

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 28, 1979

The Assembly met at 2 p.m.

On the Orders of the Day

INTRODUCTION OF GUESTS

Madam Speaker Lapointe

MR. SPEAKER: — I would like to take this opportunity to inform the Assembly that we have a very important guest here from another jurisdiction in the person of Madam Speaker Lapointe of the Senate of Canada and if she will rise . . .

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — Madam Speaker Lapointe being here this afternoon gives me an opportunity to remind members of the Commonwealth Parliamentary Association annual meeting and dinner this evening at which Speaker Lapointe will be our guest speaker from Ottawa. I know all members will take great pleasure in welcoming her to this legislative Chamber and I know that all members will be on their usual good behavior at this time because we would want Speaker Lapointe to leave here with a good impression of the Saskatchewan Legislature. I am sure all members join with me in welcoming you at this time.

HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

HON. W.E. SMISHEK (Regina North East): — Mr. Speaker, I would like to introduce to you and to the members of the legislature, a group of 20 Grade 8 students from the Haultain School. They are accompanied by their teacher, Mr. Marchuk. On behalf of members of the legislature I extend to them a warm welcome and also express the hope that their visit this afternoon will be a useful experience, an experience that will help them in their social studies. It is my intention to meet with the students later on in the afternoon.

Mr. Speaker, while I am on my feet I notice that we have with us a number of people who are just arriving from that part of the province of Saskatchewan that I was raised in, the Hafford-Krydor area, and as one of the persons who grew up in that area I extend to them a warm welcome. I know that my colleague, Mr. Banda, will be extending a welcome to them a little later.

HON. MEMBERS: — Hear, hear!

Introduction of Senior Citizens

MR. D.G. BANDA (Redberry): — Mr. Speaker, it's a pleasure and a privilege for me today to introduce to you and members of the House a group of senior citizens from Hafford in my constituency, 47 of them in number. A good majority of them are in the Speaker's gallery and some I see are in the west gallery. The senior citizens are a very active group, Mr. Speaker, and they've taken the initiative to take a bus early this morning to come

and visit us here in the legislature, as well as visit the Museum of Natural of History and the RCMP barracks this afternoon. I want to certainly welcome them all here. They are accompanied by their vice-president, Mr. Harach, who is in the west gallery, and their STC driver from Saskatoon, Mr. George Kinzel. I want to also say to the members opposite that there are some of the finest cooks in the bunch here today.

HON. MEMBERS: — Hear, hear!

MR. BANDA: — Mr. Speaker, I want to ask all members of the House to certainly express a welcome to the senior citizens and hope that they enjoy their stay here with us in the House, and I look forward to meeting them later on this afternoon.

HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, it gives me a rare privilege to introduce students from two schools in Qu'Appelle today. From the Grenall High School in Balgonie, home of the great Balgonie bed derby which will be held again this summer, are 46 Grade 12 students accompanied by Mac Gordon and Dick Voxall. I know we wish them all an entertaining, and hopefully, an interesting afternoon as they will be spending some time in the gallery, Mr. Speaker, observing estimates and how the House handles the departmental expenditures.

I would also introduce a further group of students from Fort Qu'Appelle's Bert Fox High School. I'd like to indicate that through the leadership of the principal, Mr. Rathgerber, as well this afternoon, Fort Qu'Appelle will next week have its third group of students in during this session. I think that indicates a great deal of interest by both the students and the staff and I commend them for that. They are accompanied by Mr. Rathgerber, Mr. Len Anderson who is in the Speaker's gallery, and Mr. Bill Cheers. There are 50 students, Grades 7 and 8. We welcome this class in particular and hope they have an enjoyable afternoon. I'll be meeting with both groups of students later this afternoon, Mr. Speaker.

HON. MEMBERS: — Hear, hear!

Introduction of Senior Citizens

MR. J.R. KOWALCHUK (Melville): — I too would like to add a welcome along with the member for Redberry (Mr. Banda). I take this opportunity to welcome this senior group of industrious and hard working Ukrainian pioneers from Hafford to this legislature. And because nearly all of them are of the Ukrainian ethnic group I would like to extend a welcome to them in Ukrainian, with your permission, Mr. Speaker. (Mr. Kowalchuk gave the following welcome in Ukrainian). I am very pleased to welcome all of you to the Saskatchewan Legislature. You are one group of Saskatchewan's many great pioneers. On behalf of our Speaker, and all the members, we greet you most warmly and wish you a fine and beneficial tour of Regina.

HON. MEMBERS: — Hear, hear!

MR. R.J. GROSS (Morse): — Mr. Speaker, I would like to introduce to you and to members of this Assembly 14 Grade 12 students from the great town of Morse, Saskatchewan. They are seated in the Speaker's gallery. They are with their teacher, Mr.

Carl Radbruck, and I am sure that members of this House want to wish them an entertaining and educational stay.

HON. MEMBERS: — Hear, hear!

WELCOME TO GUESTS

MR. R.G. LONG (Cut Knife-Lloydminster): — Mr. Speaker, at this time I would like to introduce to you and to this Assembly, representatives from the booming town of Neilburg from that thriving constituency of Cut Knife-Lloydminster; the mayor, Mr. Martin Otteson; a councillor from that town, Mr. Joe Nuspy; Dale Bryden, the town administrator; and Mr. Jerry Johnson from Epic Consulting. I would like to welcome them to this legislature, Sir, and I would like to wish them a safe trip home.

HON. MEMBERS: — Hear, hear!

WELCOME TO STUDENTS

HON. E. COWLEY (Biggar): — Mr. Speaker, we will save the best for the last.

I would like, Mr. Speaker, to you and through you to this Assembly introduce a group of 12 students from the Asquith School. They are Grades 8 and 9 students. They are accompanied by Janet Jensen. They are sitting in the west gallery. I am going to have a chance to meet with them when question period ends, which looks like it will be a little late today, and then I will have an opportunity to explain to them all the questions the opposition asked.

Mr. Speaker, I would like you all to welcome them here.

HON. MEMBERS: — Hear, hear!

