officials and Conservative Party hacks — have access to anybody's personal health record. No one, Mr. speaker. It is not acceptable, and there are no guarantees in this legislation that we will not have the Minister of Health — or whoever else represents the interests of the Conservative Party — looking at peoples' personal health records in this province. There's no guarantees in this legislation. And it's a fear that we have with the Minister of Health now being responsible for the largest data base in the country and in the world, with the largest amount of information of any place else in the world.

I think it's important to know that everybody in this province who has seen a doctor or has some sort of medical procedure in the last 25 years has that recorded with the Medical Care Insurance Commission, and it is not inconceivable that some members opposite might want to have access to someone's medical records. They weren't able to do that in the past because the commission was independent. They may, and I say "may" be able to do that in the future because there are no safeguards in this legislation to protect the public from their kind of tactics that we've all seen.

Now we have a great deal of concern about this Bill. We are not happy with the way it has been implemented. It's a major change to the way things operate in this province. It was introduced into this legislature at the dying hours of this legislative session. We've had very little opportunity to discuss it with our advisers and people in the medical profession. And at this stage, Mr. Speaker, we can do nothing other than to oppose this legislation.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I just want to say a few words about the amendments to the medical care insurance commission Act.

First of all, Mr. speaker, my first words have to be that the title of this Act is a real misnomer. It should be, as my colleague has indicated, it really should be the abolishment of MCIC (Medical Care Insurance Commission). That's really what it should be because that's what the Act is intending to do.

It is too bad, Mr. Speaker, that this Bill has been brought in so late in the House. This is a very, very substantive Bill, and it changes the role that MCIC has had in this province as an independent commission.

I think my colleague from Saskatoon Nutana has expressed it very well. We should really protect with some vigour the safeguards of MCIC. And I want to just relate to the House that when I was the minister of Health, MCIC functioned very independently of the department. And I think everybody was aware of that, and it was

jealously protected — and so it should be — because it came with the original agreement of medicare in 1962.

I just challenge anybody in this House who's had a problem as of late, anywhere from let say this summer on, to try and get a problem solved through MCIC. It is in a very chaotic state at the present time, and you simply cannot get your problem solved through MCIC at this particular time. That is not the way MCIC has functioned over the last 25 years. It has served the province well; it has served the doctors well; it has served and protected our rights well.

I think the member from Nutana makes an excellent point also about confidentiality of our records. If it is put into the Department of Health, there is a great possibility that that confidentiality simply will not be protected, and I think that should be a concern of each member of this House and each member of this province.

Mr. Speaker, I do not want to unduly delay the procedure in this House, but I do think that it is a shame that this Bill has been brought forward in the last few days, and that we haven't had the ample opportunity to check with people outside of this Assembly to get their concerns put before us so that we could adequately debate the consequences of this Bill in this House. I am therefore disappointed that it has been brought forward so late. I know the time schedule that we are on, and I very reluctantly let the Bill go through at this particular time.

Motion agreed to on division, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

COMMITTEE OF THE WHOLE

Bill No. 62 — An Act respecting the Saskatchewan Property Management Corporation

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

Hon. Mr. Taylor: — Yes, Mr. Chairman, I'd be pleased to introduce the officials that will be with me tonight as we debate the Bill in committee. Seated beside me is the president of the Saskatchewan Property Management Corporation, Otto Cutts. Directly behind me is the corporate secretary of the corporation, Ken Brehm, and joining us tonight is the Crown solicitor from the Department of Justice, Larry Anderson.

Clause 1

Mr. Brockelbank: — Mr. Minister, I wonder if I could put a series of questions to you which you could then perhaps speak on. In the initial stages, the Saskatchewan Property Management Corporation was created by order in council, and I wonder what the order in council didn't permit, or why the order in council was necessary to deal with the problem as the minister saw it, rather than the legislation, the statute? In other words, why was the order in council necessary? Why was it necessary to change from the department to the Crown corporation?

Hon. Mr. Taylor: — I guess if you want to know why we

went OC rather legislation at the time, I suppose we were setting up a legal entity, so therefore there had to be an order in council to do that. We wanted to move to a property management corporation, and it was quicker to go with an OC than to wait for the legislature and bring in the Bill.

So if that is the basis of your question, if the basis of your question is what was the thought behind it, why we should go with the property management corporation, I'd refer back to the statements I made in second reading and some of the debates we had in estimates. But if it is the first part, if I interpret your question right, then that would be the reason for an order in council.

Mr. Brockelbank: — What does the Bill do, which is before us now; what does it permit that the OC wouldn't permit you to do, Mr. Minister?

Hon. Mr. Taylor: — I guess the main reason is, as you will understand, for the long-term basis of the corporation it's necessary to have legislation. The OC was more of an interim type of decision or legal status for the corporation until we could bring forth the Bill for debate and discussion.

Mr. Brockelbank: — Mr. Minister, why was it necessary to put everything that was in the Department of supply and Services into the property management corporation? You made . . . you alluded to Manitoba as being the example of how it would be done. And I can understand why the province of Manitoba would be partially comparable to what is done in Saskatchewan, but the government services department continues to exist in Manitoba which, at least according to the most recent information I have, which is a substantial part of our Supply and Services which is now going into this Bill to become an Act. Why?

(2030)

Hon. Mr. Taylor: — I guess in answer to your question it would be that it was a decision made by the cabinet, feeling that having looked at Manitoba, British Columbia, Quebec, and going on the advice of the Auditor General of Canada — and I believe they're similar in the United States, too — where they felt that all of the functions, as Manitoba has the borrowing function, as British Columbia and, I believe, Quebec have the building . . . the buildings, the supervision of the building and so on, that it was our decision to wrap it all into one.

Mr. Brockelbank: — Which brings to the fore the question which really arose with the consequential Bill, which is not before us at this moment, but a question of some functions remaining in Supply and Services. Was that an oversight, Mr. Minister, or is there an explanation why part of the systems centre is still there with eight or 10 people?

Hon. Mr. Taylor: — I think, for expediency, I have the reply to the questions asked of me today in question period, which is the consequential amendments from the Act, and, Mr. Chairman, with your permission, I will give that answer now.

We will be going through Committee of the Whole on the consequential amendments. If it's right that I should wait till then, I will wait till then, but if it's accepted practice in the House for me to give the answer at this time, I would give it to the member.

Mr. Chairman: — The minister can ask for leave.

Hon. Mr. Taylor: — I would ask leave to answer the questions as put to me in question period which pertain to the consequential amendments of the Act, so that in my discussion and debate with the member, we'll deal with it once.

An Hon. Member: — Agreed. Get on with the job. Quit stalling.

Hon. Mr. Taylor: — Well thank you very much. I appreciate that. It's very nice to see the member from Regina being co-operative tonight. That seems to be a very good signal.

An Hon. Member: — Well I thought you were never going to quit. It was going to take you all evening to ask for leave.

Hon. Mr. Taylor: — Well it will take longer if you continue to chirp.

The question was, why is The Public Works Act being retained. That was the question that the member asked, and my answer to that is that the Legislative Building and the lands within Wascana Centre will not be transferred to the Saskatchewan Property Management Corporation. Rather, ownership will remain with the executive government, a department as defined under the government Organization Act, and legislative authority — that's The Public Works Act — is required for that department to administer the building and the land. So basically it's the place we're in today, then, and that's why, in answer to you, requires The Public Works Act.

The second question you asked was, with the repeal of the Supply and Services Act, what happens to the employees from systems centre who were said to be remaining within the Department of Supply and Services estimates the other night in Hansard. And my apology if maybe I didn't explain this as well. Really they are SPMC (Saskatchewan Property Management Corporation) employees, and all the employees of the systems centre, Supply and Services, were transferred to property management corporation as of April 1, '87. The majority of these employees were then transferred to SaskCOMP, and there's about 13, is the number. I think there was a little discrepancy the other night in that. I think I quoted 11 or nine or something. Thirteen in total who continue to be employed by the property management corporation. And if I insinuated to you that they were Supply and Services, my apologies because there was no intent to mislead.

Mr. Brockelbank: — Yes, that, Mr. Minister, is what the record showed, that they were left in Supply and Services. And I understand the point you're making now that they stay in property management corporation; the rest went on to SaskTel or SaskCOMP — SaskCOMP.

Further, with regard to the Bill, I realize this particular Bill is a Bill to permit the continuation of the property management corporation in all its aspects. However some of those aspects have changed, and I want to refer to one 3(2), clause 3(2):

The corporation shall consist of those persons who may be appointed by the Lieutenant Governor in Council.

