

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fifth Session — Eighteenth Legislature**

**May 25, 1978**

**EVENING SESSION**

**ADJOURNED DEBATES**

**SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Kaeding that Bill No.73 - **An Act to amend the Cattle Marketing Voluntary Deductions Act, 1970** be now read a second time.

**MR. E.C. MALONE (Leader of the Liberal Opposition):** — On a point of order. Mr. Speaker, I wonder if we have a quorum?

**MR. SPEAKER:** — Yes, there is a quorum.

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Speaker, it's always difficult to come back on an evening session at 7:00 P.M., particularly when there is a hockey game on. But I particularly regret, the members to my right, that some of their agricultural people are not in their seats because I had a comment or two that I would like to address to them. Now, if somebody would care to get them I would be quite prepared to go on to something else. I do hate to address comments to people who are not in their seats and since they may possibly want to respond at some future time. I'll perhaps wait a moment or two before I go into it and if you care to retrieve them, if they are not too absorbed in the hockey game, I would be more than pleased to wait . . . Perhaps the member for Regina South who is about to go into politics on a federal basis would care to have the floor, but if not he perhaps he could keep his silence for a moment or two while I address a comment or two to the Minister of Agriculture.

Mr. Speaker. Bill 73, I suppose the bill touches me fairly deeply, more than most. I guess anyone regardless of what business or profession or what job he may hold, regardless of the fact that you are elected and you are supposed to deal everything in an equally neutral capacity, I suppose you can be forgiven and when somebody starts infringing on your own business; that you can become a trifle more upset when it is your business than when it is something else.

Mr. Speaker, Bill 73 is a direct infringement on the cattle industry. Mr. Speaker, I take the gravest and most deep exception to it. I take exception to Bill 73 because it is an infringement on a business and an industry that has had all the problems that it needs over the last three to four years. We have had every conceivable thing go wrong that could possibly happen to an industry. We have had every government, we have had every bureaucrat, we have had civil service, we have had every body else create a variety of problems for us. Still, Mr. Speaker, strange as it may seem, the industry survived all this. The industry has come out of it. And if that is what I am saying to the minister, is that the free markets of that industry survived, the free markets proved once and for all that it is probably the only way that we could possibly operate and that the free market which to some extent may have got us into trouble by telling us we had an over supply, the free market is now telling us that we are into an under supply.

Mr. Minister. Mr. Speaker. I take exception to this bill. I take exception to it because I make my biggest part of my living out of the cattle industry and therefore what happens

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to it is very near and dear to me. I take exception to this bill which is put forward by a minister who doesn't make the biggest part of his living out of this industry, who never has, never could and never would be capable of it.

Mr. Speaker, I take exception to this bill from a limited minister with a limited philosophy that wears blinders to a dogmatic socialist Trotskyite philosophy.

Now the gentlemen across the way, they find it humorous; the people across the right take exception to that and that's good.

Mr. Speaker, about this time one week ago, (if the member for Regina South could perhaps keep silent before he goes on to his political oblivion), about one week ago there was a possibility that this Assembly was going to wind down; the possibility was there that on Friday evening, late Friday evening or at the very worst on Saturday, that we should have been out of this Assembly. The possibility was there that after almost 100 days of low productivity- well goodness knows what else.

**SOME HON. MEMBERS:** Hear, hear!

**MR. THATCHER:** — Anyone else, Mr. Speaker. Now Mr. Speaker, if I can perhaps continue, as we were going on about this time last week there was a very distinct possibility that this Assembly could wind down. Really, there wasn't all that much left to do; we had a few Estimates to do, we had the Attorney General; we had the Executive Council, a couple of real winners.

Now, Mr. Speaker with a little bit of work and with a little bit of extension of the hours, there is just no question whatsoever. We could have been out here. Mr. Speaker, about that time the Attorney General indicated to our caucus that we could be out of here on the weekend. The Attorney General offered what we think was a very generous and a very fair arrangement. The Attorney General indicated that if we can get out of here this weekend — . . . (interjection) . . . Mr. Speaker, I think my friends to the right are getting just a trifle excited and I really haven't even got to the crunch lines yet. Frankly, Mr. Speaker, I don't blame them for getting a little bit upset because I haven't gotten there yet and when I get there then I think their comments may be apropos.

Mr. Speaker, about that time the Attorney General made a very plausible suggestion. He made a suggestion that any Legislature, any House of Commons, any institution that operates on the British Parliamentary System has to work on and that is negotiations between all parties. The Attorney General was fully aware that many of us in the livestock industry were upset with this cow bill, with this cattlemen's bill that has some direct and very serious repercussions for the cattle industry. And the Attorney General made what I think is a very fair and generous offer, and believe me I'm no fan of the Attorney General, but the Attorney General said, if we can be out of here this weekend I will try to convince the Minister of Agriculture, I will try to convince our caucus to pull that cattle bill. Mr. Speaker, we agreed to that readily and it was subject only to the Liberal Opposition.

Mr. Speaker. I have been in opposition for about three years and it's about three years longer than what I had hoped to be but none the less that's the way it happened. I don't like being in opposition any more than anybody else does. Mr. Speaker, I would give anything to get out of this opposition position because your powers are so severely limited. Frankly, Mr. Speaker, when you are in opposition and a government decides that they are going to hoist a bill on you, you really don't have all that opportunity to do

very much about it. The fact of life is that this government has about 37 or 38 people over there. We've got about 22 on this side. It doesn't matter how you cut it when a government decides to do something we on this side are not going to do anything about it.

Mr. Speaker, I have been through a filibuster. I've been through a filibuster on the potash and I enjoyed doing it.

**MISS CLIFFORD:** — With us.

**MR. THATCHER:** — That's right, with you people over there and I enjoyed every moment of it. The euphoria of it is something I'll never forget. Believe me the conniving that we went through to keep that thing going in second reading and what we went through to keep it going in third reading was something I'll never forget and I enjoyed every minute of it. Mr. Speaker, when I look back in retrospect and ask the question, what did we accomplish, the answer comes up zero — a waste of time, of our time, your time and everybody else's time. Because when we look at it about two years later the potash industry is in effect. It is all there now. They are in the potash business so we wasted a lot of taxpayers' dollars. We fed our egos with long, long speeches and what have we accomplished? Mr. Speaker, I took part in it at that time and would probably do it again if the situation arose, but it accomplished nothing in the process. It was a lot of fun, but what did we accomplish?

**AN HON. MEMBER:** — What are we accomplishing now?

**MR. THATCHER:** — But on this particular occasion last week we had an opportunity to accomplish something. We had an opportunity to get rid of a highly distasteful bill — a bad bill, one that is an anathema to the livestock industry. And Mr. Speaker, what happened? What happened on Friday, Mr. Speaker? Everything broke down on Friday and Mr. Speaker, last Friday I had only one regret, when things broke down, and that regret was that I couldn't leave these guys all over again. (Inaudible interjection)

Mr. Speaker, I want to begin over again and get an opportunity to do something for the livestock industry. Regrettably, Mr. Speaker, ultimately (unless the Minister of Agriculture comes to his senses, which is an impossibility on his part), this bill is going to go through. Hopefully we are going to have an election on it and there will be a new Minister of Agriculture and a new government over there. But that bill is going to go into effect and believe me, Mr. Speaker, the livestock industry knows, they will be reminded, I promise you. The only reason they are going to have this bill go into effect is because of my friends to the right and Mr. Speaker, the member for Morse and the member for Assiniboia-Gravelbourg can get as upset as they want and they can make all of the noise they want, but their constituents, the cattlemen, the people in the cattle industry, will not forget and they will ultimately pass judgment on them. I think, Mr. Speaker, the judgment will be very evident at that time.