INTRODUCTION OF MR. W.C. THATCHER

MR. J.L. SKOBERG (Moose Jaw North): — Mr. Speaker, I would like to take this opportunity to introduce to you and to the members of both sides of this House, a very well-known constituent of mine from Moose Jaw North. His father has been more than well known throughout his years of political involvement and I am sure that many members of this House are pleased to see that he is with us today. I would like to introduce the hon. member for Thunder Creek (Mr. Thatcher).

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — Order, order! I would suggest to the member for Moose Jaw North (Mr. Skoberg) that it is unnecessary to single out members in the Legislative Assembly for introduction. I think it is a well known fact that they come and go and it is unnecessary to introduce them by special means at this time. I think it is an abuse of the introductions.

QUESTIONS

Dr. T. Russell — Medical Age Consent

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Minister of

Health. Dr. Terry Russell, Director of Child and Youth Services, Saskatchewan Department of Health, speaking on a motion relating to medical age of consent at the Canadian Association of Consumers the other night, said the point is not that you are 15, 17, 18 or 29 years old. The point is, do you understand what is going on? Once children are old enough to understand and communicate, they can usually state for themselves what they feel is in their own best interests. My question, Mr. Speaker, is, was Dr. Russell presenting your government's policies, and is this a government position that there should be no medical age of consent?

HON. E. TCHORZEWSKI (Minister of Health): — Mr. Speaker, I am unfamiliar with the article that the member speaks of as I have not yet seen it, but I want to make it clear to him, in answer to his question, that the issue of medical age of consent was something which was dealt with by this legislature several years ago. In a free vote of the House, the proposed amendment at that time was voted down. I do not have any plans at the present time to bring in any legislation to change the existing situation.

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — The member may recall, Mr. Speaker, that the Law Reform Commission has prepared a paper, and I underline, a paper for discussion purposes in which it makes some proposals and it has asked groups, organizations, and individuals to make representations on its proposals. And the final point I want to make is that there is no intention or plan to introduce changes at the present time.

SOME HON. MEMBERS: — Hear, hear!

MR. BERNTSON: — Supplementary, Mr. Speaker. You say that Dr. Russell was not presenting government policy, and this isn't the first of your employees, or senior civil servants, that has been unleashed, so to speak. Dr. Penman, a few short weeks ago, was also caught in a kind of embarrassing situation. Will you accept the responsibility for Dr. Russell's statements, or will you ask him to at least confine himself to his government's policy in future?

MR. TCHORZEWSKI: — Mr. Speaker, I want to tell the member that Dr. Russell, (and as I said I'm not familiar with the article), was probably speaking as a doctor and was expressing, in his view, a professional opinion. He was not speaking on a question of government policy, and I would be very surprised if he had not made that very clear in his remarks, although I have no way of knowing that simply from an article that comes out of the press. I think it may be useful to point out also that I would like the member to clarify the position of his caucus because, in a similar article in the Leader Post, it was indicated that the presentation of their caucus who met with the Status of Women looked with favor upon the recommendation to lower the age of consent.

SOME HON. MEMBERS: — Hear, hear!

Sask. Housing

MR. H. SWAN (Rosetown-Elrose): — Mr. Speaker, I'd like to ask a question of the minister responsible for Sask. Housing. I had a concern raised by the people of the Whitewood Chamber of Commerce, with regard to a Saskatchewan Housing project in the Whitewood district. One of the concerns that they raised is that there was no tender called, either for the general contractor or for the sub-trades. Is that a fact?

HON. D. CODY (Minister of Telephones): — Yes, Mr. Speaker, it is a fact that the job at Whitewood was not tendered and the reason that it was not tendered was because of the fact that we have a program which is known as the Rural and Native Housing Program, which we allow non-profit Native groups to participate in.

In that particular instance, the contractor was the Qu'Appelle Valley Construction Company of Lebret, which is a non-profit Native company. As a result of that they received the contract without any bidding at all. The contract which they received was priced out by the Saskatchewan Housing Corporation, at about \$31,968 to be exact, and they came in on budget. Of course the sub-trades which you speak of, as an individual contractor, whether they tender them or whether they just ask them to give them a price or not, I am not quite sure. However, I do know that when you look at the situation, practically all of the sub-trades in that particular project, were right from the town of Whitewood.

We do know of the specific enquiry which was received from the individual you received it from, I think, and that is a member of the Chamber of Commerce. However, we have given him the same answers we are giving you today.

MR. SWAN: — A supplementary, Mr. Speaker. The town of Whitewood informs me that there were many services available in the town that were not used. You could have had all the carpentry you wanted. There were plumbers available, heating contractors available, electrical contractors available, people who would lay carpet, and yet none of these services were used.

In your policy, you state that you do use local services. I want to know, what is your definition of local? If you don't use the people in the town concerned, what is your definition of local?

MR. CODY: — Well, our definition of local is people from within the community or very close to the area, and I can just tell you of a few of the contracts in that particular town. I can tell you that Reynolds Electric received a contract; Francis Auction received a contract; North American Lumber received a contract; E. Packman Lumber received a contract; Thru Hallway received a contract; Laurie's Insulation Construction, Rachel Sand and Gravel and also, the Whitewood Co-op — all of those people being either from Whitewood or the very close proximity of Whitewood. We think that is local and if the members think it isn't local, I don't know what you would classify as local.

MR. SWAN: — A supplementary, Mr. Speaker. The people in Whitewood tell me that is not the case, and for that reason I would like to have verification of the addresses of the people whom you mentioned, because I think that Whitewood has a right to know who the contractors were. Further to that, I would like to know what your definition is of non-profit, when you say, non-profit. Is that, indeed, a cost plus situation? Is that what you regard as non-profit?

MR. CODY: — Our definition, Mr. Speaker, of a non-profit organization is a group of people getting together to work on a project such as the project in Whitewood and what we say is that they can only make enough funds to pay for their employees and any funds which are left must go back into the project. In all specific cases that we have with non-profit Native groups, this is our understanding. If we find that they are making a profit later on, we then do not give them any contracts any further and that is one of the programs we have and that's the intent of the program. It is to try and get the native

groups so that they have expertise in the carpentry business, expertise in the house building business and as soon as they have this expertise, then they can go out on their own, abroad, and tender on jobs. We have many of those situations right now. We have two or three groups which have already gone through that process and which have made a few dollars on their own and now are capable of going out, getting a bond through a bonding company such as SGIO (Saskatchewan Government Insurance Offices) and they can then tender on other public projects just like any other contractor would.