Why is the word “may” used, and how many people are we talking about here? Is there . . . will that be at the discretion of the board or the minister?

Hon. Mr. Taylor: — My officials indicate to me that the word “may” is in there because that is just a drafting style. I think you’re talking about the members of the board of the property management corporation, and at this point in time, I happen to be the chairman of that, and other of my colleagues, other ministers who I hope are — I think you know who the members are; if you don’t, I’d be more than pleased to indicate to you — are the board of the property management corporation.

Getting back to the “may,” the solicitor tells me that that’s just a drafting term that they have used.

Mr. Brockelbank: — So the effect of the clause is that they “shall” be appointed by the Lieutenant Governor in Council and that’s the way it’s set out in the draft. Okay, Mr. Minister, I’ll permit you to name those in case some of those have been changed. I realize you’re the minister in charge, but I know there are some other members on the board.

If I can go on to the next item, the question of head office. The OC specified Regina and the legislation is non-specific. Why is that changed?

Hon. Mr. Taylor: — The other members of the board are my seat mate and Minister of Finance, Mr. Lane; the Minister of Health, Mr. McLeod; and the Minister of Education, Mr. Hepworth. And I think that you realize that the latter two ministers are ministers of line departments which are the largest consumers of capital projects.

As far as specifying just in Saskatchewan or not specifically Regina, I guess just gives flexibility to whatever may happen at some point in time. We have seen decentralization by our government, with crop insurance moving to Melville and agriculture credit corporation to Swift Current. I’m not saying we’re moving the seat of the property management office but that flexibility is allowed within the Act.

Mr. Brockelbank: — By asking that question, Mr. Minister, I didn’t mean to give you a platform on which to talk about decentralization. However, it’s too late to stop you now.

With regard to superannuation and other plans in clause 11, the employees were covered under certain plans, and this particular clause is a continuation of the coverage in all its aspects, not diminished nor enlarged?

Hon. Mr. Taylor: — No change.

Mr. Brockelbank: — Okay. The powers of the corporation in 12 — is there any increase in the power over what existed in the Department of Supply and Services or in the Crown corporation?

Hon. Mr. Taylor: — Basically the powers would be the same, the same as the OC. But as we look at the difference between the Act that we’re putting in now and the old Supply and Service, there is an extension of powers, and that is the whole thing of long-term financing and the lending of money to third parties for capital construction. That’s basically the difference.

Mr. Brockelbank: — That power, Mr. Minister, is — you may give examples — as contained essentially in sub (m) — 12(1), sub (m) or other sections too. Perhaps you could identify those, where the main powers are expanded.

Hon. Mr. Taylor: — If you have your Act there, we’ll go through these. I am advised that (l) is an expansion of powers that were not there before and that (o) is an expansion, and then (m) and subsection (2) and subsection (3) are standard to any Crown corporation. But they are new to . . . as you look back to Supply and Services.

So in summary, (l) and (o) would be the expansion of powers, (m); (2) and (3) would be also an expansion but standard to Crown corporations.

Mr. Brockelbank: — Mr. Minister, some time ago we had some discussion about the year end for the corporation, and the way it was set out in the order in council and where it is now set out in the proposed legislation, the Bill. And at the time we discussed it previously, you said the first report of the Crown corporation will be a year and five days. And I want to find out if in fact, if you adhere to that, or are you suggesting, upon reviewing it, it will be three months and five days, because the calendar year end is March 31?

Hon. Mr. Taylor: — The first report as reported to me — or indicated here by the officials — is from March 26 of ’96 to March 31 of 7, so that would be a year and five days. And then following that, would be like any normal Crown corporation that would be debated and discussed in Crown Corporations Committee in the year under review.

Mr. Brockelbank: — Okay. Then while the report may be a year and five days, the only time it was active during that year and five days was the three months and five days, from the last five days in December until the end of March. Prior to that time it was created but there was no function carried on it.

I’m trying to find out, Mr. Minister, when the Department of Supply and Services ceased and when the Crown corporation started de facto.

(2045)

Hon. Mr. Taylor: — Supply and Services is still in effect

until we pass the consequential amendments in this Act. But I think what you're wanting to know is when did we cease doing business as Supply and Services and when did we start doing business as SPMC. And I think the best date for that indication would be March 31 of '87. And there were the five days when we did a few things there. That was on the capital side in '86. But I guess, if I understand what you're wanting, March 31, '87, is when she really kicked into gear as SPMC.

Mr. Brockelbank: — So in other words, the department and the Crown corporation existed for a period of time together.

Hon. Mr. Taylor: — Well in actual fact, until we pass this, the department is still there in name, but in actual practice it would be from March 31 on, that things have been conducted under the structure of the SPMC.

Mr. Brockelbank: — Well, Mr. Minister, it's interesting but unnecessary from my point of view. However, that is the decision that the government has made, and I think that the decisions which the Executive Council made with regard to this corporation being created are ones which they bear the responsibility for, I suppose. And I don't suppose they're denying that.

However, the concerns that this creates for me, and for the legislature is that we have some difficulty with an information gap that the minister acknowledges each time he responds to a question in question period, or in Crown corporations, or wherever, about a period of time where it's difficult to know what was happening in Supply and Services and what was happening in the new Crown corporation.

I said, we believe it is unnecessary because other provinces have their functions out in the open where they can be dealt with in the legislature, whereas with Crown corporations we are dealing with them after the fact — after the fact. So in effect the minister is drawing a thin veil in front of some of the operations of the Department of Supply and Services, in fact all of the operations of Supply and Services.

We have the opportunity in the Department of Supply and Services to examine the estimates of the department. We do not have that opportunity with regard to Crown corporations. And we should at least have the opportunity to examine what other provinces examine in their legislature, in a department. However, that's beside the . . . by the way because the minister has made his mind up that he's going ahead with the legislation. However, we will see how the legislation operates.

I do wish that the minister would speed up his response to the questions that I have asked about staff. I don't accept for a moment that the minister doesn't know who's in the different positions in the corporation, who's running the operation. when you've got over \$140 million operation going on, and in effect we have to sweat the information out of the minister a bit at a time, that's not the way it should be done.

I recognize if the minister was to send over a list of the people that are running the corporation and responsible

for it, that it's an interim list. The minister doesn't need to keep the list hidden in his inside coat pocket. It should be the subject of discussion in this legislature so that we know who's who in the Saskatchewan Property Management Corporation. I cannot support the minister on this; however, I suppose the minister is destined to go ahead.

Hon. Mr. Taylor: — Well as I indicated in the estimates, what the final decision on the staffing and the position has not been made yet, other than the president who is permanent, the other ones are all acting. And when those decisions are made, I'd be more than pleased to share them with the member from the opposition.

Mr. Brockelbank: — Mr. Chairman, the minister has no reason for not sending over who's acting in different positions. From time to time within government or Crown corporations we have people acting. If the president of the Saskatchewan Power Corporation is gone, we know who the acting president is. And if somebody in a department is acting, we know who's acting in the position. And I see no reason why we shouldn't have the acting positions if the minister can't supply us with the fixed and permanent positions. I see no reason for that.

Hon. Mr. Taylor: — I thought you had received the acting ones following the estimates. If you haven't you'll have them tomorrow morning. I have no reason to not show you that. The only thing is that I want you to understand they are acting and there may be some changes in the structure of the corporation, as I said in estimates. There may be some changes in the functions that certain personnel do. However, if it's your request — and I sense that it is — that you'd like those acting positions, we'll have those to you in the morning.

Clause 1 agreed to.

Clauses 2 to 21 inclusive agreed to.

Clause 22

Mr. Chairman: — The Minister of Tourism and Small Business:

Amend clause 22(a) of the printed Bill by striking out "for" in the last line.

Clause 22 as amended agreed to.

Clause 23 agreed to.

Clause 24

Mr. Chairman: — There's a House amendment to section 24 of the printed Bill, moved by the Minister of Tourism and Small Business:

Amend subsection 24(2) of the printed Bill by striking out "for" in the first line and substituting, "notwithstanding any other Act or law, for."

Mr. Brockelbank: — Mr. Chairman, Mr. Minister, I gather these are typographical errors, or do you have a computer that has a "for" fetish? could you explain the second one,

the second explanation there, the for.