Mr. Speaker, this is a bad bill. It is the worst kind of bill because it is a direct incursion onto a commodity group, whether it be cattle or wheat or flax or barley or anything else. It is a refutation of the right of any commodity group to have — a national organization. Mr. Speaker, any agricultural group of any commodity must have a national organization. I am sure that the Minister of Agriculture must concede that something as big as the cattle industry which is a multi, multi-billion dollar industry, must have a national voice, that it must have dealings with the federal government.

Mr. Minister, I would respectfully suggest to you that surely to goodness you can't seriously believe that the federal government would talk only to a local branch of the cattle industry in Saskatchewan; it must talk completely and wholly to a national body. Mr. Minister, you and your government must know fully that Saskatchewan is only a portion of a very large national organization and that it is not even, (as much as we would like to think so) it is not even the largest portion of the cattle industry in this country. Alberta outweighs us; Ontario outweighs us and, shocking as it may sound, even the industry in Quebec, even though it hasn't the quality and it may be very backward in many respects, even they outweigh us.

Mr. Minister, the Canadian Cattlemen's Association is an organization that I have a great deal of respect for. I have spent a year serving on the Board of Directors of the Canadian Cattlemen's Association and frankly, some of the people whom I served with on that board are people that I will never forget because they were some of the brightest people that I have ever had the pleasure and the honour to have the opportunity to deal with and serve.

Mr. Speaker, the Canadian Cattlemen's Association is a very much maligned organization. They are an organization that is hated by organizations and political parties such as the NDP. Basically the reason that you hate them and would destroy them is on one basis only and that is because of their philosophy towards marketing boards and the contempt that they have always shown to your Trotskyite philosophy. The Canadian Cattlemen's Association is an organization which very clearly believes in the free market system.

Now, there is just simply no problem whatsoever with you differing with their philosophy towards a free market. You have every right to do so as an individual just as I have a right to support them. But I would also ask this government to take into consideration some of the other things that have been done by the Canadian Cattlemen's Association. Like any organization it has to be funded. It has to be funded by the various provinces which it serves. Mr. Speaker, there is no organization in the livestock industry which has ever taken the view, which has ever done the job on the trade issue as far as Canadian cattle are concerned. We have had a variety of organizations operating in Saskatchewan and all over Canada that, frankly, just don't understand the marketing of cattle, the livestock marketing system. It is an extremely complex system. In many ways it is even more complex than the grain system. It is so complex very few people understand it, frankly, I don't understand it completely.

Mr. Speaker, when we talk about supply management and subsidies in this country, we talk about it in ignorance of the fact that when you accept this concept, that when you agree to the concept of supply management or subsidies that you are taking one very basic and catastrophic step. And that is that when you accept that, that once and for all you are shutting yourself off from the American market. When you accept that concept you are saying, I am happy to be locked into a market of 22 million people versus a market of 262 million. I base that on 22 million Canadians versus 240 million Americans. Mr. Speaker, the Americans have made it very clear on many, many occasions that they will not allow subsidized beef, or beef that is raised on a subsidized program, to be allowed into their country. Mr. Minister, I am sure you must know, somewhere you must have gleaned the information that the Canadian cattle industry cannot survive as we know it. It cannot be viable without some sort of access to a very rich and affluent American market. Surely you must be aware of the Senate committees that have sprung up to investigate the terrible importations of Canadian cattle into the American market. Surely you are aware that not every American Cattlemen's

Organization is thrilled at the prospect of Canadian cattle entering their market. Surely you must be aware of that. Surely you must be aware that American cattlemen, in many cases, would love to see their borders closed to Canadian cattle. They would love it.

Mr. Speaker, where has the Canadian Cattlemen's Association been on this? They've been down and appearing before the various Senate probes that have looked into this. They have made representations. In fact, they are the only group, and that includes governments, or commodity groups, or any organization that has ever presented the Canadian position to an American sub-committee vote. Mr. Minister. I'm sure you know, that there are people who appear before these Senate committees who will put forward the proposition that Canada is a rank, rotten, socialist country. That everything is subsidized, that their beef is subsidized and that it shouldn't be allowed into the United States because it is unfair competition. We may be headed in that direction but we're not quite there yet. They are the only organization that's been down in Washington and has put forward the true case.

Mr. Minister, the member for Assiniboia-Gravelbourg can tell you that one of his constituents, the present president of the Canadian Cattlemen's Association, Boyd Anderson, has been down there on several occasions. Apparently, he has had some degree of success. We don't have the open border that we'd like but we have the best deal that's available.

Mr. Minister, you know very well without that access to that American market that the Canadian cattle industry cannot exist as we know it. Without that market we are very definitely in trouble and we are locking ourselves into a market of 22,000,000 people and it simply will not work on that basis.

Mr. Speaker, there's another issue that's going on in Ottawa right now and again they are having a great deal of trouble convincing another socialist by the name of Eugene Whelan to implement what the Canadian Cattlemen's Association asked for a long time ago known as a Meat Import Law. The Meat Import Law has been something that has been in effect in the United States for a good many years. It hasn't worked perfectly. As a matter of fact, they're in the process of getting a new law right now that's a trifle more updated.

Mr. Speaker, it is still better than what we've got. Because, as you know, Mr. Minister. the importation of Australian, or oceanic beef, as it's affectionately known, increased to the point about a year ago that it was equivalent to dropping about 350,000 cows on to our market. Mr. Speaker, in no way do I suggest, or any livestock organization suggests that the importation of oceanic beef should be totally and completely eliminated. Such a position from any country like Canada, which is a trading nation, would be irresponsible. We, who depend on exporting virtually all of our wheat crop and many more of our agricultural products are hardly in a position to say we are not going to allow the importation of oceanic beef when we ourselves have to export so much of our agricultural produce.

Mr. Speaker, what we do need is some common sense in our importations. When domestic supply is down, certainly the supply of oceanic beef must be increased. On the other hand, when our supplies are up, obviously it must be decreased.

Mr. Speaker, all I am saying to you is that the Canadian Cattlemen's Association is not all bad. Because you disagree with their philosophy in terms of marketing, that is no reason why the association itself should be condemned.

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Mr. Minister, I respectfully submit to you that for any commodity group, whether it be beef, wheat, turnips or sugar, you must have a national organization. It is essential that you have a national organization in order to deal with the federal government.

Mr. Minister, I note that you have made some amendments into this bill and some of them I am very pleased about. I am happy to note that you are going to return the Saskatchewan Stock Growers to the former position of having two members on this board.

I hope, Mr. Minister, that the additions that you propose that will be elected by you or appointed by you — I sincerely hope that they will not represent consumer groups. Mr. Minister, consumer representation on this board is a sore point with me. I do not dispute the point that you must have consumer groups as such but, Mr. Speaker and Mr. Minister, I respectfully say to you, let the consumer groups fund their own organization.

In this particular bill we are talking about dollars which come entirely and completely from the cattle industry. I do not believe that consumers have any place on that board. I believe that it should be livestock people or people related as such. The consumer people — if you wish to give them a checkoff, give them a checkoff. Let them pay it at the Safeway counter but not on this particular one. They are out of line on this one.

Mr. Minister, on that particular item we will be moving an amendment a little bit later on, when we get into the Committee of the Whole.

I have a comment or two as to whether we should have someone from the Saskatchewan Dairy Association..

**MR. McMILLAN:** — When are you going to get to the part about..

**MR. THATCHER:** — Oh well, we may possibly get there.

Mr. Minister, I think the makeup of this board is more than a trifle questionable and I question the representation, at this point in time, from the Western Canadian Cow-Calf Association. It may very well be that this Western Canadian Cow-Calf Association may at some point in time become a formidable livestock association; they may very well. But again, Mr. Minister, I suggest to you that that point in time has not arrived yet. I suggest that at this point in time they have a very limited membership. They have been very quiet and time will tell whether they are a bona fide organization. I do not know whether they will be or not. They present a different point of view. If at some point in time they are a formidable organization, and obviously a voice that should be heard and I say, by all means give them a voice on this board at this point in time I suggest that you are being rather premature.