SOME HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — I believe I'll seek a new question.

Implications for Sask. Housing with Rogers Group going Into Receivership.

MR. H. SWAN (Rosetown-Elrose): — Mr. Speaker, I'd just like to ask you one other question and it doesn't relate necessarily to the Whitewood district. I'd like to know what the implications are for Sask. Housing with the Rogers Group going into receivership? Are you tied up with the Rogers Group and what are the implications for Sask. Housing in this receivership?

MR. CODY: — Well, Mr. Speaker, the Rogers Group actually were a group which took over Budget-Rite Homes and Budget-Rite Homes, of course, had about six or seven contracts with SHC (Sask. Housing Corporation). That, in fact, was not a non-profit group; it was a tender. They received those jobs by tender. It didn't work out as well as we thought it might; however, they were low tenders, received the jobs and, as a result of whatever the case may be, had some problems financially and went bankrupt, and Rogers Group who guaranteed the Budget-Rite Home people have subsequently had to pick up this slack. We have gone to the bond company, however we have not had to receive anything from the bond company because of the fact that we have been able to carry on with some of the Budget-Rite people and some of the Manor Home people and most of these projects are now proceeding and going forward. If there's going to be any funds which we need at the end result, of course, these will have to be made up by the bond company.

MR. W.C. THATCHER (Thunder Creek): — Supplementary. A question, Mr. Speaker. The Minister indicated that Rogers had taken over Budget Housing. The Minister confirmed that the reason Budget went into receivership initially was because cost overruns that they had on a tender were not acknowledged by Sask. Housing Corporation to be valid; in which case Budget Housing was ultimately forced into receivership. That Rogers were in effect unable to do any better job in convincing Sask. Housing Corporation to help them in their cost overruns. But in the case of his non-profit groups which he has referred to — when these people submit a cost overrun to Sask. Housing Corporation, 90 per cent of them are paid without question. In the case of a tender, they are never paid.

AN HON. MEMBER: — He admits it, he's right.

MR. CODY: — Mr. Speaker, with regards to non-profit groups, you're absolutely correct. We do pay the overruns and the reason we do it is that we believe that we should give these unfortunate people an opportunity and we think that training them on the job is far better than having them on welfare. What we're trying to do is train them on

the job and if that takes some cost overruns, we're prepared to do that. We think it's a good program. We think it's one that helps the people who are a little less fortunate than ourselves sitting in this room and we think the program is excellent.

With regards to cost overruns by Budget-Rite Homes Ltd., I can't be certain that the member's information is correct. But, I can say this: they tendered the job, they were bonded and as a result of that there should really be no reason why we should as a corporation give them any additional money for cost overruns because of the fact that they have tendered the job (just like anyone else if their tendering process wasn't correct, I guess that's their problem). And as far as we're concerned, the job was done right in both cases.

MR. THATCHER: — Final supplementary, Mr. Speaker. Would the minister then tell us what is the difference between a tender which says that they can build it for X number of dollars and one of his supposed non-profit organizations which says that they can do it for X number of dollars and they can't? What's the difference when they both can't do it? Why do you acknowledge one and not the other? Would the minister, as he is in the process of explaining this, would you tell us what controls your department has on these non-profit organizations? What controls do you have to be sure that they're not making a profit? Is it a financial statement? Is it a month-to-month audit; a week-to-week audit or a job-to-job audit? How do you control the salaries that these people pay themselves? What control have you got that they pay themselves \$30,000, \$50,000 or a \$100,000? Would the minister tell us why he's opened up this can of worms?

MR. CODY: — Well, Mr. Speaker, if the hon. member for Thunder Creek wants to call non-profit groups, which are mostly Native in nature, a can of worms, that's his problem. I don't want to call them that. I think it's a good program, works well and we do have controls. We do, every two to three months, audit their financial statements. We do look at their books constantly and we try and help them along with regard to our inspectors; with regard to the financial people we have in the corporation to see that no one is making a profit. But at the same time, we have to give them far more leeway than we would have to someone who could bid a contract. They have the expertise in their shop which these other people don't have and we believe that giving the Native groups the kind of expertise that other people have to get into this business is just good government.

SOME HON. MEMBERS: — Hear, hear!

Monitoring Non-Profit Housing Organizations

MR. THATCHER: — A new question. Mr. Minister, since it is a requirement of Sask. Housing Corporation, as far as information provided by your predecessor to the Crown Corporations Committee, that these non-profit housing groups must only submit a financial statement once a year to Sask. Housing Corporation. Perhaps you can elaborate on how you can audit them every two to three months — the financial statement — when they're not required to even have one at that time. In that case, Mr. Minister, would it be a fair assessment to say that what you have just indicated is grossly misleading in the House, and that you in fact have virtually no controls on the financial statements and the financial operations of these non-profit co-ops.

MR. CODY: — Well, Mr. Speaker, I don't know what kind of record keeping or bookkeeping the hon. gentleman for Thunder Creek has but if he hasn't seen a corporation which takes off a financial statement every month or two he hasn't seen

business at all. I can assure the members of this House that I'm not misleading them when I tell them that we do make periodic checks with regard to the financial workings of these non-profit corporations, because we do. We do it constantly and we do it all the time. It's only in the best interests of ourselves and the best interest of the non-profit group. We try and help them financially; we try and help them with good information. We try and help them with inspections so that they don't have overruns, because they, too, don't want to have overruns any more than we want to pay for overruns.

SOME HON. MEMBERS: — Hear, hear!

Department of Agriculture and Management Capabilities

MR. R. ANDREW (Kindersley): — Question to the Minister of Agriculture (Mr. Kaeding). Yesterday's Leader Post carried an article wherein, I take it's an annual occurrence, the Department of Agriculture made a grant to the National Farmers' Union in the amount of \$30,000, and it was interesting to note the minister's comment that similar grants are available to farm organizations which can prove they have management capabilities. Would you like to explain to the House the management capabilities that you were referring to in that press release?