Hon. Mr. Taylor: — The new word is in there to indicate or to make sure that the Acts do not restrict other public institutions from entering to the financial arrangements with the corporation. That's why the "notwithstanding any other Act or law." The "for" perhaps must be some typo error.

Clause 24 as amended agreed to.

Clause 25

Mr. Brockelbank: — Mr. Minister, I have a question with regard to 25. Am I correct in assuming that the exclusion here, "subsection (1) does not apply to," and then it goes on with (a) (i) (ii) and (b), has to do with the Legislative Building and the Wascana Centre Authority and their jurisdiction in this area, and this reference to the Legislative Building is retained in The Public Works Act. Is that correct?

Hon. Mr. Taylor: — Yes, this pertains to the Legislative Building and lands in the Wascana Centre.

Mr. Brockelbank: — Mr. Minister, just a little further. It pertains to the legislative buildings and/or all legislative buildings within Wascana Centre?

Hon. Mr. Taylor: — No, just this building here.

An Hon. Member: — Just this building.

Clause 25 agreed to.

Clause 26 agreed to.

Clause 27

Mr. Chairman: — House amendment moved by the Minister of Tourism and Small Business:

To add the following section after section 27 of the printed Bill:

References:

28 A reference in any Act, or in any regulation, order, resolution, bylaw, or other instrument made in the execution of a power given by statute, or in any document to:

(a) the Deputy Minister of Government Services or the Deputy Minister of Supply and Services is deemed to be a reference to the chief executive officer of Saskatchewan Property Management Corporation;

(b) the Department of Government Services or the department of Supply and Services is deemed to be a reference to the Saskatchewan Property Management Corporation.

Renumbering section 28 of the printed Bill as section 29.

Mr. Brockelbank: — Mr. Minister, I haven't had a chance to examine this very closely, but am I correct in assuming this is a consequential on the Bill that's before us, in effect? Perhaps you could enlarge on the purpose of that section.

Hon. Mr. Taylor: — I think the best way to describe this is a very cautious housekeeping insertion so that if there's any law or Act or whatever may be out there that refers to deputy minister of government services or deputy minister of Supply and Services, that it is spelled out within this Act. That is, in case the chief officer of the property management Crown, or if it should say Department of government services or supply and Services, it then is deemed to be Saskatchewan Property Management Corporation. So I guess my best way of describing, as I said, was a cautious and careful housekeeping amendment.

Clause 27 as amended agreed to.

Mr. Brockelbank: — Mr. Chairman. I don't want to bridge the arrangements that are made by the House Leader but if we want to go ahead with 81 that's okay with me.

Mr. Chairman: — Order.

Clause 28 agreed to.

The committee agreed to report the Bill as amended.

(2100)

Bill No. 81 — An Act respecting the Consequential Amendments resulting from the enactment of The Saskatchewan Property Management Corporation Act

Clauses 1 to 4 inclusive agreed to.

Clause 5

Mr. Brockelbank: — Mr. Chairman, Mr. Minister, I wonder if the minister could say a few words about the Queen's Printer, and its relationship within this department. I have some knowledge of how the Queen's Printer was in relation to the other functions of the government a number of years ago, but I don't know at this point. Could the minister explain that.

Hon. Mr. Taylor: — I understand that the function is the same as it has always been, publishing the gazette, Acts and publications; that there virtually is no change from when it was part of Supply and Services.

Mr. Brockelbank: — Are the functions of the Queen's Printer the same? The Queen's Printer dispersed the printing of the government to either Saskatchewan Government Printing or private printers in the past. Is that essentially the same function of the Queen's Printer now?

Hon. Mr. Taylor: — I understand that that was changed some time ago to be a function of the purchasing agent and not the Queen's Printer.

Mr. Brockelbank: — Then perhaps the minister could explain the duties of the Queen's Printer now.

Hon. Mr. Taylor: — I believe the changes made in 1981 and since that, the function hasn't been changed at all, and that is basically the publications of the Acts and the gazettes.

Mr. Brockelbank: — I want to apologize to the Deputy premier. He will note that I had quick questions, but the minister's answers were slower. Consequently it took more time than I thought it would take.

Clause 5 agreed to.

Clause 6 agreed to.

The committee agreed to report the Bill.

Mr. Chairman: — I'd like to thank the minister and his officials.

Hon. Mr. Taylor: — Thank you very much. I'd like to thank the officials and thank the member from Saskatoon for his questions.

Bill No. 58 — An Act respecting the repeal of The Agricultural Research Funding Act

Clause 1

Mr. Koenker: — Yes, thank you, Mr. Chairperson. I have a number of comments to make on this Bill. I think that there are basically two issues when it comes to Bill 58, the Bill to repeat The Agricultural Research Funding Act. And those two issues quite simply are misrepresentation of the facts and mismanagement. And it's for those two reasons that we have this Bill presented tonight.

And I refer to the remarks made by the Acting Minister of Agriculture this afternoon when he commented on this legislation, and he said that the Saskatchewan agricultural research fund had the limitation of only being able to finance projects of one year period of time, whereas the ADF (agricultural development fund), the agricultural development fund, can authorize longer-term research projects. That just simply is not true. And he, having served as Minister of Agriculture before the ADF was introduced and when it was introduced, should know this, of all people.

We can look at any of the annual reports for the agricultural research fund. I'm looking at the one from 1984-85 right now. And we can note that there was a project, for example, for superovulation in cows, a three-year period; the role of solar and pheromonal cues in the orientation ability of *Thomnophis Radix Haydeni* during fall migration. That was a three-year project. The economics of wheat and grain: protein ratios in growing-finishing hog rations was a two-year project. And I could go on and on, quoting.

And the majority, incidentally, of the projects listed in this report are multiple-year projects. So it was out and out misrepresentation to say that projects could not be funded under this legislation, under this SARF (Saskatchewan agricultural research fund) program for more than one year, that this was a limitation on the

project.

The second piece of misrepresentation promulgated by the minister, in his very brief remarks this afternoon, was his assertion that his government has increased funding in the agricultural development fund by 28 per cent. Now that may be true, that particular fact may be true — that funding for the ADF has increased by 28 per cent — but what the minister clearly neglects to mention is that this year . . . Well first of all I'll start, that funding for agricultural research has not increased by 28 per cent, that payments for agricultural research and development projects listed in the estimates booklet under vote 61 indicate that in fact there has been a decrease in funding for agricultural research and development under the ADF program that he talks about, by a factor of 15 per cent — down from 10 million last year to 8.5 million this year. So it simply isn't accurate. It's deceptive and deceitful to say that there has been an increase in funding for the ADF of 28 per cent when we're talking about agricultural research, and in fact he has cut funding for this research.

And just to substantiate this point even further, we need to look at the Public Accounts record for the year ending March 31, '86, to look at the actual performance of the agricultural development fund. And the minister, the acting minister, certainly must have known that his government, in budgeting \$10 million for agricultural research in that first year, spent — how much? — one-quarter of that. Two and a half million dollars for agricultural research, spent on agricultural research — 7.5 million not spent of the \$10 million.

So it simply, again, is not accurate to say that there has been a 25 per cent increase in spending for agricultural research and that somehow the agricultural development fund is the panacea and the cure-all for research funding here in Saskatchewan. And in fact even if we look globally at ADF funding for all of its four program areas, we note that it's been underexpended by a factor of two-thirds, that only one-third of the \$21 million in the entire ADF, the agricultural development fund, was actually spent in the first year. A lot of hype and a lot of talk about help for agricultural sector and the research sector, but no real help.

I want to continue by pointing to other misrepresentations and outright, outlandish misrepresentations of the fact. The minister commented this afternoon that both programs operate with two boards, that two funds are administered. True enough. But he went on to give the impression and to say that the two programs exist, duplicating service and expense. They simply don't duplicate service.

The SARF program that this Bill pertains to, as is noted in the ADF booklet which contains information on SARF, which was managed by the ADF management program, notes that SARF grants research projects which are unique and require new and additional funding. And I can point to one very pertinent example of SARF funding for the farmers of Saskatchewan. That was the problem of the wheat midge when it originated back a couple of years ago. It was SARF that had the capacity to react to the wheat midge problem and to put the very first money, research money, into this wheat midge problem, because

it happened that SARF was the only board able to act quickly enough to address this problem. It was a problem identified by producers on the SARF board as being a very important problem to respond to.