Mr. Minister, as I indicated earlier, the base behind this bill is bad. The base behind this bill is that you have attempted to present to the people of Saskatchewan that there is some sort of a groundswell against this checkoff. Mr. Minister, there was nothing wrong with the present system, nothing wrong, whatsoever. Last year you took in about \$140,000 into that fund and to those producers that chose to ask for a refund the total was less than \$ 1,000. Mr. Minister, I respectfully suggest to you that that is hardly a groundswell and I respectfully suggest to you that, when you say that there is this upheaval in Northern Saskatchewan against this present checkoff, you are feeding this

Assembly a crock of garbage and that you can't substantiate that — that you couldn't muster those kinds of people to come down to the Legislature; that you can't muster that in letters, unless of course you get your executive assistants writing them; maybe you could manufacture them. I suggest that you haven't got it; it was never there and it's not there now. Mr. Minister, this whole thing is a fraud and a sham.

Mr. Minister, the cattle business is presently moving back to the point where it is tolerable again. Many of the losses that were incurred in the past two to three years, well there may be an opportunity for the producers to recoup them. Mr. Minister, I think, the last thing we need right now for an industry that has been very troubled, and now is showing signs of perhaps standing back up on its feet, the last thing we need is very limited and very silly intervention on the part of highly questionable philosophies from very limited people, like yourselves.

Again, Mr. Minister and Mr. Speaker, I say that it is a tragedy that this bill is even being debated in this House at this time. I sincerely hope that the minister will reconsider and pull this bill. However, I really don't expect him to. Let me say categorically Mr. Speaker, that if this bill passes in this Assembly, that if this bill becomes law, and if the national organization of the livestock industry is threatened. Mr. Speaker, it will to some extent, be on the head of the Minister of Agriculture. But Mr. Speaker, the livestock industry can thank the people to my right. They can feed us all the nonsense that they were going to get a commitment that it was never going to be reintroduced and they know what nonsense that is. But Mr. Speaker, make no mistake. The livestock industry can thank these fellows if this bill goes into effect.

Mr. Speaker. I have a great deal more to say on this subject, I have a considerable more to say on this. I imagine Don Perrin will . . .

**MR. NELSON (As-Gr):** — Call Don Perrin.

**MR. THATCHER:** — Mr. Speaker, they are getting just a trifle excited, aren't they? Because Mr. Speaker, they know exactly how the livestock industry views them.

Mr. Speaker, I would beg leave to adjourn the debate.

Motion to adjourn debate agreed to on the following recorded division.

#### YEAS — 8

Collver  
Larter  
Lane (Qu'ap)

Birkbeck  
Ham  
Bentsen

Thatcher  
Katzman

#### NAYS — 7

Malone	Cameron	Nelson (As-Gr)
Wiebe	McMillan	Clifford
Merchant		

**COMMITTEE OF FINANCE - PUBLIC SERVICE SUPERANNUATION BOARD — VOTE 34**

**MR. CHAIRMAN:** — I will ask the hon. minister to introduce his support staff, please.

**HON. W.A. ROBBINS (Minister of Revenue):** — Mr. Chairman, I introduce Mr. George Todd, sitting immediately to my left, he is the Chairman of the Public Service Superannuation Board.

Item 1 to 10 agreed.

Vote 34 agreed.

Supplementaries agreed.

**PROVINCIAL AUDITOR — VOTE 28**

**ITEM 1**

**MR. R. KATZMAN (Rosthern):** — Could the minister tell us how many vacancies are presently in the Provincial Auditor's Department?

**HON. W.E. SMISHEK (Minister of Finance):** — Mr. Chairman, I am waiting for my staff at the moment, to arrive. It might be 10 minutes or so. I leave it with the committee. I would like to have that question stand until they do arrive, or if there are no serious questions, I will be glad to provide that information as soon as the staff arrives.

Recess for 10 minutes.

**MR. KATZMAN:** — The question I asked prior to the short adjournment was, how many vacancies? I believe the minister said, one.

**MR. SMISHEK:** — At-the present time there is one vacancy.

**MR. KATZMAN:** — In the past the auditor has always had a problem filling his allotment of staff. Would you know how many vacancies had to be filled this year, this past year?

**MR. SMISHEK:** — How many vacancies there were at a particular point?

**MR. KATZMAN:** — How many resignations or vacancies therefore had to be filled over the past year?

**MR. SMISHEK:** — Mr. Chairman, I would like to introduce to the members, Mr. Lutz, the Provincial Auditor, and Mr. Bucknall who is the Assistant Deputy or Auditor.

The question is, how many vacancies there were during the course of the year from time to time. We have to go month by month if you will just give us a few minutes.

**MR. COLLVER:** — while the minister is looking at that (and the Provincial Auditor) perhaps I could ask him two or three questions in the meantime and he could come back with that answer. I know that's a little bit of a complicated . . .

**MR. SMISHEK:** — We're getting the figures but we have to go month by month.



**MR. COLLVER:** — Yes, I wonder, while he is doing that, if we could have a couple of questions? Mr. Minister, I wonder if you could inform us, this Assembly, what reduction in workload has occurred for the Provincial Auditor as a result of the introduction of outside firms or chartered accountants that you have hired in the previous fiscal year, say your year ended March 31st, 1978?

**MR. SMISHEK:** — The estimated result of hiring outside auditors is about 2,000 hours less of internal auditing because of outside auditors being hired.

**MR. COLLVER:** — Mr. Chairman, what is the position now of the government of Saskatchewan in attempting to achieve a consolidated financial statement of the affairs of the people of Saskatchewan?

**MR. SMISHEK:** — Mr. Chairman, I'm afraid that this is the wrong place to be asking that question under the provincial auditor. They do the auditing; it's under the controller's office that you have the financial controls, not under the provincial auditor and I'm afraid that this is the wrong place now for that particular question.

**MR. COLLVER:** — I wonder if the Minister of Finance is aware, and I know Mr. Woods is so I wonder if you would turn sideways and ask him that all corporations and organizations and individuals and partnerships and joint ventures today must under the rules of the income tax act, amongst others, amongst also the rules of the CICA present for their organizations a consolidated statement of their affairs or conversely present a report that is qualified that does not indicate a consolidated statement of their affairs. I wonder if the Minister of Finance would like to ask the provincial auditor if that is not so that under the new CICA regulations and also the instituted chartered accountants of Canada suggestions that unless a consolidated financial statement is presented, the report has to be qualified?

**MR. SMISHEK:** — Mr. Chairman, I am advised that certainly the rules of the CICA do not apply in the case of provincial accounts or auditing, but the stated accounting policies do apply, so the rules in case of the private institutions, as the CICA apply them, are not applicable to provincial or federal governments.

**MR. COLLVER:** — So, Mr. Chairman, what you are suggesting to us, Mr. Minister, is that the government of Saskatchewan in expanding its operations into the potash industry and the oil companies and the other various and sundry activities that your government has introduced to the people of Saskatchewan in the last seven years is not required by any rule or regulation, nor is it required by the policy of your government, to report to the people of the province who you say in your advertising are the shareholders of the activities of government. You are not required to report to them in the same fashion as is the private sector, that's number one. Two, you are not prepared to report to them on the basis, on the best possible basis for them to receive information. Is that correct?

**MR. SMISHEK:** — Mr. Chairman, as the hon. member is aware, for each Crown corporation there is an audited statement to which the accounting rules do apply but we don't present a consolidated statement for all those 20 Crown corporations. Equally, in case of the consolidated fund and the expenditures, there are the Public Accounts which give a complete accounting of the government's receipts and expenditures, including the agencies which come under the jurisdiction of the consolidated account in the Estimates which are before us.