HON. E.E. KAEDING (Minister of Agriculture): — Yes, Mr. Speaker, I don't mind doing that. I think one of the requirements is that they be able to demonstrate to us that they can run a leadership training program adequately. We have their report from last year which indicated how they ran the program last year, and it was in our minds an adequately run program, so on that basis they are again given the grant.

MR. ANDREW: — Mr. Speaker, I am reading from a press release from the Western Producer from the annual meeting of the National Farmers' Union in Ottawa this year wherein the treasurer indicated that they operated at a \$34,000 loss in the past year, and over the term of the union their deficit has now climbed to \$450,000. Mr. Twig, the chartered accountant dealing with that matter said:

The union has incurred substantial losses since inception and currently has a working capital deficit. As a result the union's continuation as a going concern is depending upon obtaining additional capital.

I suggest to you that your grant is in fact trying to overcome that problem for them and not because of their management ability.

MR. KAEDING: — Mr. Speaker, I would challenge that statement. In the first place he talked about the management ability of the National Farmers' Union; that's got nothing to do with this training proposal. It's got nothing to do with this training proposal whatsoever, and I can tell him that every item which the National Farmers' Union will spend out of this program they'll have to justify. They'll have to show us next year in a statement that it was used for leadership training.

Executive Aircraft operated by CVA

MR. P. ROUSSEAU (Regina South): — Question to the minister in charge of central vehicle agencies. Last week, Mr. Minister, in a question asked of you relating to the executive aircraft, you left the impression in this House that you operated one executive aircraft in Saskatchewan, excluding the Department of Northern Saskatchewan. Do you not in fact have three executive aircraft operating out of CVA (Central Vehicle

Agency) for government use?

MR. ROBBINS: — No, we have two operating out of Regina — two, plus a back-up, a Navajo, which is used also for air ambulance. There are three planes in total, two Cheyenne's and one Navajo.

MR. ROUSSEAU: — Mr. Speaker, would the minister indicate to the House the approximate use of the third aircraft — the Navajo — percentagewise of ambulance versus executive use.

MR. ROBBINS: — I haven't got that information immediately available, but I will get it for him in terms of the estimates.

Executive Aircraft Used in the DNS

MR. ROUSSEAU: — Mr. Speaker, a question to the Minister of Northern Saskatchewan. Mr. Minister, how many executive aircraft are being used in the Department of Northern Saskatchewan at the present time? I don't mean executive aircraft specifically, but those aircraft used by executives?

HON. N. BYERS (Minister of Northern Saskatchewan): — Well, Mr. Speaker, I would like the hon. member to be more specific because I want to know whether he wants me to answer in terms of the water bombers.

MR. ROUSSEAU: — Mr. Speaker, I wouldn't be at all surprised that they might make use of the water bombers for executive aircraft, but how many aircraft used in the Department of Northern Saskatchewan are used by executives? Let me put it to you another way. Do you not have about eight aircraft that are used by the executive of the Department of Northern Saskatchewan? I will give you the list — two Barons, three Cessna's, one Aztec, one Cheyenne — seven, sorry.

MR. BYERS: — The number one tracker is a CGEHP, number two tracker is a . . . a three tracker, a four tracker, a five tracker and a six tracker — there are six, plus a Cheyenne.

MR. SPEAKER: — Order, I think I will take a new question.

Compiling of Executive Aircraft in DNS

MR. ROUSSEAU: — A new question, Mr. Speaker, since the minister seems to be avoiding the question I asked — I didn't ask about the trackers. I asked about the executive aircraft — you have two Baron's, three Cessna's, an Aztec . . .

MR. SPEAKER: — Order.

MR. LANE: — He's going to answer, Mr. Speaker. Let him answer.

MR. BYERS: — All right, Mr. Speaker, there is one Cheyenne on wheels, an Aztec on wheels and a Cessna 185 which can be converted to floats. There are three Cessna 185s. The Cessna 185s are used basically for firefighting, not entirely, exclusively, but basically for firefighting.

NorCan Air to Discontinue Flights

MR. J. GARNER (Wilkie): — Mr. Speaker, a question to the Minister of Tourism and Renewable Resources. In light of the statement by NorCan Air that they are going to discontinue their early morning flight from Prince Albert to Saskatoon and Regina, first of all, is the minister aware of this? Have you been in touch with NorCan Air about this release?

HON. A.S. MATSALLA (Minister of Tourism and Renewable Resources): — Mr. Speaker, yes I am aware of it. My officials have been in touch with NorCan Air. I am certainly disappointed that this flight has been cancelled. Nevertheless, given the fact that this falls in the area of transportation, I would suggest that the member perhaps direct his question to the minister in charge of the transportation agency.

MR. GARNER: — Mr. Speaker, I'll direct that question to the minister then. I'll repeat the question, Mr. Speaker. Are you also aware then, Mr. Minister, of NorCan's decision to cancel their 'early bird' flight from Prince Albert to Saskatoon to Regina? Will you or have you been in touch with their office?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, I was not aware of any decision by NorCan to withdraw that service. I am not sure that initially they would notify the provincial government. They would, rather, notify the federal government since air comes under federal jurisdiction. However, having been given knowledge of the removal of that flight, I will be in touch with NorCan Air asking them their reasons for it and putting a case before them to retain it. But to my mind, to my knowledge, I have not been aware of it until this moment in the Assembly.

MR. GARNER: — Supplementary, Mr. Speaker. Since the minister is now aware and it was in the paper today, will the minister also, when he is in touch with NorCan, ask them if they would maybe consider cutting their rates on the route in order to retain that flight connecting PA, Saskatoon and Regina, so that it does not affect the exploration or the opening up of the North?

MR. MacMURCHY: — Mr. Speaker, I will certainly request from NorCan justification for their decision. I will certainly put forward a case on behalf of the people of the province, in particular, the North Battleford-Saskatoon-Regina community people in support of retention of the service.

POINT OF PRIVILEGE ON THE QUESTION PERIOD

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, before the orders of the day I would like to raise a point of privilege arising out of the question period.

The Minister of Health (Mr. Tchorzewski) in answering my question indicated that our caucus meeting with the Saskatchewan Status of Women showed we looked favorably upon their position . . .

MR. SPEAKER: — Order! If the member is rising on a point of order he must state the rule which has been abridged and state the argument which he appears to be doing at this time.