And as a result, SARF directly funded research efforts at the Agriculture Canada Saskatoon research station to get entomologists working on the wheat midge problem, while other research funding agencies in the province and outside of the province simply sat on their hands and said, well, we don't have a board meeting until six months from now, we'll look at it then. SARF came through with the initial front-line funding to look at this problem and to give real help to Saskatchewan farmers — hardly a duplication of services.

And a further point in this regard, when the minister talks about the duplication of expense, very clearly he wants to dupe the people of Saskatchewan. And this comes to one of my very hearts of my concern with respect to this matter is that, in fact, this Bill to abolish SARF . . . I want to say that SARF costs Saskatchewan taxpayers nothing.

In order to understand this legislation, and it's . . . any reference to the terms of reference of SARF and its inception are very conveniently omitted by the minister and by the Bill itself. But in order to understand SARF, we need to know that it was established in 1979 by the Blakeney government with a trust fund or an endowment of \$3.25 million — \$3.25 million that were salted away for a rainy day to fund agricultural research down the road; \$3.25 million that was set aside in 1979 as a legacy for future generations of Saskatchewan researchers working in Saskatchewan and for Saskatchewan farmers farming in Saskatchewan and as a legacy for future generations.

And what this Bill does is essentially wipe out this trust fund and — lo and behold — roll it over to the Minister of Finance for his use in the Consolidated Fund for general government revenues and expenditures. So in other words, when the minister, Acting minister of Agriculture this afternoon said that SARF was a duplication of expense, that simply was not true. SARF cost the government and the taxpayers of Saskatchewan absolutely nothing — not a cent. In fact, it funded agricultural research and would fund agricultural research into the future perpetually if it weren't touched by this government in desperate need for financing.

(2115)

And I'm told that the interest paid on this trust fund of \$3.25 million has been as high as 16 and 17 and 18 per cent. So that in the year 1983, for example, SARF was able to fund grants to a total of \$672,000 at no expense to Saskatchewan taxpayers.

Yet another point I need to make about this particular piece of legislation is the claim that administration costs will be reduced or . . . administration period will be reduced. Well that again is misrepresentation. We simply need to know that SARF is administered through the ADF section of the Department of Agriculture. There basically is no duplication of administration in that regard.

And furthermore, something that we need to recognize in this Bill, and that farm people are especially appreciative of when it comes to SARF, is that five of the seven board members are producers. And that ratio hardly pertains to any of the other agricultural research agencies operating in this province that I know of. SARF has a unique place in Saskatchewan's research picture precisely because there is a high level of producer representation on its board and that that means that it's responsive to Saskatchewan farmers and their front-line problems.

In a word, I need to say that with SARF and its \$3.25 million trust fund, Saskatchewan people received a legacy, a legacy from previous governments for the present, and more than that, a legacy that was intended to be passed on to future generations for their use. This was a trust that was established for Saskatchewan people, and this Saskatchewan government has broken this trust relationship very clearly and wants to use this \$3.25 million to fund its mismanagement and its bankruptcy. At record levels of debt, it feels it has no option.

Well I say that it does have options, that SARF has a very unique role to play in Saskatchewan's agricultural and research communities. And I would like to know why the Premier and the Minister of Agriculture would want to rob the agricultural and research communities now, and for years in the future, by eliminating this SARF research plan. Very clearly it's a question of mismanagement and no long-term solutions for agriculture in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well thank you, Mr. Chairman. I should just take note that you, and I don't mean to criticize you, but you did not give me an opportunity to introduce my officials. And I would like to introduce my official for the evening, is the member from Kelvington-Wadena, and as a matter of fact he is the Legislative Secretary to the Premier. And, Mr. Chairman, I don't introduce this man just to make jest here tonight. I do it for a very, very specific reason.

I want the people of Saskatchewan to know and to understand and I want the members opposite to know and understand that when it comes to agriculture, whether it's myself carrying a Bill through this legislature or whether it's the Premier carrying a Bill through this legislature, if he needs some advice and some assistance and some help, many times we don't need the truly professional bureaucrats. And I recognize they have their place, but when it comes to agriculture, Mr. Speaker, I, or the Premier, or anybody else carrying a Bill through this legislature could rely on virtually any member on this side of the House. And members on the opposite side of the House do not have that luxury, Mr. Speaker, and I doubt that they ever will because they will never, never — or at least for a long, long time, Mr. Chairman — gain any seats in rural Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, Mr. Chairman, my other comment, my other comment with respect to this Bill — and I think it's very, very significant, Mr. Speaker. The member opposite from downtown Saskatoon will

stand and criticize the elimination of a redundant program that had a total of \$3.5 million allocated to it from there which you gained the interest on it that was put into agriculture. The interest on \$3.5 million at 10 per cent is roughly \$350,000 a year. For the benefit of the doubt we will say 400,000.

This ADF fund, Mr. Speaker, which has replaced this fund that we are eliminating is \$200 million over five years. That's \$40 million, \$40 million as opposed to 3 or \$400,000.

Mr. Speaker, I caution the member opposite, you lack credibility, sir. You lack a great deal of credibility when you will come and say we shouldn't have eliminated a fund that was spending 3 or \$400,000 a year when it is being replaced with funds in the neighbourhood of \$40 million a year, and you, sir, I will caution, you lack credibility when you do that.

Mr. Speaker, I think that the farmers of Saskatchewan, I think the people in rural Saskatchewan, will judge whether or not this has been a prudent move. And I ask you, Mr. Speaker, Mr. Chairman . . . I could bring in lists of people who have gained access to his ADF fund.

The wild rice community up in northern Saskatchewan, for instance, Mr. Speaker, we have spent more money on a single research project there than this fund would have carried over the term of our government. And, Mr. Speaker, I think that the people in rural Saskatchewan, and the people in urban Saskatchewan, who know full well that their livelihood depends on the farmers, will judge this to be a prudent move.

Some Hon. Members: Hear, hear!

Clause 1 agreed to.

Clause 2

Mr. Koenker: — Yes, I'd like to ask the minister responsible — he referred to the amount being spent on wild rice in northern Saskatchewan. I'd like him to tell me now what that figure would be over a four-year term of this government if you multiply that out?

Hon. Mr. Hodgins: — Well, Mr. Speaker, Mr. Chairman, I think I just mentioned that the amount of research moneys that have spent through the ADF fund, combined with the ERDA (Economic and Regional Development Agreement) fund, have been close to \$1 million. Now if you want to divide that by four years, I suppose that's about \$250,000 over a four-year term.

Clause 2 agreed to.

Clauses 3 and 4 agreed to.

The committee agreed to report the Bill on division.

Hon. Mr. Hodgins: — Just before we get into the next order of business, I think it would be in order for me to thank my official here, the member for Kelvington-Wadena.

Some Hon. Members: Hear, hear!

Mr. Shillington: — The opposition wish to make it crystal clear we do not wish to thank the minister's officials.

Bill No. 95 — An Act to provide for the Registration and Regulation of Persons Engaged in the Real Estate Trade

Mr. Chairman: — Would the Minister introduce her officials.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I'd like to introduce to my left, my deputy, Mr. Kessler; to my right, the superintendent of insurance and real estate, Mac MacGillivray; and behind me, our director of planning and policy, Ron Zukowski.

Clause 1

Mr. Mitchell: — Mr. Chairman, I've got a few questions for the minister. The Bill setting up this commission, Minister, confers on the commission quite extensive powers with respect to the registration of real estate brokers, managers, and salesmen, and confers the power to enact by-laws which cover a wide variety of matters, including the training of real estate agents, the investigation and inspection of methods of practice of brokers and salesmen and others, the reinstatement of people, of salesmen and brokers who registration has been suspended or cancelled, business practices to be followed by people in the industry, advertising by people in the industry, the keeping of trust accounts, and so on and so forth. Really quite an impressive collection of powers, and these are powers which are going to be exercised by a commission which is quite separate from government, as I understand the legislation that you have before the Assembly.

I recognize that of the nine persons who will constitute the commission, the cabinet will be appointing four of them and five will be elected by the industry. My question is whether this is legislation that will be unique to Saskatchewan . . . or at least where Saskatchewan will be unique in Canada, or whether there are other jurisdictions in Canada which have this kind of an arrangement?

Hon. Mrs. Duncan: — I can advise you that there are variations of this type of legislation in both Alberta and B.C. I would point out, even though those type of powers are being transferred to the commission, the superintendent of insurance retains the power to initiate investigations to initiate by-laws, to . . . People can appeal to the superintendent if they are not satisfied. And also any by-laws passed by the commission must be approved by the superintendent and filed and approved by the Lieutenant Governor in Council.