**MR. CULLVER:** — I wonder if you would ask the Provincial Auditor what it would take to prepare, on behalf of the people of Saskatchewan, a consolidated financial statement of the position of the people of Saskatchewan as it relates to government. In other words, an all inclusive financial report which includes all of the Crown corporations and agencies of government and the consolidated fund all reported under one financial statement. Now the reason for that request and for at I would ask you to ask the Provincial Auditor what it would take for him to insist upon that, or to ensure that that is done, is that it has been found by the Institute of Chartered Accountants, that that is the best possible today method of reporting to the shareholders of an organization if they have a great many subsidiaries, either wholly owned or partially owned, spread on a great vast panorama of activities. The development of the consolidated financial statement coincidentally occurred with the mergers that took place in the 1950s and '60s and the development of this position took place when these mergers of these various organizations into these multinational giants occurred. It was clear and became apparent that there were so many organizations and subsidiaries under the one roof that any financial statement reporting by individual organizations within that blanket roof and any financial reporting by the head organization or the parent organization which did not consolidate the affairs of all of those organizations could be and would be and were misleading to the shareholders of those organizations. One of the key cases, and I am sure Mr. Lutz, the Auditor, will pass this along to you, was the great oil case down in Texas which occurred as a result of an organization whose report was washed through many various organizations and the auditors missed — as a matter of fact, it was my former firm — missed the auditing of that oil —and I know the guy's first name was Billy, but I forgot his last name; it was a very famous case and he lost all that vegetable oil or made off with it, and they were measuring empty tanks all over the countryside. But the development of that kind of procedure caused the accounting profession to re-examine its position on the presentation of financial information and they developed a policy of consolidated financial statements.

Now I ask the minister if he will ask Mr. Lutz, the Provincial Auditor, what it would take to provide a consolidated financial statement for the people of Saskatchewan.

**MR. SMISHEK:** — Mr. Chairman, first of all I think you have to take a look at the particular legislation that governs particular corporations. For example, there is an act governing the establishment and function of Sask Tel. There is equally a separate act governing the Saskatchewan Power Corporation. Under those acts, which requires those the same applies to virtually all the Crown corporations, Crown corporations to provide for a financial statement. It is my belief that, in order to provide for a consolidated statement, what we would have to do is give legislative authority because right now the legislative authority would require the Provincial Auditor to provide the separate statements. I am told by Mr. Lutz that there are exceptions to the rule governing consolidations as well. More meaningful information can be provided, in many instances, by not consolidating the financial statements. I believe that what would be required in order to provide for the consolidated statements is legislative authority, in order for him to do it.

**MR. COLLVER:** — Mr. Chairman. I wonder if the Minister of Finance would then ask Mr. Lutz if he believes that it would be an advantage to the representatives of the people of the province of Saskatchewan and to the people of Saskatchewan who are in essence, or in the words of your government, the shareholders, if both the individual financial statements for each organization and the consolidated financial statement for the affairs of the people as a whole, were presented to the people of Saskatchewan. I wonder if the Minister of Finance would advise himself, when talking to the Provincial

Auditor, whether he thinks that would be a good idea.

**MR. SMISHEK:** — Mr. Chairman, I do not think that I want to place the Provincial Auditor in that kind of position.

**MR. COLLVER:** — He is the expert in this House.

**MR. SMISHEK:** — That is fine. He is the expert in accounting, I agree, but this is a policy matter which is to be determined not by the Provincial Auditor. He may have an opinion but I do not think I want to place the Provincial Auditor in that kind of position. I do not think it is fair to be answering a hypothetical question. Now, if the hon. Member wishes to propose a resolution that the Legislature may debate on a policy matter, I think that is fair, but I do not think it is fair to ask a public servant to state an opinion which is a policy matter.

**MR. COLLVER:** — Mr. Chairman, surely the minister gests — surely the minister knows that it is the Provincial Auditor's responsibility to express just such opinions to this Legislature. It is the responsibility of the Provincial Auditor to express just that kind of opinion. Then it is up to us as legislators to decide whether or not those suggestions should be enacted in the policy. What I asked was a very simple question. In the opinion of the Provincial Auditor, whose Estimates we are examining tonight, would it be a good idea, from the point of view of this Legislature, to pass the necessary legislation and to enact the necessary monies to his department to ensure that a consolidated financial statement is presented to the people of Saskatchewan. Now a consolidated financial statement would indicate to the people several things. (1) It would indicate to the people of the province what the level of activity of all government agencies is in the province. Surely you do not object to that. Surely you would not object to the people of Saskatchewan knowing, with some degree of accuracy, how much influence the government has through all of the Crown corporations plus the consolidated fund and the agencies therein. Surely you wouldn't object to that. The minister is neither nodding nor moving; he is looking very poker faced tonight, which is very good. The fact is that you couldn't possibly object to that aim.

Now my question is quite simple. What would it cost? What would it cost to provide a consolidated financial statement to the people of Saskatchewan, say, next year? What would it cost? The Provincial Auditor knows that CICA has recommended it for most organizations. I agree with him that there are exceptions, very few. Actually, Mr. Minister, no government in Canada today presents its consolidated financial statement to the people, no government. Yet the province of Saskatchewan prides itself on taking new initiatives and moving forward in these areas. Surely your government prides itself on taking new steps to present the best possible information to the people of the province.

I ask you again to reconsider your statement to me about passing a motion with reference to consolidated financial statements. You will know, (because you are the Minister of Finance) and so the Provincial Auditor will know because he realizes the breadth and scope of governmental activities in Saskatchewan, that such a motion would be absolutely meaningless, that such a motion would have to apply to every agency and organization and Crown corporation of government, in order that the necessary vehicle or tool be established in order that a consolidated financial statement or consolidated financial position could be presented to the people. But after all, Mr. Minister, you want the people of Saskatchewan to get the best possible information. But you couldn't ask the representatives in this Legislative Assembly to

attempt to accumulate the information out of 128 or 130 different Crown corporations and agencies that act outside the consolidated fund and try to consolidate that information, together with the consolidated fund, with various levels and year ends, continuing across the course of a year. Surely, you can't ask us as Legislators to do that. The job is, quite frankly, monumental, even in government, even by the agencies of government, even by the Provincial Auditor. It is a monumental task.

Now if you were to recommend to the Comptroller's Office that such steps be taken, that the information can be accumulated and the consolidated financial statement be presented on behalf of the people, this information could be invaluable in your own determination of the course and policy of your government. Major organizations use this information every day in these consolidated financial statements because, as the minister will know if he asks the Provincial Auditor today, it is impossible to take the financial statements that you present to the people, on behalf of each agency, and accumulate then to know the total level of activity of government in society. If I went out on the hustings and told the people of Saskatchewan that the government of the province of Saskatchewan today represented 45 per cent of the economic activity of Saskatchewan, you would say, oh, terrible statistic, where did you get that? Well, I could say 45 per cent the same as you could say 15 per cent, the same as the members to my right could say 90 per cent, because no one knows, no one knows . . .

**MR. BOWERMAN:** — Go ahead.

**MR. COLLVER:** — Ah, but the people! The member for Shellbrook says, go ahead and say it. He thinks that the people aren't concerned; that's because he never gets up there to Shellbrook to find out about the people of his own constituency. That is because quite frankly, Mr. Chairman, the member for Northern Saskatchewan is so busy superimposing his will on the people of the North that he can't take the time out to find out that the people of Saskatchewan are fed up to the teeth with this all encompassing government activity and tremendous increase.