MR. BERNTSON: — Mr. Speaker, the point of privilege is the statement, something less than accurate, made by the Minister of Health.

MR. SPEAKER: — I don't think that's a legitimate point of order. I can't take the

responsibility for the accuracy of the minister's answers or the preciseness of the question or anything else. I can only conduct under the rules that are laid down for me and I don't find that to be a point of order.

MR. R.L. COLLVER (Leader of the Opposition): — Mr. Speaker, I would like to suggest, with respect, that because of the specific rules in question period which relate to the raising of points of order and points of privilege, it is a member's responsibility to correct any misquotation by another member of what that member is saying. Not to debate the issue but if a member rises and says this member said so and so and the member did not, it is incumbent upon the member to rise and say I did not say that, this is what I said. In other words to correct a misconception or a misstatement of the facts. Now the member for Souris-Cannington was rising in his place after question period because he is not allowed because of the special rules of question period to do so at the time the minister raised it. I suggest, Mr. Speaker, that it is the responsibility of the member for Souris-Cannington to raise it at this time.

MR. SPEAKER: — I'll take an opportunity to avail myself to the record of the question period and the point that was raised by the member for Souris-Cannington and if I feel it is significant I'll bring something back to the House at a later point on the matter.

COMMITTEE OF FINANCE — CONSUMER AFFAIRS — VOTE 4

MR. CHAIRMAN: — We are dealing, today, in estimates with the estimates of Consumer Affairs, page 24, and I am going to ask the minister in charge, Mr. Whelan, to introduce his support staff, please.

HON. E.C. WHELAN (Minister of Consumer Affairs): — Mr. Chairman, I am pleased to introduce my Deputy Minister, Arleen Hynd; seated here behind me, Director of

Licensing and Investigation, Mr. O.A. MacGillivray; seated with him the Director of Education Information, Loretta Eberts; on my immediate right, the Director of Administrative Services, Al Dwyer; seated on my left, Tom Rogers, Director of Planning and Policy Analysis.

ITEM 1

MR. L.W. BIRKBECK (Moosomin): — Mr. Chairman, there are a few questions that I would like to raise and rather than attempting to get them under the specific vote, which is rather difficult from time to time, I would be asking a rather broader range of questions on a philosophical approach with reference to your department.

Consumer Affairs Department, Mr. Chairman and Mr. Minister, is a department of government which I feel doesn't seem to be getting the recognition that it should and I naturally am led to believe that that's possible because it isn't doing anything. So, Mr. Minister, just to start off with, I would like for you, if you may and if it's possible, to describe to this Assembly what in effect your department is doing on behalf of consumers, because I have my ideas as to what I feel your department should be attempting to achieve and the goals that it should be striving for and hopefully obtaining. It's only natural to assume that a Consumer Affairs Department is in place for the protection of, and the investigation on behalf of, consumers of our province with respect to items or goods that they subsequently consume. This of course, covers quite a broad spectrum.

My concern is that while so doing, in those few instances when you do, which are not all that numerous (which could be debatable and if it is I'm sure you will debate it)..It to me is not clear that you're doing that on behalf of consumers and not at the same time creating a problem for yet another group of consumers. Of course the obvious example to use is with reference to the price of food. And we note today in the Leader Post that we have an increase of 21.7 per cent, I believe it is (somewhere in excess of 21 per cent), in the cost of food. The headline is that it's primarily due to the increased cost of meat. Well, I won't argue with those statistics. I'm sure, in fact, they're right.

But what happens ultimately is that the consumer by and large (and incidentally the Minister of Agriculture, Mr. Kaeding, disagreed with our member for Rosthern during questioning in the question period one day regarding the cost of meat and what the actual increase was and what percentage of the dollar that the consumer has available to spend on those kinds of products. The Minister of Agriculture doesn't feel that it's a producer problem. But that's where my concern is).. When you're representing consumers, if you ever do and you haven't yet made any real representation from your department with respect to, as an example, the cost of food and in particular, the cost of meat to Saskatchewan consumers. But I'm concerned with the headline because I wonder: are the consumers assuming that it's the increased cost of meat at the producer level? That's where my concern is.

Because I believe that it is also your responsibility, if it's being perceived by the general public that the producer is causing the increased cost, and in particular in meat, then I feel that you have a responsibility to go and defend also the producer. That you must thread that needle finely so that you, in fact, protect the consumer and make the consumer aware of why these costs are the way they are. What constitutes these costs? Maybe we could use the example of the price of milk. An average family which is approximately four people — two children; the birth rate is 1.7 — has a burden to carry with respect to the cost of milk. It is in the neighborhood of, I believe, 54 cents now for a

litre of milk. It just increased recently from 53 cents. Incidentally, that is for 2 per cent milk. Now, let's reflect that back to the producer. This is the kind of thing which I would like to see you do, as the head of your department — that you would make the public aware that the producer's share of that 54 cents is approximately one-fifth of that, approximately 10 cents. Now, you can check my figures if you like. You might find it difficult because you have to do a conversion there in the metric system. None the less, it is approximately 10 cents a litre that the producer actually gets paid. Might I remind you, that's paid on the basis of 3.5 per cent butterfat, not 2 per cent. I am not sure just what the cost is per litre of 3.5 per cent but I know what it is for 2 per cent. It is 54 cents, so it would stand to reason that it would be possibly closer to 60 cents for 3.5 per cent butterfat.

This makes the spread even greater, and the producer would only be receiving about one-sixth of what a consumer is paying for a litre of milk. Therefore, I feel it is your responsibility in these areas. You can get up when I sit down in a few minutes, and give me examples of where you are, in fact, making this information available to people, so that rather than dividing the consumer groups in our province, you take an approach which will unite those groups. I only take meat and milk as examples because of the fact that they are two of the basics; they are two commodities which people consume possibly more of than anything.

If you can do that in your department, if you can use your department to unite consumers so that they understand, then I think your department will be heading in the right direction and it will have set the proper goals. People do not mind paying a specific cost for an item. Now, take the example of a suit. People don't mind paying \$300 for a suit if they know why, in fact, it costs \$300. That basically, is what I want to get at, because, Mr. Minister, I hear complaints all of the time — consumer complaints. I'm referring specifically now to consumers purchasing goods. There are other consumer problems that we have to deal with as well and we may get into those later and we may not. But, if you can achieve that, Mr. Minister, that, again as I say, is very key. If you can adopt a policy in your department of making the public aware of why goods are certain costs, through newsletters or a little more publication on it, then I think your department will be going a long way to moving in the right direction. Mr. Chairman, with those very short opening remarks I would just wait and let the minister have the opportunity to reply.