Mr. Mitchell: — On that point, Madam Minister, it is not . . . it was not clear to me on reading the Bill that the superintendent had any power to initiate a by-law. I'd be interested in knowing from you, under what section that power exists? That's my first question. My second question is: will you elaborate a bit more on what the arrangement is, or what the legislative scheme is in Alberta and British Columbia? You said that they had

similar schemes, and I wonder if you would tell us what the differences are between your scheme and this legislation and that in Alberta and British Columbia.

Hon. Mrs. Duncan: — With reference to your first question and the powers of the superintendent, it is found under section 7, by-laws, subsection (6):

The superintendent may, where he considers it to be in the public interest, request the commission to:

- (a) amend or repeal a bylaw;
- (b) make a new bylaw.

With regards to our two westerly provinces, Alberta's commission has the power to license and set educational standards. In B.C., their's was similar. However, last year B.C. amended their Act to allow the commission to mandate licences, to cancel licences, to suspend licences, and also to levy fines.

(2130)

Mr. Mitchell: — Thanks, Minister. Turning to the make up of the commission, one part of this Bill that we found of some concern is that there isn't much here respecting the representativeness — the representativeness of the five members of the commission who are elected by the registrants, that is by the brokers, the salesmen, and the managers.

Now I know from looking at the Bill that the commission can make by-laws respecting the procedures for the election of members to the commission. And I also see that the commission must call an annual meeting of registrants in accordance with the procedure set out in the by-laws. But we are, over on this side, are concerned about the fact that it is just left at five members, and there is no attempt in the legislation to ensure that the industry representation on the commission is broadly based. I'm thinking of ensuring representation from people in the real estate industry from small cities or from small towns and rural areas, or for that matter from small companies in the industry.

I wonder, Minister, if you'll tell us whether you gave any thought, whether you gave any thought to provisions to ensure that the five members from the industry on the commission were representative of any of those interests, or are you content to simply let the chips fall where they may?

Hon. Mrs. Duncan: — In response to your question, the real estate association presently has 11 boards, regional boards across the province, as you're probably aware. And they do go to great lengths to make sure that the smaller areas such as the Maple Creeks or the Piapots of the world are represented on their board. And we would envision that will be taken into account when they come up with their set of by-laws which the superintendent must approve.

Mr. Mitchell: — Yes, I take the point that the associations have been broadly based, and have operated, I think, very

satisfactorily. I'm familiar with the operations of the one in Saskatoon, and I think it's a very . . . It operates on a very sound basis.

I became concerned, though, when I was told by my colleague from Saskatoon Centre that . . . I think she said the industry as it's currently structured in Saskatchewan is dominated by three large companies — it may be four or it may be two, but anyway, a small number of large companies who employ 65 per cent of the agents and handle 90 per cent of the sales and . . . Now that may not be right, and I'd be pleased to hear what was right, but whether my numbers are right, I think it clear that the industry is being dominated by a small number of large companies.

And the way that the Bill is structured, you get this mental picture of all of the people registered under the Act having the right to attend the annual meeting of the commission and voting or electing the five members of the commission which, at least on a theoretical level, would leave it open to the three companies who are dominating the industry occupying all five seats on the commission. I'm not saying they would do that, Minister, I'm not saying that, but the possibility is here, and I wonder whether you gave any consideration to — I'm asking the same question again — to ensuring that this board, that this commission, was representative of different geographical areas in the province as well as different sized companies in the industry. I don't think you'd want to see this commission dominated by representatives of a few large companies. I think you would want a commission that was being run by a broad spectrum which was representative of the industry.

Hon. Mrs. Duncan: — I believe what your colleague was referring to is the fact that 65 per cent of the licensees represent 90 per cent of the market. We were very cognizant of that fact, but when we met with the real estate association, and as you said, how it works in Saskatoon, they are very cognizant of the fact that there is a strong need for representation from all regions of the province. And this one of the reasons that we chose to retain four appointees that would be made by government.

Mr. Mitchell: — One more question. If you look around at other industries, at other groups like the real estate agents in the real estate industry, what would be the closest analogy to this that you could think of where the industry has attained this level of self-government?

Mr. Chairman: — Order. It's very difficult to hear the questions. I'm sure the minister is having trouble hearing the questions when members are chirping from their seats. So I would ask them to please be quiet so we can hear the member from Saskatoon Fairview putting his questions to the minister.

Mr. Mitchell: — Thank you, Mr. Chairman. My question, Minister, was: what other group, outside the real estate industry, would you think would be the closest analogy to this, where they have this measure of administrative control, of self-government, as you're conferring upon the real estate industry?

Hon. Mrs. Duncan: — The closest analogy would be the insurance industry where they have three councils which act something like the commission in place — the life council, the hail council, and the general council. But that would be the industry that is most similar structured to this one.

Mr. Mitchell: — Well I'm going to make one more comment, Minister. Not a question, but a comment. I think that you would share with me the view that it is very important that this commission act responsibly, and I'm sure you'll be watching to ensure that this does happen. And I want to assure you that we'll be watching to assure that it does happen. And if it doesn't work, this may be a very short-lived commission.

Hon. Mrs. Duncan: — I would like to say that this particular industry really does conduct itself with the public interest in mind. It was the industry that set up the assurance fund under which aggrieved consumers can draw on. And I might share with the member that in the five years that I have been the Minister of Consumer Affairs, that fund has only been drawn on four times.

So I think we're dealing with an industry that is for ever upgrading their educational requirements, upgrading techniques in the industry, and an industry that is highly cognizant of the fact that their integrity must be held in high regard by the consuming public.

I would like to, however, reiterate that the Superintendent of Insurance still retains broad powers in dealing with this industry. This Bill is not a self-regulating Bill such as what you would find with the doctors or perhaps the lawyers. This is just self-administration with the superintendent retaining broad powers.

Mr. Mitchell: — I want to make it clear that we have a lot of respect of the way in which the real estate associations have been run and with the integrity that you find in most, if not all, of the real estate companies that are operating in Saskatchewan. But I know you would agree that this is a lot of self-government to hand over to any industry and it was in that context that I made my remarks about keeping a close watch on the situation.

Mr. Chairman: — The chairman would ask leave to go page by page except for pages where there is amendments.

Leave granted.

Page 1 agreed to.

Pages 2 to 5 inclusive agreed to.

Clause 7

Mr. Chairman: — Clause 7 on page 6. Proposed House amendment, moved by the Minister of Consumer Affairs:

Amend section 7 of the printed Bill by striking out "82" in subsection (11) and substituting "86".

Clause 7 as amended agreed to.

Page 6 as amended agreed to.

Pages 7 to 15 inclusive agreed to.

Page 16 as amended agreed to.

Clause 34

Mr. Chairman: — Amendment to clause 34, on page 17:

Amend section 34 of the printed Bill by adding "and section 61" after "subsection (2)" in the first line of subsection (1).

Clause 34 as amended agreed to.

Page 17 as amended agreed to.

Pages 18 to 28 inclusive agreed to.

(2145)

Mr. Chairman: — Amendment on page 29 to section 61 of the printed Bill:

Amend section 61 of the printed Bill:

(a) by striking out, "other than a person who is exempt from this Act," in the first two lines of subsection (1); and

(b) by striking out "53" in clause (1)(a) and substituting "57".

Section 61 as amended agreed to.

Page 29 as amended agreed to.

Pages 30 to 39 inclusive agreed to.

The committee agreed to report the Bill as amended.

Mr. Chairman: — I'd like to thank the minister and her officials.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I would like to thank my officials for standing by today to help me answer the good questions from the opposition.

THIRD READINGS

Bill No. 62 — An Act respecting the Saskatchewan Property Management Corporation Act

Hon. Mr. Berntson: — I move the amendments now be read a first and second time.

Motion agreed to.

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

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

**Bill No. 81 — An Act respecting the Consequential
Amendments resulting from the enactment of The
Saskatchewan Property
Management Corporation Act**

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

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

**Bill NO. 58 — An Act respecting the repeal of The
Agricultural Research Funding Act**

Hon. Mr. Berntson: — I move it now be read a third time and passed under its title.

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

**Bill No. 95 — An Act to provide for the Registration and
Regulation of Persons Engaged in the Real Estate Trade**

Hon. Mr. Berntson: — I move the amendment now be read a first and second time.

Motion agreed to.