Now surely, Mr. Chairman, surely, Mr. Chairman, it is of the interest to the people of Saskatchewan and of interest from the Minister of Finance to present this level of government activity to the people of the province. So I ask him again, would he reconsider his statement that it is not incumbent upon the Provincial Auditor to pass his judgment? Who else are we supposed to use? If we go and get outsiders to say, yes, it would be of advantage for the provincial government to obtain a consolidated financial statement; yes, it would be meaningful. The minister would say, where did you get the outsiders? They are just private . . . inaudible . . . anyway; they have nothing to do with the government. He says presenting a consolidated financial statement is policy, not administrative excellence. I say to the minister, he is wrong, certainly . . . inaudible . . . policy but in terms of providing yourself with the kind of information you are going to need for the future, when you have got this ever increasing level of governmental activity, for yourself, for your own information. To know the total level of government activity from time to time, within the sphere of the province of Saskatchewan, is surely of unbelievable importance in making your decisions.

So, I ask you once again. Would you consider asking the Provincial Auditor for his opinion of whether the consolidated financial position presented to the people of Saskatchewan would help and assist your government in determining its proper course of action?

**MR. SMISHEK:** — Mr. Chairman, again I may say that the question of whether there is a

comprehensive or a consolidated statement which incorporates all the governmental activities per se, all of the government agencies and Crown corporations, is a policy matter. The role of the auditor is to audit all the accounts to ensure that there is proper accounting and to report to the Legislature in the case of the total consolidated fund, the case of Crown corporations, a statement is submitted, observations are made and the Crown corporations have an opportunity to review the results of the activities of the Crown corporations as well as the financial statement and the audited statement. As far as the Provincial Auditor is concerned, if that becomes a governmental decision, certainly he would be prepared to prepare a consolidated statement. At this stage, the Provincial Auditor has not expressed a view on the matter and has not considered it in any depth or given it any serious consideration. It could be possible for him to probably do it in terms of costs that might be involved. He does not have a figure and does not know what the costs implications might be. That might have to be estimated. He believes that it might be possible to prepare that kind of a consolidated statement within the limits of the current manpower but that's quite hypothetical at this stage because we do not know what may be involved. In terms of being able to determine what the total position of the province is, that figure is available to the opposition. They do have a research staff. We do have the consolidated statements provided in the public accounts. Oh, yes there is. The public accounts . . . (interjection . . . I didn't interrupt you, sir, when you were speaking. I think I deserve the same kind of courtesy. Under the public accounts, there's a complete accountability of all the revenues, of all the expenditures of the government and its agencies. In the case of Crown corporations, the 20 Crown corporations, the auditor's statements are provided, verified by the Provincial Auditor or by chartered accountants. All that the hon. member has to do is deploy some of the staff that he has funds provided for to give him that consolidated figure.

**MR. COLLVER:** — I wonder if the minister, in his wisdom, and I was trying to keep him from saying that..because I know he is not a CA and perhaps does not understand what a consolidated financial statement is. I wonder, therefore, Mr. Chairman, if the minister would ask the Provincial Auditor if it's possible for anyone to prepare a consolidated financial statement from the financial statements of the Crown corporations and the various agencies in the consolidated fund if he thinks that any outsider outside of government could prepare a consolidated financial statement. Would you ask the Provincial Auditor if that is possible?

**MR. SMISHEK:** — He believes the answer is, yes. It is possible to do it.

**MR. COLLVER:** — He is saying that there is a possibility that we could take the financial statements of the government of Saskatchewan together with the financial statements of all of the Crown corporations and consolidate them without the information that goes into the makeup of those financial statements. Are you saying the Provincial Auditor said, yes, to that question?

**MR. SMISHEK:** — Yes. Because he believes the basic facts are there.

**MR. COLLVER:** — That enough facts are in the financial statements to consolidate the financial statements. I'm waiting to hear this.

**MR. SMISHEK:** — There is this. The answer is, yes, but it may be advantageous to have some of the working papers.

**MR. COLLVER:** — Whether it's advantageous or not advantageous, would you provide the Provincial Auditor and all of the other auditors, working papers for the various audits in order that we can consolidate? Would you provide that to this Legislature? If that's what you're saying to me, O.K. Will you provide the working papers from the various organizations for the year ended March 31, 1978? Will you provide those to us?

**MR. SMISHEK:** — Mr. Chairman, the provincial auditor tells me that the working papers are those that belong to the provincial auditor but if there was a need in providing additional information in order to prepare for a consolidated statement, then if that was deemed necessary, that certainly they may be provided.

**MR. COLLVER:** — Well, Mr. Chairman, you didn't answer my question. The provincial auditor stated that from the statements that are provided to this Assembly, the working papers of the provincial auditor together with the working papers of the auditors that prepare all of the financial statements for the Crown Corporations will be necessary in order to consolidate the financial statements.

Well, that's what he said and whether he said it or whether he didn't because he is not answering the questions the fact is they would be necessary. You couldn't take it from the financial statements themselves. You must have if you are to make any kind of meaningful job, you have to have the working papers to know the information that built them up and that made them up.

Now, my question to you is, will you provide to the opposition both the Liberals and ourselves, the working papers of the auditors for the last year end of each company or a Crown Corporation or the consolidated financial statements or consolidated fund, for the year ending March 31st, 1978. Will you provide us with that information?

**MR. SMISHEK:** — I gather that there is such a thing also as professional ethics. The provincial auditor tells me that he would not be prepared to provide his working papers, but that if there was need for a particular review of a financial statement, if there was then certainly he might be prepared to review it,

**MR. COLLVER:** — Mr. Chairman, I'm back to the same question again. All I want you to do is answer a very simple question. A consolidated financial statement would tell the people of Saskatchewan and would tell you, the total level of activity of the government of Saskatchewan today or at any particular point in time once a year. It would give us in the opposition an opportunity to question the increase in levels of activity to know for example that the total level of activity of government expanded 40 per cent while the level of activity in the economy expanded 6 per cent. Those are very meaningful statistics to not only the people of the province of Saskatchewan but also to your own government. If you are moving more rapidly in government expansion as a statistic, then the overall economy as a whole means that the public sector is acquiring more and more control and influence of over the day to day lives. If the total government activity is moving at about the same level as is the other activity in the province of Saskatchewan, then you could say to the opposition who accused you of trying to take over all the assets of everybody, like you say are crazy, here are the figures. Total government activity expanded this much, total of all the economy expanded in much the same percentage. We are just moving in the same direction.

The point is that a consolidated financial statement as prepared by the controller's office and audited by the government audited by the provincial auditor could be

prepared, you said earlier, at approximately the same level of staff that the provincial auditor now has.

Now I think he is exaggerating a bit there because there are so many complexities in terms of the government of Saskatchewan, that he probably would have to have a couple of people but I don't think it would be such a huge job that it's a horrendous expense. It would be an advantage. It would take nothing away from what you probably are getting. You are probably getting all this information. Crown Corporations are presently examining all this information, public accounts are examining all the information of consolidated funds. Crown Corporations Committee is examining each of the Crown Corporations. Nothing would change except that you would present once a year to the people of Saskatchewan, a consolidated financial statement that is meaningful. The minister will know that we cannot with the information presented I'm sure the provincial auditor will confirm this, we cannot without those working papers leading up to those financial statements in anyway produce a consolidated financial position or statement that is anyway meaningful. And all you would do if we presented a meaningless consolidated financial statement is to say, it's not audited by anybody. What the heck, you are just throwing the figures out into the air.

What we are asking you for is a very simple thing to do and if you would do it you would find that your own government would act more efficiently and more intelligently with reference to its expenditures with reference to its income, with reference to its revenues and with reference to its total activity as it relates to all of the people in the province of Saskatchewan? Your decisions would be better. Therefore, Mr. Chairman, with no further adieu since my wife is waiting for me to go out somewhere, I must tell you, Mr. Chairman, that I would recommend wholeheartedly to the minister that he seriously consider this and bring back to the Assembly any kind of a reason why he can't do it.