MR. WHELAN: — Let me say first, that of all the departments in government across this country that handle consumer matters I am prepared to state without any fear of contradiction that for the number of people involved this Consumer Affairs Department handles more consumer problems and does more work on behalf of the consumer. I know the other departments well because we meet with them and we discuss problems and we know how many staff people they have allocated. The volume of work that's done by this particular Department of Consumer Affairs per person is better than any department in Canada and I'm prepared to enlarge on that.

First let me say to the hon. member, when he said the department didn't seem to be doing very much, obviously he hasn't read the annual report. The annual report will indicate clearly that there were 11,937 inquiries of one kind or another during the past year that were handled by the department; 2,669 public complaints. When you look up the projects that were handled by these people in educational organizations such as community colleges, I think you'll realize that per person they give more information to teachers' conventions and teachers' seminars and organizations of this sort than probably any Department of Consumer Affairs across this country. To suggest that we

don't go to bat for the consumer I think is a grossly unfair remark that I certainly would not agree with particularly knowing the kind of work and the activity of the department intimately. I think it is just very unfair.

I think we should look at, to begin with, the fact that we do not know of any Department of Consumer Affairs in Canada that has any legislation that will provide for them the power to control food prices. If there is anyone in any department in any provincial government in Canada that has a Department of Consumer Affairs that gives you this information and you can show me where there is any control by a provincial department of food prices, I would be very interested. I know the activities of the other departments fairly well and I think this is an area that gets a good number of complaints but there is no indication of control. The federal legislation that you need is not in play and as far as I know there is no department that controls food prices.

If you want to, I'm sure you can check out the number of news releases that we have made over the year. I have a pack of them here. They concern many aspects of consumer activity. There are news releases and information going continuously to the public. I am sure if the hon. member was in receipt of the bulletin that goes to 32,000 people on consumer matters, he would be well aware of the representations we make on behalf of the people who are having consumer problems.

This bulletin goes out regularly. There are 32,000 copies of it. It is well received. It is the kind of thing that people read avidly and consistently. You talk about the price of wheat and the manner in which it is explained to the public — we have a knowledge of this, but we feel that this comes within the orbit of the Department of Agriculture.

We do know how the price of milk is arrived at. We are well aware of that. We know that the Department of Agriculture controls the Milk Control Board. It is under their jurisdiction completely. We are completely aware of the formula that is used and we make representations regarding the increases in the price of milk.

Let me say this, I could give you a list of the many areas where we go to bat on behalf of the consumers. Just look at the legislation — The Direct Sellers' Act, The Motor Dealers' Act, The Cost of Credit Disclosure Act, The Collection Agents Act, The Unsolicited Goods and Credit Cards Act, The Credit Reporting Agencies Act, The Sale of Training Courses Act, The Pyramid Franchises Act, The Auctioneers' Act, The Consumer Product Warranties Act. And we have a staff of 50 people! I think there isn't a doubt in the world that these people do a tremendous job on behalf of the consumer. And there isn't a doubt, when you make comparisons — and I am prepared to listen to comparisons that are being made — anywhere in this country.

Our policy and planning group are constantly making representations before different groups in the federal sphere and meeting with other groups who are interested in consumer matters. I recall, vividly, a joint presentation that was made to the federal people regarding The Competition Act. At the present time there isn't a doubt in the world that the consumer in this country is being ripped off regarding the price of food. I am not suggesting that that is the area you are raising in the House. You are talking about the farmer and you are talking about meat, and you are talking about milk.

I think I have said over and over again, on open line, on many occasions that we recognize that if there is going to be a steady supply of food products that there has to be a fair price. This is the only way that you will keep people producing food. We think this happens in the Milk Control Board. If a price that is finally arrived at regarding a litre

of milk is arrived at after discussion, after consideration, and after formulas, the formula that is worked out is one accepted by the producers and the consumers. I think the price of a litre of milk is one that is acceptable to the processors, to the producers and to the consumers.

MR. BIRKBECK: — Mr. Chairman, I appreciate the remarks by the minister responsible for the Department of Consumer Affairs. I am, of course, somewhat disappointed that he attempts to make it political, because I had not intended to at all and my comments today, speak with reference to this department in terms of politics. You attempt to suggest that I am telling you that you are now representing consumers. I, of course, did not suggest that. I was only discussing the manner in which you do, in fact, represent consumers. I'm sure you do represent a lot of consumers with a minimum staff and maybe you're suggesting that your staff is not adequate; that maybe you should have more staff. Now, that could be the case; I don't know. You shake your head and you suggest that you have enough staff and that might indicate (and I commend your staff for it) that they're very efficient. If you can do this much with so few people, that is a good example that has been set in your department and possibly, you might tell the other members of your government and their ministers and their departments how to be efficient. Because we don't have so few members and staff members in other departments as we do in yours. They might learn from you. Then if that's the case, that you're so proud of your group and of your ministerial responsibility, then other members and ministers of this government might learn from you. I don't know whether you will take it upon yourself to inform them how you do it, how you do so much for so many with so few.

Now, Mr. Chairman, since that is the case, I would only remind the minister again that the question of whether or not you represent consumers is not a question that I have put to this House. The question that I have put to you, Mr. Minister, is: in so representing all of these consumers, are you consistent in keeping their thoughts united? You say — and you're on record now, Mr. Minister, as having said — that the consumers are happy with the price of milk. I don't know whether that is or is not the case. Furthermore, that is with reference to Milk Control Board; the Milk Control Board sets the price of milk on behalf of producers in relation to their increased costs which are due to a number of factors, of course, inflation being one of them. They don't take into consideration the consumers' approach and nor should they. They are there to represent the producers and to set prices in accordance with their costs so that they can have a margin of profit and, Mr. Minister, I concur 100 per cent with your suggestion that producer prices should be set in accordance with their costs; that that is the only way that they are going to maintain production. It is very interesting, Mr. Chairman and Mr. Minister, to hear a suggestion from a minister of this government to this Assembly that profit must be maintained in the productive end to maintain production. It was very interesting to note that because that's something we firmly believe. That unless we maintain a reasonable profit margin; now what is reasonable is very hard to define but surely a 10 per cent after costs is reasonable. Surely, as a minimum.