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

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

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Department of Telephones
Ordinary Expenditure - Vote 38**

Mr. Chairman: — I would ask the minister to please introduce his official.

Hon. Mr. Lane: — Thank you, Mr. Chairman. I'd like to introduce to the committee Mr. Doug Smith, deputy minister of Telephones, and, of course, head of the communications secretariat.

Item 1

Mr. Shillington: — Thank you, Mr. Minister, most of my questions will centre upon communications and not on the Department of Telephones. I do however have couple of questions, and it is with respect to the Department of Telephones.

At a time when you found it advisable to do away with the Department of Co-ops and make a number of other cuts, I wonder why we retain this department. I wonder why we didn't roll this in with one of the other giants like Provincial Secretary and then you'd have three employees in the department instead of only one.

Hon. Mr. Lane: — Well it is basically being maintained at the request of the individuals involved in the rural telephone districts. The hon. member may recall that

there's a voluntary assimilation program of the rural districts, at their option, being taken over by SaskTel. They did request, and a commitment was made by the previous administration, that they would continue to have a department. As soon as they request that it be wound up, I would certainly encourage that to happen. I think we're down to about 40 of the rural districts left now, and it's simply at their option, but I expect to see it happen in the not too distant future.

Mr. Shillington: — You say you have one employee at 22,700. Do you mind telling, do you mind explaining that? That must be a secretary. I'm looking at the Estimates, Mr. Minister, '87-88 it says. And it says you have one employee and you've budgeted for personal services, 22,700. I'm wondering, what is this, a secretary?

Hon. Mr. Lane: — Well the hon. member is not quite correct. I think if you look under Department of Telephones, you have the executive administration, which is secretarial, I gather; communications policy, which includes obviously the people involved in communications policy. Virtually all of the work deals with communications policy.

Mr. Shillington: — I don't intend to belabour \$23,000. I'm curious to why you have anything in executive administration. I understand there are really no employees in this department, just the communications, what used to be called communications secretariat. I'm just curious as to why we have anybody, why you have anything at all budgeted for executive administration.

Mr. Minister, I'm wondering if you have any time frame within which you expect the remaining, I think you said, 20 rural telephone companies to be assimilated.

Hon. Mr. Lane: — There are, I believe, 40, not 20, and we don't have a time frame on it. Obviously it's not a big ticket item that way. But I suppose if the hon. member wants me to write to the remaining rural districts to raise the option with them, I'm quite prepared to do that.

I just remind the hon. member that it was a commitment to maintain that that was made by the previous administration as long as there were some of those rural districts, so they've been rapidly depleting. I think at one time there were nearly 300, when the program started, but that's the commitment we're acting under.

Mr. Shillington: — Mr. Minister, ever since the advent of telephones before the First World War, this province has engaged in what we have called cross-subsidization. I understand from an association with the communications secretariat that when Walter Scott, the first premier of the province, set up the Department of Telephones, he did so in order that the urban areas, which were relatively cheap to provide telephones to, would be in a position to subsidize rural areas which were more expensive. We've had that cross-subsidization as a feature, particularly prominent since Sask Tel itself, since the corporation itself came into being.

(2200)

Mr. Minister, a fair . . . And one of the ways that was

affected was that we charged more for long distance than it actually cost. The long distance rates were higher than one could justify in a statistical or accounting sense, and everyone admitted quite openly that that subsidized lower telephone rates and particularly lower rates in rural areas.

Mr. Minister, you yourself took a strong stand on that, and I can read you the press clippings if you like. The headline in the Star-Phoenix, though, sums it up when it says, "SaskTel does flip-flop on phone rates." Where once you stood on holy ground and you defended long-distance rates, the subsidized local rates, somewhere along the line you suddenly changed and applied for a reduction in long-distance rates which you yourself admitted might well bump up local rates, to use your phrase.

Mr. Minister, I wonder why you — and I will add, not for your benefit, but for the benefit for anyone watching at this hour — that you applied for an increase in long-distance rates for calls originating outside the province. So you're really in a sense giving something of a break to non-residents.

I wonder why, Mr. Minister, this long-standing policy, which I think served this province well, enabled people to live in rural areas and enjoy some of the amenities of urban areas without fully paying for them. And to fully to pay for them would make them prohibitive. I wonder why you abandoned this long policy?

Hon. Mr. Lane: — Well, we have not abandoned the policy of cross-subsidization. We maintain a very, very strong position that the long-distance rate should be utilized to keep local rates as cheap as possible. What you are in fact referring to is a reduction in some select long-distance rates. In that particular policy change, there were other long-distance rates that in fact were increased, and so that overall the principle is very much maintained.

Secondly, the rates interprovincially between provinces are of course a negotiated and agreed upon rate structure through Telecom Canada, and we have always had the practice in Saskatchewan, of course, of one, maintaining the position of cross-subsidization, but secondly, being prepared to make adjustments and that to make sure that the service is maintained.

In other words, that in some areas of Canada where competition is allowed, there may have to be some adjustments in that, otherwise Telecom Canada itself would lose all of the business in those parts of Canada where CNCP (Canadian National and Canadian Pacific) may be interconnecting. So we do have this added pressure now in Telecom Canada in some parts of Canada where competition is allowed on long-distance rates — data transmission, for example.

But within that need to make some adjustments to make sure that we maintain the business on a national scale, we very much have maintained the principle of the cross-subsidization to maintain rates, and the proof of that is, I believe, in the last four months, I believe it's Woods Gordon on a national study has now indicated that Saskatchewan has, in fact, the cheapest telephone rates in Canada.

Mr. Shillington: — Yes, and Mr. Minister, have had for a lengthy period of time.

Mr. Minister, I take it then we agree that deregulation is not in the best interests of Saskatchewan telephone consumers since deregulation elsewhere in Canada has enabled those who are interested in such a policy to reduce long-distance rates and jack up local rates. So I take it we can agree tonight that deregulation is not in the best interests of the Saskatchewan telephone consumer, at least.

Hon. Mr. Lane: — Well I want to be precise that deregulation does not apply anywhere in Canada. So the terminology has to be correct. What you are getting through the CRTC (Canadian Radio-television and Telecommunications Commission) is what they call some narrow areas of limited competition. That is not deregulation; the rates are still set on interprovincial, and in areas of Ontario, B.C., Quebec the rates are still set by regulation of the CRTC. So we don't have deregulation in Canada. There is in some areas select, limited competition, but the rates are set by regulation of the CRTC.

Mr. Shillington: — I take it then, Mr. Minister, you define deregulation as total deregulation. Anything else is providing a limited degree of competition. Accepting your definition that deregulation is total deregulation, would the minister care to put in unequivocal language his position with respect to deregulation of the telephone system?

Hon. Mr. Lane: — Let me . . . to clarify for the hon. member, that the policy of the limited competition was approved by the CRTC and Telecom Canada in 1979. This is not something that just came upon the scene. So . . . I . . . remember, and where I'm trying to urge the hon. member not to confuse the issue, there's no deregulation in Canada. Even where there is the limited competition, it's still subject to the regulatory authority of the CRTC.

Now let's talk about competition as opposed to your phrase of deregulation, which doesn't apply in Canada. Let's talk about competition. We are very much opposed to the situation in the United States where you basically have anybody can go in and set up a telephone system. and we have argued that strongly.

Our position has been stated to the people of the province, and nationally, and we have had ongoing discussions with our neighbouring provinces of Albert and Manitoba. and to varying degrees they support Saskatchewan's policy.

Now within the question of competition, you have to look at each case on an ad hoc basis. For example, some would argue that people should not be able to buy their own phones in the province of Saskatchewan from other suppliers. I think it fair to say that the ability to buy your own phones is something that the people of Saskatchewan want. I think 70 per cent of them buy their phones from SaskTel — and buy is a SaskTel option as well as rent — and 30 per cent choose other phones.

Is there a loss to SaskTel? The indications are no, because here's what happened. SaskTel can make a good return on sale of its own equipment and maintenance of that equipment. Secondly, by selecting the items for sale or for rent that the public wants, you cut down your inventory costs of maintaining a wide range just for the sake of having a standardized equipment, so there are inventory savings.

In terms of people wanting to access their own type of office equipment, data terminals, it frankly would be impossible for SaskTel to supply every type of business need, and so the business community has some options. Now within their ability to buy some of the terminal attachment equipment on the open market, for want of a better phrase, we still maintain that they must hook into the SaskTel basic telecommunications network.