**MR. SMISHEK:** — I will take the member's suggestions under advisement, Mr. Chairman. In the meantime I would like to provide the figures on the vacancies that were asked for earlier.

April of 1977 there were seven vacancies; May, six; June to March, four; and as of May, 1978 there was one vacancy.

Item 1 agreed.

Provincial Auditor - Vote 28 agreed.

The Committee reported progress.

## **COMMITTEE OF THE WHOLE**

### **BILL NO. 72 — AN ACT TO AMEND THE EDUCATION AND HEALTH TAX ACT**

**MR. CHAIRMAN:** — Would the hon. minister like to introduce his staff?

**HON. W.A. ROBBINS (Minister of Revenue):** — Mr. Chairman, immediately to my left Bob St. Michel, head of the E & H division of Revenue.

## **SECTION 1**

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**MR. MALONE:** — Mr. Minister, is this the bill which affects liquor taxation? Is this the bill which affects the tax on liquor being sold in the province?

**MR. ROBBINS:** — It implements the changes that occurred in the Budget of March 8.

**MR. MALONE:** — I assumed that, but does it affect the taxation of liquor?

**MR. ROBBINS:** — Yes.

**MR. MALONE:** — I wonder if you would bear with me for a moment. I know the member for Maple Creek will likely have some questions on this. Is the next one yours, Property Improvement?

**MR. ROBBINS:** — That's MacMurchy's.

**MR. MALONE:** — All right. Would you explain to me the effect of this bill as far as it affects the tax on liquor? I understand that what the hotel owner is now facing, is in effect paying tax twice, that is, he pays it when he buys the product at the liquor store and if I am not incorrect, he pays something in advance on the sale of the product in the licensed beverage rooms. Is that correct?

**MR. ROBBINS:** — There has been a pre-collection tax on beer for a long period of time. It is related to, and I may use an example to illustrate. If you had a two dozen pack of beer sold by the Liquor Board, the price was \$7.64. We did propose to use a financial secured deposit of 76 cents — in addition there is a 28-cent low volume discount charge and a 3 cent liquor licensing charge, which comes out to \$9.91. If that beer is sold off premises, they actually collect 4 cents a bottle. If it is sold across the table, they actually collect 8 cents per bottle. So they make a cut-off and say we'll take an average of 6 cents a bottle and they pre-collect it. They prepay it. That has been the procedure for a long period of time. The tax has gone from 5 to 10 per cent. We did have representation from the Hotel Association people. We wanted to use a financial security deposit system but we didn't have enough time to explain it to them. We had the Hotel Association back talking to us recently. They are now saying that is what they want.

**MR. MALONE:** — They want the financial security deposit system?

**MR. ROBBINS:** — Yes.

**MR. MALONE:** — Let me put it this way to you. Have you now reached the stage with the Hotel Association that they are satisfied with the new provisions of the bill and have accepted them. Is that a fair comment?

**MR. ROBBINS:** — That is a fair comment I would say.

**MR. MALONE:** — When was that meeting of the minds, when did it come about, recently?

**MR. ROBBINS:** — 3:00 o'clock this afternoon.

**MISS L.B. CLIFFORD (Wilkie):** — May I just ask the minister then, what concessions, or what did you indicate to them that would make them agree that the bill would be all right for their industry, compared to the strong feelings they had about it two weeks ago?



**MR. ROBBINS:** — They say now if they had fully understood it from the beginning they would have agreed.

Section 1 agreed.

Section 2; Section 5 amended, agreed.

Section 3: New Section 5(c), agreed.

Section 4: New Section 1 5(a), agreed.

Section 5: Section 19 amended, agreed.

Section 6 agreed.

Motion agreed to and bill read a third time.

## **BILL NO. 77 — AN ACT TO AMEND THE PROPERTY IMPROVEMENT GRANT ACT, 1972**

### **Section 1**

**MR. R. KATZMAN (Rosthern):** — Mr. Chairman, a question to the minister. Why does the government, during Estimates earlier we discovered how many man hours are involved on paying the refunds here and why don't you have the \$230 deducted at the source, when you pay your taxes, rather than having to pay a cheque again?

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — The hon. member recalls that the discussion in Estimates; he will remember that we indicated at that time the benefit that is provided to particularly the farmers and the small businessmen by this approach to the application of the Property Improvement Grant rather than reduction at source.

Sections 1 and 2 agreed.

Motion agreed to and bill read a third time.

## **BILL NO. 14 — AN ACT TO AMEND THE SASKATCHEWAN TELECOMMUNICATIONS ACT**

**MR. CHAIRMAN:** — I will ask the hon. minister to introduce his staff to the Committee.

**HON. N.E. BYERS (Minister of Telephones):** — Mr. Chairman, I am pleased to introduce to the House, on my right, Mr. Gale Robinson, Superintendent of the Rural Telephone Company Division and behind Mr. Robinson. Mr. Tommy Howe, Legal Counsel for Sask Tel.

### **section 1**

**MR. E.C. MALONE (Leader of the Liberal Opposition):** — Mr. Chairman, just a brief question. I just want to get it on record from the minister, that I understand you are prepared when we come to the Sask Tel portion of the Heritage Fund Estimates, to provide us with details of certain problems surrounding the installation of converters, filters, other exotic items to facilitate Cable TV. We won't ask the questions at this time on that matter if you are prepared, if you are giving us the assurance that you are

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prepared to have your officials here at that particular time so that we can pursue me matter with you. Is that correct?

**MR. BYERS:** — Mr. Chairman, I have discussed this informally with members of the House of the opposition parties and I thought we had an understanding that when Vote 53, on page 108 is considered, we would then bring our officials so that a discussion on the CPN converters, mounting boards, splicers, splinters, AC outlets and amplifiers and all might be fully, the House might be fully acquainted with all this hardware.

Section 1 agreed.

Section 2 Agreed

Motion agreed to and bill read a third time.

## **BILL NO. 54 - AN ACT TO AMEND THE LIQUOR ACT**

### **ITEM 1**

**MR. BYERS:** — Mr. Chairman, to my right, Mr. Earl MacRae, the chairman of the Liquor Board and Don McMillan, director of the Communications Secretariat.

**MR. MALONE:** — I just have a few questions that I would like to put to the minister. This bill has been of a controversial nature which I am sure the minister will agree to. I would like to find out from the minister the policy of the government in so far as it relates to the advertising of beer, wine and spirits, as in the province of Saskatchewan. I would like to begin by asking the minister, why it was that, since 1971 until the present time, the government did not find it necessary to pass legislation prohibiting the advertising of beer, wine and spirits on cable TV when cable TV in the southern part of the province of Saskatchewan was reaching an extensive audience compared to the audience available to it in the southern part of the province and why it has now become necessary to bring this legislation before the Assembly when for the past seven years under your administration it was not necessary at all?

**MR. BYERS:** — Well, Mr. Chairman, the prohibition on advertising beer, wine and spirits has been in the Act since 1965. There has been no action taken against possible offenders; the number of, the percentage of the population of the province who were exposed to this type of advertising was not large and therefore for reasons unknown to me, no action was taken.

**MR. MALONE:** — I'm having difficulty hearing the minister, but I think I caught what you said.

Does the liquor licensing commission or whatever the body is called, have any statistics or records to indicate that there is a higher incidence of alcohol abuse or alcoholism in the Weyburn-Estevan areas over the past seven years? What I'm referring to is such statistics as higher incidence of impaired driving charges, higher incidence of alcohol related criminal offences, higher incidence of use of alcohol treatment centres if there are any in the area of Weyburn-Estevan to the America border.