You'll be interested to note that the recent increase in milk to the producers was 6.7 per cent which is quite considerably below the inflationary rate. None the less, if the producers are satisfied with that, then surely I am. They're taking a very responsible position unlike the irresponsible position taken by the member for Yorkton, Mr. Nystrom, when he suggests that labor unions in terms of their settlements should be in the neighborhood of 9 per cent and if not, at least below inflation. I suggest in that area, Mr. Chairman, I know I'm just moving just slightly off target . . . (inaudible interjection) . . . I realize that. The point I'm trying to make, Mr. Minister, is that I don't feel that it's

incumbent upon any politician, whether he's a member of government or a member of opposition, to suggest to locally autonomous bodies, whether in the labor sector or whether it's the Milk Control Board what kind of increases they should be demanding. I have faith, I'm sure our side of the House does and I don't strongly question that your side of the House has faith that the Milk Control Board is going to set prices that are appropriate for producers and for consumers. I think that the Milk Control Board takes into consideration the consumer aspect. Mr. Minister, what I am really getting at again and I want you to, with some sincerity this time, try and understand that what I am trying to say is we must maintain harmony within the consumer group and they are all affected differently.

People that go through the shopping malls feel that all those shops in there are just making a tremendous profit. I refer back again to the Minister of Agriculture's (Mr. Kaeding) comments. He felt that when he was meandering through the Southland Mall that people weren't concerned that the producer was ripping them off. They felt surely, and the Minister agreed, that it was somebody in between. He just said that. That's an easy thing to do — to say that well, somebody in between is making all the money. We've been saying that for a long time. Now, who is making all the money? Now, maybe you might elaborate in that respect. I don't see any news releases where you come out and say, well, it's this person or it's that person. You aren't saying, with reference to food, if you want to get back to that, that Intercontinental Packers is making far too much money — that their profits are excess profits. I don't see any releases in that regard. I don't know whether Intercontinental is making too much money or ripping the consumer off or not. I'm sure that you'll reply to that and I'm not suggesting they are, so you don't need to go to battle with me on that particular topic. All I'm saying is that if your government feels that somewhere in between somebody is making an excess of profit, then I feel it incumbent upon you to specify just who is. Who is it?

Now, when you have a cost increase, as I stated before, on milk from 10 cents to 54 cents, have you justified that cost to the consumer at the end? Have you told the public where along the line those extra costs are incurred to put it up to five or six times the producers' level? Now, that's what I'm getting at, if you're providing that information and that's where I question you, Mr. Minister. I do not believe that you are doing that because I have read your news releases and I don't see where you're spelling out specifically where these costs are incurred. All I am suggesting to you is that if you do that, then you're going to be able to obtain a harmony within the consumer group and that's an approach, I would like to see you take. Let's be clear; I'm not questioning whether or not you're representing consumers. I'm sure you are. Understand me, Mr. Chairman, Mr. Minister, and the suggestion I am making to you. Make the explanation right through the full chain on any goods. We all realize that it goes through many phases. Any product, it doesn't matter whether it's food or whether it's dry goods — they go through the production, the manufacturing, the packaging, the wholesaling and the retailing — all of those things need to be related to the consumer. Once you have achieved that and have not found anywhere where there are rip-offs, if we might use that term, then fine, the consumer is going to be happy to go out and purchase certain goods and not be upset about its costs. If, while making that investigation and making those explanations to the people, you find that there are particular areas where there are excessive profits, then I feel that is where it is incumbent upon you to make that information known to the public. You don't have to take action yourself, Mr. Minister. As head of your department, all you have to do is make that information available to the public. The public themselves will decide whether or not they agree that maybe in a particular area 30 per cent of the actual retail costs are absorbed by one group. If they feel that's excessive, then I'm sure they'll come to you, then it's your

responsibility to react. I feel you should react after the fact in most cases and not before.

Again, Mr. Minister, without trying to draw political lines or cause political debate you might just reply and maybe you could understand what I'm trying to say and take my suggestions under advisement. I'll be quite content, otherwise take your chances.

MR. WHELAN: — Well, to begin with, let me say that if I am straying into political debate, I wouldn't think it was political debate at all. I'm sorry if anyone interpreted it that way, because I think I am being the most neutral I have been in a long, long time.

I appreciate the comments which the hon. member is making. I am just looking at a couple of releases which I made regarding the price of bread and the price of turkey in which I very carefully — these are examples, two main commodities in this country — point out that I think the farmer is getting very little for his produce. I think that the farmer is not being paid properly for his turkeys and I explained that very carefully. I am not going to read the whole release. I am sure you have these on hand. I could talk about the prices of (where I made specific comments) many consumer commodities that play a vital role in this country.

I don't think it is my prerogative to go over the pros and cons of milk when the milk board falls under another minister. I am sure when the time comes you will ask him questions. In my discussion I didn't say that I was under the impression that this thoroughly satisfied the consumer. Mr. Speaker, what I said was that I thought the price represented the processors, the producer and the consumer and it was fair to all three of them. I also said (and I emphasize this) that it is not the profit that may be a factor; but it seems to me from a consumer's point of view, it is realistic to say that we must keep these people in business. If the people who produce food are not continuing to produce food, that's a pretty serious situation for the consumer. When you are looking at the price that the consumer pays, that's a very important factor in my estimation — a very important factor. We don't administer the milk control board. But I suggest that all the parties which are involved, the processor, the producer and the consumer, are being considered by the milk control board.

What they are doing, the conclusion they are coming to, in my estimation, is fair and whether they allow the producer 10 per cent or whatever margin they allow him, I think it is important that he does get a return that justifies his business operation.