There is, I believe, one major exception and that being the long-distance data transmission, the high volume data transmission which is being done — like The co-operators, for example, to their offices in London, Ontario. I believe they set up their own system.

Frankly, it's impossible to control that, so we try and look at maintaining the basic telephone system and network — the cross-subsidization principle — and still be realistic in terms of supplying the needs of the people of the province which in this day and age are becoming increasingly complex in terms of the demands for the type of equipment that they want.

Mr. Anguish: — Thank you, Mr. Chairman. Mr. Minister, I just have a very brief intervention. It concerns the commission or the board that you had travelling the province last year to look at the boundaries of the telephone exchanges.

And the community of Maymont, or people in that area up there, made representation to the committee at that time asking that their boundaries be expanded. And since that time they have lobbied various people — I'm sure they've corresponded with you and their own MLA and others — and I'm wondering if you can tell us tonight, Mr. Minister, whether or not a community like Maymont — and there are others, but Maymont in particular — whether they will at least be able to phone into The Battlefords, because if they aren't allowed to at least phone into The Battlefords . . . it's a long distance phone call every time a senior citizen wants to make a doctor's appointment, or every time the farmer wants to phone in for parts, or every time someone wants to phone into the service centre that they identify with for most of their major services, it means a long-distance phone call for them.

And I'd appreciate if the minister could shed any light on whether or not there will be an expanded telephone exchange that will include Maymont into The Battlefords, or whether there is going to be some decision in the future on that?

Hon. Mr. Lane: — Well there will be a decision. What's happening with the boundaries review study is that it has now gone to the engineers and the technical people for analysis. It's not just a matter of changing boundaries. The

equipment needed and everything else also has to be assessed, and I think the hon. member would recognize that.

There are two difficulties arising from the boundaries review and that is, first of all, when you change a boundary you still dissatisfy people on another side of the line. So there is always the question, even on a new line, where do you draw it?

Secondly, there is an increasing concern amongst some of the rural small-business community that the ability to bypass and go to the larger centres in effect is hurting their business. And we are starting to get some specific concerns raised that people would bypass the local community. We're looking at ways to address that, but we don't have solutions yet, but that is under review.

Mr. Anguish: — Mr. Minister, when do you expect that decision or those decisions to be made? What's a ballpark figure? Are you talking about a month, two months, six months, a year?

Hon. Mr. Lane: — Probably in the new year, I would think . . . I would suspect it would be around the range of six months, but it could be sooner than that.

Mr. Shillington: — Thank you very much. I have some questions with respect to the coaxial cable and the sale thereof. Mr. Minister, the same principle applied here, in that it's patently more expensive to provide coaxial cable service in small communities than it is in larger ones, it's obviously economies of scale, too obvious to need any sort of documenting.

The same principle, Mr. Minister, which caused you a moment ago to declare your true allegiance to a publicly owned telephone system makes every sense with respect to a coaxial cable system. There's no reason why the larger communities shouldn't subsidize the smaller communities if we believe in the principle of cross-subsidization.

(2215)

Mr. Minister, when you sold — or gave away, as the case may be — the coaxial cable, it seems to me you abandoned any ability to cross-subsidize small communities with larger communities, and make it more difficult to bring to smaller communities the amenities and services which are enjoyed in the cities, something I think all people in Saskatchewan still adhere to — the principle that what is available to Regina should be available in Cupar or Raymore or Maymont.

Mr. Minister, it seems to me that when you gave away the coaxial cable, you also gave up the ability to ensure that the same services are available in Maymont as are available in Regina or Saskatoon. And I wonder, Mr. Minister, if you gave any thought to that in your unbridled zeal for privatization which doesn't seem to have any limits?

Hon. Mr. Lane: — Well the hon. member obviously is not familiar with the rural television extension program which we initiated about 18 months ago. The result of

that is that by next year, I believe 200 ... 210 smaller Saskatchewan communities will have either their own community-owned cable television system, or they have the right to license someone else to do it.

The upshot of it is that we have a far more extensive cable television system in Saskatchewan than any other province in Canada. The upshot of our program is that small communities now on an accelerated application process can apply to the CRTC and get a community cable television licence. We have communities as small as 100 people now, and I gather that we expect to see some with a smaller population than that, that are now applying through — with the assistance of the communications secretariat — to the CRTC, getting licensed to be able to bring in their own cable television system.

And we're getting a tremendously wide dissemination of cable television as a result of that program. They have two options: they can either, at their option, choose a cable system, or they can choose a low-power rebroadcast system. The second system would allow them to transmit, depending on their licence, to farms beyond the perimeters of the community. The cost of the second system are considerably higher, and we're finding that not too many take it up.

Having said that, we have far more cable communities now in Saskatchewan — rural communities, urban communities — than any other province in Canada. Our system is now being picked up by the province of Quebec, the province of Ontario, the province of Alberta, and I'm advised now that it's under review by the province of British Columbia as well, as the most effective way to get cable television into smaller communities.

Now do they get less of a service as a result of that? No, they do not. As a matter of fact, in many of the communities they have an enhanced service over the large cities. But it is their choice. They choose the channels they wish to pay for on their monthly rates as part of the CRTC package, and they can choose, with a pre-arranged fee schedule, the number of channels that they wish to choose, and it's just a matter ... They then calculate their monthly rate. So in many cases they will have a superior service, at their option, to the large urban centres.

Mr. Shillington: — But the fact remains, Mr. Minister, that you have hived off to the private sector the low cost and therefore higher profit operations in the cities. You have retained for the public sector the higher cost ... lower population centres. This, Mr. Minister, is absolutely typical of privatization: you give the good areas to the private people; you retain the expensive areas for the public sector.

This is what privatization is all about in a microcosm, Mr. Minister, you give away the good areas. And I know you're going to stand up and claim that you were losing buckets and buckets and buckets of money on the cable television area that you sold. I tell you, Mr. Minister, nobody believes that. I know you will parade it before the legislature one more time in the hope that there may be a single convert somewhere outside your own caucus, but

it's a fond hope, because nobody believes it.

It is patently obvious, Mr. Minister, to anyone that gives it 30 seconds' thought that there are economies of scale. It's much cheaper to do it in the cities than it is in the rural areas by retaining the cities and making it all one network. You can take some of the profits you make from the cities and use that to provide service to the rural areas. Instead, what you do is give away the profitable areas in the cities; the public sector maintains those expensive rural areas.

Mr. Minister, this is, as I say, this is an example of what privatization is going to bring us: no real increase in service in some areas; and much more expensive service in other areas; and a degeneration of services in other areas.

Mr. Minister, I don't buy ... You may or may not have the world's best cable television service in rural areas — that's quite beside my point. My point is that you gave ... A properly constructed system would provide in this province, that the more lucrative urban areas subsidize the more expensive rural areas. You abandoned the opportunity to do that when you gave away the coaxial cable in the cities, Mr. Minister. You don't have that option any more. And as I say, I'm now going to sit down and listen to the minister explain what a ferociously expensive and horrifying white elephant the coaxial cable is. Try it if you like, Mr. Minister, but there's going to be darn few followers in your parade.

Hon. Mr. Lane: — Well I mean, darn few followers ... I mean, we went through the debate in the election.

But secondly, the point you well make is the fact it was a money loser. But where you are sadly mistaken, and where you're wrong in your premise, is there was no cross-subsidization on cable television urban to rural. In fact each system applied and the rates were set — it's a discretionary service — by the CRTC. So they set different rates. There was no cross-subsidization ever in the cable television.

No, the hon. member doesn't understand that within the same application, a cable company supplying to a place, say outside of Regina, if it was the same company, would have a different rate for another small community. It could have a third rate, a fourth rate, a fifth rate. The weakness in your premise, the falsity of your premise, is that there was cross-subsidization on cable television ... (inaudible interjection) ... No, there never was.

There couldn't be, because the CRTC licensed it as a discretionary service, not as a compulsory, uniform service applicable to everybody in the country, and so it never could have been a mandatory, compulsory service. It was always considered a discretionary service applicable to those communities wanting the service. It wasn't a mandatory service. And they paid the rate depending first of all on their size, and secondly, on what types of programs they wished to choose. So it never was a cross-subsidized program.

Mr. Shillington: — Now, Mr. Minister, some of your

colleagues are as obtuse as that, but you're not. You understand full well what I'm saying. What I'm saying, Mr. Minister, is that really there was no cross-subsidization policy; there was a vacuum; you didn't devise one. That is my criticism precisely.