**MR. BYERS:** — Mr. Chairman, the liquor board does not keep such statistics on a regional basis.

**MR. MALONE:** — Well, would it be fair to say that there is no evidence whatsoever to indicate that because of the advertising of beer, wine and spirits on American TV in those two centres to show that there are higher liquor sales, that there is a higher incidence of alcohol abuse, that there is a higher incidence of alcoholism, a higher incidence of alcohol related offences under the provincial Liquor Act. I think that is the right act, or whatever act is the appropriate one, and the Criminal Code, than anywhere else in the province of Saskatchewan.

**MR. BYERS:** — Well, Mr. Chairman, I can't say with any degree of accuracy that say SGIO or the Department of Health, or other agencies of the government may have such information. We simply don't have them in the Liquor Board and therefore I don't have them here, if such statistics do exist.

**MR. MALONE:** — You would have statistics in the Liquor Board to indicate the sale of liquor in the Weyburn-Estevan liquor outlets and the areas in between. Is there anything to indicate that there are higher sales of alcoholic beverages in those two localities than there are say in Melfort, Saskatchewan?

**MR. BYERS:** — Well, that information, Mr. Chairman has really been provided to the Legislature. The annual report of the Liquor Board does give actual sales of beer as well as wine and spirits through Liquor Board Stores. We also know the liquor Licensing Commission knows the amount of beer, wine, spirits sales by category of licence, dining room licence, cocktail room licence, restaurants, hotels and so on. That information is published in the annual report of the Liquor Board. That is the actual sales by liquor stores and the Licensing Commission has a record of sales by licensee. We have to keep in mind though that not all the liquor sold in the province is consumed by the people of the province. There's no way of separating out how much is sold to visitors to the province or tourists or people attending conventions or are here from other provinces. Precise numbers are not kept.

**MR. MALONE:** — Let me put it another way to you, then. I think it's a fairly simple proposition. Am I not correct in stating to you, that there is no indication of records you have. police prosecutions, what ever records are available, to indicate that there is a higher consumption of alcoholic beverages in Weyburn and Estevan than there are in other places in the province? I'm not saying that there aren't problems in those particular areas of alcoholism as there are problems in other areas. There's nothing for the government to show that there is a greater problem in Weyburn-Estevan than there is anywhere else. Is that not correct, Minister?

**MR. BYERS:** — The agencies for which I am responsible, to the best of my knowledge, simply do not have that data.

**MR. MALONE:** — All right. Let me ask you some other questions, then Is it not a fact that your board under the Liquor Act. that you have complete power to prohibit distributors or liquor within the province of Saskatchewan from advertising their product over cable TV by simply saying to a brewery or a distillery or to a winery that if you start advertising your product across Williston that we will simply de-list you. Do you have that power to say to any retailer or wholesaler of liquor products that you can be de- listed without giving any reasons? Is that right?

**MR. BYERS:** — Well, the first question, does the Liquor Board have the power to delist a product? The answer to that is yes. On the other hand it would seem somewhat unfair to

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punish those people who may want their favourite kind of brandy to lessen the impact of their winter colds because the supplier wanted to flout the law by advertising outside the country.

The purpose of this legislation is not to penalize those who may want brandy to lessen the impact of their winter cold, but rather to stop the advertising of liquor, which we feel does have an undesirable impact on people's lifestyles.

**MR. MALONE:** — Let me just ask one more question. The liquor that is being advertised on cable television - I now have the mixed benefits of cable TV in my home . . .

**AN HON. MEMBER:** — CPN?

**MR. MALONE:** — No, CPN has not been around to hook me up but I suspect there may be a very good reason. They don't want me to see their particular programming. If anybody over there has influence with CPN, would you please have them come and hook me up tomorrow? I would, very much, like to have it for the weekend. I understand there are some good movies coming on.

Aside from that, is it not a fact that the liquor that is being advertised on the two channels we are now getting - and I have only seen beer; I have not seen hard liquor being advertised; I have not seen wine being advertised, but be that as it may—the liquor that is being advertised is not available in the province of Saskatchewan? I am not saying that beer isn't available, of course, it is, but Millar Highlites is not available and Schlitz is not available. I can't remember the others I have seen. Is it not correct that all of those products are not available . . . Obviously the member for Qu'Appelle watches more TV than I do or drinks more beer. Is it not a fact that those products are not available within the borders of the province of Saskatchewan?

**MR. BYERS:** — I am told that one of the brands advertised is available in the province.

**MR. MALONE:** — What brand?

**MR. BYERS:** — Colt 45.

**MR. MALONE:** — Well, do I understand the government's policy then is not so much to have laws to prohibit the advertising of a particular brand of a particular alcoholic beverage, but a policy that says, we don't believe in the advertising of liquor at all and that it is not so much a brand name or manufacturer, it is the idea of advertising beer, wine and spirits?

**MR. BYERS:** — Yes, I think the hon. member has hit the nail right on the head. It has been the will of this Legislature that liquor advertising originating within the province not be allowed. I want to bring to the attention of the House that the Throne Speech on February 15th, 1968 had this passage:

My ministers will present you with a proposal to permit the advertising of beer and wine in the news media of our province. (This was in the Speech from the Throne.) It will be proposed that the matter be decided by a pre-vote.

Obviously even the government of that day may have been considering allowing the advertising of liquor, of beer and wine, but upon examining the problem further, after the Speech from the Throne, obviously decided not to proceed with it because, to the

best of my knowledge, no such legislation was ever introduced. Therefore, it is fair to say that successive governments in this province have decided that it was not in the public interest to permit the advertising of beer, wine and other alcoholic products in the province.

**MR. MALONE:** — I assume that that's your policy right across the board -availability of spirits advertised in any manner, you're against? Is that right? The minister nods his head in agreement with what I say. Well, why are you so hypocritical about it? Why do you allow government publications, such as the one I referred you to in the tourist industry, on every single page to list the availability of beer, wine and spirits and cocktail lounges and beverage rooms and liquor stores, why do you allow that to be advertised? Why do you allow magazines to come in with liquor advertising? Why do you have the hypocritical attitude about it? Either have the courage of your convictions, and I don't necessarily disagree with your convictions, but why don't you have the courage of your convictions and ban the whole thing? Don't come in here under the guise of saying that you are against liquor advertising, when really you are against the CRTC Cable TV licensees, and pass this stupid legislation. None of the people of Saskatchewan are going to bus what you are doing.

Now you can't have it both ways, Mr. Minister. The Attorney General the other day, as hypocritical as only he can be, got up and said, oh, oh, the Liberals are in favour of this advertising. At no time have we ever said we were in favour of it but he gets up and he says, oh, you're in favour of this advertising. And he says, we're in the hands of the liquor interests, where we receive all this money as campaign donations from the liquor interests. And it is only us because we're in their hip pockets and we've been bought off by the liquor companies. Well let me put on the record, Mr. Minister, some of the donations made to the New Democratic Party, your party, in Canada that have been disclosed by the returns filed in Ottawa. These are not new figures; the members to my left brought them out some time ago but let's put them back on the record. Canadian Schenley Distributors, \$1,500; London Winery, \$800; London Winery again, \$500; Mulhar's Distillery, \$1,000; Hiram Walker and Sons Limited, \$3,000; House of Seagram's, \$7,500; Gilby Canada, \$2,500; for a total of \$16,800. I can tell you, minister, the Liberal Party doesn't receive \$16,800 from the liquor distilleries, not in Saskatchewan they don't. I don't know what my friends to the left get, but I don't expect they get any more than we do. If anybody has a vested interest in selling liquor, it's your government, for two reasons. You bring in \$75 million a year in taxes from it and you receive donations from the liquor interests of Canada. So don't you get up in this House and tell us that we are the tools of the liquor companies when you are getting their donations. Don't tell us that we are against liquor advertising when you are the ones that are getting all the money from it, \$75 million a year. And if you are going to come in on this issue, at least be consistent on it. If you believe you should have no liquor advertising, do it. Do it in your own publications and do it across the board.