My suggestion to you is that SaskTel could well have devised such a policy had it gone to CRTC with a policy for providing coaxial cable, which included cross-subsidization. My guess is the CRTC would not have turned it down flat. They would probably have welcomed it. But you chose not to do that. You chose not to follow that path, and as a result rural areas are paying more. One of the results of this nonsense is that rural areas are paying more than they would have paid had you had a uniform system. But you chose not to do that, and the rural people have been the real losers. I don't watch enough cable television. Quite frankly, I don't know what's on the various channels, but I haven't had any of my neighbours complain there's been any degradation in service after it was privatized.

But, Mr. Minister, I think it's fair to say that had you had a cross-subsidization system, it would have been less expensive in rural areas, and the rural people are paying for your mania for privatization.

Hon. Mr. Lane: — I mean the sad thing about the debate tonight is that the hon. member doesn't understand. There was no cross-subsidization on cable television. Secondly, the various cable operators were making separate applications based on whatever communities they wished to serve. The needs of the communities were assessed by the cable operators, whatever they may be and what type of service they wanted, and it could vary from community to community. It's not a situation where we're dealing with a uniform type of service right throughout a whole country. And it was never, as I say, a cross-subsidized service.

Secondly, keep in mind that it's not regulated by the provincial government. It's regulated by the CRTC as an interprovincial broadcast undertaking. So it's not a regulatory capability that we have. To argue that, you know, that the rural people are not being served, I think ignores, in fairness, the fact of the cable television policy that this government and the people of Saskatchewan have implemented, which I suggest cables more of our province than any other province, probably anywhere else in the world, and lets them own the system.

The community itself can own the system. If you're saying they're charging too much and they're making a profit, that's the community that's doing that. They have that right, and they're community-owned systems. It's up to the community to choose whether they want to own it, whether they want to joint venture it, whether they want to delegate their licence to a private company. The choice is theirs, and if it's a . . . They have the choice of making a profit to use the moneys for other services within the community. I can't think of a better system, quite frankly.

Mr. Shillington: — Well, Mr. Minister, the hour is drawing nigh, and I don't intend to take all night at this particular issue. Mr. Minister . . . And perhaps the

question directed to the Government House Leader. There is in addition to the Department of Telephone estimates, SaskTel estimates. Is it your intention to do them now or are those separate? If they are, we will . . . (inaudible interjection) . . . Okay, I have some questions then of the Minister with respect to the SaskTel estimates as such. There is a \$35 million SaskTel estimate in the statutory grants. Is that gone? Then my questions are, I think, then out of order.

Mr. Chairman: — Order, please. We'll allow the Minister of Finance.

Hon. Mr. Lane: — You know, it's been voted off. If you've got some, if you'd submit them to me, I'd be pleased to answer them for you.

Mr. Shillington: — Well I just wonder, Mr. Minister, if you've given any consideration to doing something about the horrifying Saskatoon telephone book.

Hon. Mr. Lane: — I can give the same answer to the committee that I gave the other night when it was asked by a member in that, that we are reviewing whether we should be reprinting, whether we have an addendum or some type of action to respond to it, and I gave an explanation the other evening as to what happened, the same as I did in Crown corporations. It was transcribing to a new computer service. But to the hon. member, it was restated, there is a problem. We are looking at an effective response. It probably will mean an addendum being printed.

Mr. Prebble: — Mr. Minister, as you know there are over 500 errors in the Saskatoon phone directory, and I don't have to tell you about the major inconvenience that that's causing to businesses and university departments and doctors' offices and a host of other organizations and individuals that are being impacted upon.

(2230)

My question to you is when we can expect that addendum, because this situation has really dragged on now for far too long. When can we expect that addendum to be printed? number one. And number two, with respect to the intercept system that you have had in place to intercept calls where the number has been incorrectly printed in the book and transfer them to the proper department or individual or agency, can you tell us how successful that intercept system is proving to be?

So two questions: number one, when can we expect the addendum; and number two, can you tell us how the intercept system is working with respect to Saskatoon people who are being affected?

Hon. Mr. Lane: — We're in the process of getting an estimate now as to the time of printing, delivery, and what not, so I hope to be able to have decisions finalized within a week.

Secondly, the intercept is working well in most cases. We've had a couple of complaints where it's not satisfactory. As I indicated in Crown corporations, we're prepared to take different types of actions depending on

the error and the effect of the error. In some cases we have either agreed with the customer as to some type of compensation in terms of the rate, or perhaps advertising in the daily newspaper in Saskatoon and some other options, again depending on the error and what . . . the effect it's had on the customer.

But the hon. member is correct, that the problem is much more serious than two months ago when we were starting to get numbers; although they were higher than the acceptable level of one error per thousand listings — still considerably below the industry average. We're now up over 500, of varying degrees, and it's certainly not satisfactory, and we are looking at the options. I hope within a week . . . in terms of getting an estimate and printing and all of that, time of printing; all of those we should have within a week.

Mr. Prebble: — Just one very final brief supplementary, and that is, Mr. Minister, could you give us your assurance that by the end of the month the addendum will be printed and will be out. Is that a realistic deadline, that people could expect that addendum to be available by the end of November?

Hon. Mr. Lane: — I would doubt that because one of the options that was given to me had a minimum printing time of . . . One of the likely options had a five-week printing time, and so that's one of the things that we're trying to narrow down. If we're held to that, then I certainly can't give you that assurance. But I had felt and told my officials that I thought that that was far too long, but whether I get back shorter printing period options, I simply can't tell you.

Mr. Shillington: — Mr. Minister, each year for several years I've suggested to you that the SaskTel phone book should not accept advertisements from escort agencies.

Mr. Minister, this year I'm joined by the Regina city council which has formally asked that these things be deleted. I wonder, Mr. Minister, if you're going to maintain this silly charade of saying you've got to accept an ad from anybody who's not behind bars — which I gather is your current position — that as long as they haven't been legally convicted of something, you've got to accept their ads.

Mr. Minister, that's not true. There's no such rule. Anyone may refuse business that one finds distasteful, private or public. I suggest you, Mr. Minister, that the public does find this whole business offensive. Whether or not it is or should be illegal is a separate question. It's certainly offensive. And I wonder, Mr. Minister, if you would not now be prepared to reconsider printing escort agencies — the ads from escort agencies, some of which are blatant — in the telephone book.

Hon. Mr. Lane: — Well, you and I could get into an interesting debate. I think we did a couple of years back, and I'm prepared to hold up for the public to see what the past history was. I think the hon. member was involved in communication at the time of the rather lewd — I thought — pictures in the SaskTel directory. As a matter of fact, at that time I thought the SaskTel directory should not be shown to people under the ages of 18. But there has been

policy adjustments over the years.

The hon. member says you can refuse business. Yes, you can arbitrarily refuse business. And we've had some rather strict criteria developed over the years, obviously not satisfactory to some, and certainly not satisfactory to the government, because we did announce a month ago a change in the policy that there are no pictures allowed. The ads are much limited in size. Of course, the language has always been controlled as to what's covered, and we frankly think that the change in the policy will very much discourage the escort agencies from participating.

I have indicated the difficulty as to whether some being fronts for prostitution, some being legitimate businesses, and it's a difficult thing. If we, in fact, made the decision and it turned out to be a legitimate business, we do run a risk of a successful court action. So we now have a new constraint policy which I'll ship over to the hon. member. We will be communicating that policy to those concerned. We think it will be satisfactory and adequate. If not, we're prepared to review it again.

Mr. Shillington: — Well I would like to see the policy, Mr. Minister. I suggest to you that there are no legitimate escort agencies. They're all engaged in an illicit sale of sex, and I suggest to you, Mr. Minister, that we would be a lot better off if you deleted escort agencies completely from the telephone book. It serves no useful social purpose, and the whole trade is and should be offensive to fair-minded people. So you'd be a lot better off if you just refused the ads.

Hon. Mr. Lane: — We are advised, just so you know, by policy and other law enforcement agencies, that in fact not all are fronts for prostitution, so I can't accept that. But again, the policy is a new one, and it's very narrow, and I think it will meet with public acceptance.

Item 1 agreed.

Items 2 to 4 inclusive agreed to.

Vote 38 agreed to.

**Supplementary Estimates 1988
Consolidated Fund Budgetary Expenditure
Department of Telephones
Ordinary Expenditure - Vote 38**

Mr. Chairman: — That completes the estimates for the Department of Telephones.

The Assembly adjourned at 10:39 p.m.