Let me ask you another question. The cable TV people in Saskatchewan have said for liquor advertising to be deleted. It is going to cost them about \$200,000 a year each; that's Regina, Saskatoon and Moose Jaw. That is about \$600,000 that they are going to have to pay to keep the liquor advertising off the air. Now in Regina, the cable TV licensee is a co-op, a non-profit corporation, a group that was formed so that they could deliver community programming. Now, Mr. Wagman, the general manager of that co-op, said on the CBC radio the other day that if that particular co-op is going to be forced to pay this amount of money to delete liquor advertising, as this law will make them do, they are going to have to do one of two things — either increase the subscription rates or delete community programming which they have to pay for.

Now, in view of that, Mr. Minister, I wonder if you as a government are prepared to put your money where your mouth is. Are you prepared to finance the CRTC licensees to the extent that they will suffer no loss because of this law and that they will be able to hire the necessary personnel to filter out those horrible ads that you are so afraid of and still allow them to maintain the rate structure and to maintain the community programming?

I want to make it very clear Mr. Minister; I would put this resolution in the form of a motion to you, but as you realize, it involves government spending and you will declare it out of order. So I ask you, the only way I can, are you prepared to take something from the \$75 million of profit that you benefit from and put your money where your mouth is and delete the liquor advertising that is coming across on cable TV by funding these people.

**MR. BYERS:** — Mr. Chairman, the member has raised a number of questions. First of all whether there is public support for the move, I want to say that I have a file of letters here in support of the legislation, that if pressed, I can read into the records. I'll read them into the records and take responsibility for them.

I want to say that the Aware Program has been operating now for about four years. During that time it has conducted several studies on people's attitudes towards alcohol. Included in these was a question concerning whether or not the public wished to see the return of television advertising of alcoholic beverages. Approximately 75 per cent of the population did not want the return of this advertising so I think it is fair to say then that there is widespread support for the continuing ban on this type of commercial activity.

With respect to the distillery contributions, I want to assure the hon. member that insofar as the constituency and the party that I represent in this Legislature, there hasn't been one dime from a distillery come into my constituency.

With respect to the requirement to delete. The Leader of the Opposition in the time that this bill has been before the House has suggested that the government, by introducing this legislation, is harassing cable licensees by introducing this amendment.

That the cable licensees, television licensees would be expected to delete the US liquor ads should come as no surprise to either the licensees or to the opposition, because the federal licensing granting authority CRTC, has made it quite specific in the licenses which were issued in July of 1976 to cable licensees in Saskatchewan. I quote from that ruling of the CRTC:

It will be a condition of each of these licenses that commercial messages be deleted from television signals received from broadcasting stations not licensed to serve Canada, that such deletion is to take place after written notification by the commission, that the cost of the deletion shall be borne by all licensees and by licensees of the television stations in their areas in accordance with an agreement which shall be subject to CRTC approval. Licensees will be expected to consider the substitution of suitable material in place of the deleted commercial messages, taking into account the acceptability to the viewers of such material.

The commission will be interested in ideas developed by licensees to use the

deletion period for the distribution of public announcements for the programming by films or slides of Canadian interest. Interpreted, that is a condition of their license as laid down by the CRTC. Other television companies in the province have assumed the expense of installing deletion equipment. It is only fair, in our view, that the conventional cable licensees, be they a co-operative or be they a private group, should be expected to comply with this requirement as a condition of their licensing and a condition for doing business in the province.

**MR. MALONE:** — Well I was a going to leave the matter alone, Mr. Chairman, but that is one of the most misleading statements we've had in a series of them in this Legislature this year.

The minister knows full well that the network operators of TV in Saskatchewan have facilities in Winnipeg that delete the liquor messages that come from eastern Canada. He knows full well that there is a signal that goes across to warn these people when such a message is going to come. He knows full well that the cable TV licensees don't have the same facilities. Now he gets up and he tries to mislead the House by saying that the cable TV operators are required by the CRTC to delete commercial messages. That is part of their license. What he doesn't say is when they are directed to delete commercial messages and he knows full well that they haven't been directed to delete commercial messages. He knows full well that part of their license is that they are not to delete anything without permission of the CRTC or/without instruction from the CRTC.

Now, Mr. Minister, that is pretty scandalous, in my view, for you to get up and use that as an excuse. You know as well as I do the facts of the situation. Let me put it to you because I know that somebody in your department, your able counsel in Sask Tel or somewhere else, has advised you on the constitutional implications of this particular amendment.

If you are doing your homework, you must realize that you are facing a constitutional problem. Now, I'm asking you, have you received an opinion, a legal opinion, as to the validity of the legislation and if so, are you prepared to table the opinion?

**MR. BYERS:** — Mr. Chairman, I have always accepted that it is the responsibility of the Legislature to move according to the will of the people as reflected through the government. There has been a prohibition on liquor advertising on radio and on television in this province for a number of years, going back, I suspect, almost to the end of prohibition.

The amendments to this act before this Legislature request that that prohibition be extended to cable television operators; that they be required to operate under the same laws as the radio and TV originated broadcasters in the province of Saskatchewan. To me that does not seem like an unreasonable request. Perhaps this could be found to be unconstitutional.

The control of liquor on the other hand, I assume, is under provincial jurisdiction in so far as the distribution is concerned. Therefore we are merely extending to cable television a requirement that has been asked of other broadcasters for several years and it is our view that that is not an unreasonable request.

**MR. MALONE:** ~ Did you or did you not receive a legal opinion as to the constitution and validity of the amendment that is before us?

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**MR. BYERS:** — Mr. Chairman, the short answer to the hon. member's question is, no. and that we do not feel that we need such an opinion.

**MR. MALONE:** — Well, O.K., if you do not need the opinion and you are confident that it is constitutionally in order, you are the minister in charge and you are taking the responsibility, so would you give us your assurance that if you are proven wrong and it is not constitutionally valid, you will resign?

**MR. BYERS:** — If at any time the opposition parties want to test their strength in my constituency I would be willing to accommodate them.

**MR. MALONE:** — Well would you say the lecture in the last couple of days, from the Premier, on minister responsibility — The tradition in the House of Commons and in other Legislatures is that a minister assumes responsibility for the validity of his legislation. Now there is precedent in this Legislature, of course, for that not being the case, and I refer to the Attorney General and some of the bills he has piloted through. Perhaps you have a higher feeling about the position that you hold. You told us right now that in your view it is constitutional. That is an entirely appropriate position for you to take. I would be surprised if you took any other position but I suggest you should follow that through to the logical ends.

If it is not constitutional, are you prepared to come into this House, apologize to the House, give us an explanation, or resign?

**MR. BYERS:** — Mr. Chairman. I think the hon. member knows the procedure that is followed if provincial legislation is declared ultra virus and struck down by the courts. I am prepared to say to him that I am quite prepared to put my position and the position of the government, with respect to liquor advertising, on the line as one of the matters that the voters can judge our performance on at the earliest possible opportunity.

Item 1 agreed.

Item 2, Section 77 as amended agreed.

Item 3, Section 79(a) as amended agreed.

Item 4, Section 114 as amended agreed.

Motion agreed to and bill read a third time.

### **BILL NO. 76—AN ACT TO AMEND THE OMBUDSMAN ACT, 1972 (NO. 2)**

Section 1 as amended agreed.

Motion agreed to and bill read a third time.

Committee reported progress.

The Assembly adjourned at 9:18 o'clock p.m.