The question as to where we are with the consumers — I refer you to (and I think our people spent a great deal of time on it) the corporate brief in which we talk about food and food commodities and we talk about the position that should be taken on behalf of the consumer (and I think it was fair — it was worked out in conjunction with the other departments in the government) — and also to the position we took regarding food policy when the federal people met, the provincial ministers, in Winnipeg. We spent a great deal of time putting forth a food policy. Certainly it got publicity all across this country. Again, I say, the corporate brief and the food policy brief were well publicized and I think very carefully thought out and adequately represented the consumer in this province. We got many complimentary remarks from the consumer at the time.

The staff that we have (and I figure this is the sort of policy of the government)..we do not think that we are overstaffed, but within the orbit that we are asked to administer and the legislation which we are asked to look after, we think we are adequately staffed

and the people are well-qualified and extremely conscientious.

MR. R. KATZMAN (Rosthern): — Mr. Minister, you made a comment earlier about the condition of sales and some of the other areas that you have done some work in. I refer to a letter sent to the minister re dance schools. I think he received it in the last week. This was concerning how The Sales of Training Course Act affects them, where basically.. Have you received it? Could you comment on the concerns of that letter rather than me stand up and give them all to you?

MR. WHELAN: — I am glad the member asked the question because a copy of the letter went to him. I think the assumption that was indicated in the first paragraph was not correct. We haven't, to my knowledge, licensed any of these schools. But what we were trying to do — and we have tried — I will give you the number of letters and the number of attempts that we had made to contact the people who were running the school to see that they were operating according to the regulations and, therefore, would have no need of a license. To my knowledge . . . (inaudible interjection) . . . we're asking for some information regarding the amount of money that you can pay in advance for courses. If we get the information, if they send us the information which we have asked for, and we anticipate the reply, they will not be subject to any licensing at all. We know of no other dancing school and this one, if we can get information that says they're not asking for a fee in advance of a certain figure, will be exempt.

MR. KATZMAN: — Because of the letter, I did some checking into it. I assumed the minister would realize that. It seemed to indicate the concern was not that you had to pay the whole amount when you registered. I agree with the minister that shouldn't be a requirement, so if somebody after a short while decides he will drop out, there is no problem. He is not losing then. But there should be a minimal amount, because of the paper work cost and the cost of making sure the space that is booked for the full seasons will hold all the people. It's not the fault of the school that somebody should drop out. Yet you don't want to penalize somebody and take their money away when they do drop out. There should be a portion of anything they've paid, where they haven't had the lessons, come back. But there should be a portion left behind to pay for the things they had to contract on day one because they were going to have 50 students or 80 students or whatever. I hope you would take that into consideration.

MR. WHELAN: — We were concerned when we read the letter and our people very conscientiously checked it out. The hold-up is we can't get any response from the people running the school. I agree that you've got to have some money for administration, and the regulations say that you can keep \$20 per pupil. The regulations also say that you should collect no more than \$25 in advance. I made a statement that no dancing schools were licensed. Arthur Murray, for instance, is, but this kind of dancing school — we haven't licensed any of them. If they indicate to us that they're abiding by the regulations which say they have \$20 for administration and \$25 in advance, there will be no licensing.

MR. KATZMAN: — I thank the minister for those words. I will pass them along. I assume they are a little nervous to correspond with you right now, not sure what's going to happen and they want to protect themselves for this year.

I make one other suggestion to the minister. Where a school, be it a piano school or dancing school or so forth, is approved by a national body, (the Toronto Royal Conservatory of Music, for example), is a sound organization and not fly-by-night, and has had many years of involvement. Those types of organizations should be approved

and it should be explained to them that they don't have to go through the Act. That's my concern.

MR. WHELAN: — My people advise me, and I'd like to tell the hon. member that we do not require people who give piano lessons to be licensed . . . (inaudible interjection) . . . No, there would be no requirement. It doesn't come under our legislation.

MR. KATZMAN: — Mr. Minister, if I may ask about one more area of concern and if you want I suppose maybe the proper place is Vote No. 2 Item No. 2. You made reference to investigations earlier and you made reference to the seller's act and so forth. I note today that any contracts in the automobile industry and other areas must be approved by your department, that go to the consumer. I refer to a fellow I know in Saskatoon whose sales' contract was sent back to him. He was told it didn't meet the standards, but yet your people didn't tell him where it didn't meet the standards. I'm wondering if maybe within your administration when you tell somebody he doesn't meet the standards if you could recommend to him or show him a sample copy that does meet the standards.

MR. WHELAN: — The specific reference you're making is to The Motor Dealers Act, and that's right, we do approve the contract.

My people tell me that the hon. member may be making specific reference to a particular form that's been submitted to us. As far as The Motor Dealers Act is concerned it's absolutely okay, but there's a section in The Warranties Act which we are currently negotiating with the motor dealers, section 17, and we hope to have that solved worked out. When we do then we will advise them. The motor dealers, as a general rule, know that this is in suspense, know that we're trying to get something sorted out with them that will be simple and easy to understand and easy to administer and that's the stage it's at. That's probably the one that you're asking me questions about.

MR. KATZMAN: — Mr. Minister, I make one comment and a suggestion to you. I've just been down in Ontario and I happened to stop in a place and the Ontario government has a form that they will give you if you are in the business, suggesting how it should be made up and all the things that are required. They will give you a sample form. Now I realize their laws are not identical to ours but if the minister wishes I will give him a copy of the sample form. Maybe it's an idea you people can copy to make it a little easier for new dealers, especially who are coming on to the market.

MR. WHELAN: — The province of Ontario has no warranties act, only the provinces of New Brunswick and Saskatchewan. Our position is something like this. When we get a wording that is satisfactory to the dealers, we will proclaim the section and then we will have readily available the kind of form that we think they should use. But we are reluctant to do that until we have satisfied the negotiations with the motor dealers and everybody is happy with the wording. We think that we're almost at that stage and, of course, when that happens we will put the section in exactly the way we think it should be and the way it was agreed to. That will solve the problem. We know the current problem that you have and we know the particular case that you are raising. I think it's a justifiable request for up-to-date information but it's the negotiation that is holding it up.

MR. KATZMAN: — Mr. Minister, on item 1 if I may, as you may be aware one of our members has been asking for certain information on all departments. I assume that you

have been enlightened of that idea that we are going to do it. If you would like to make it speedier while we've got the figures available, would you be willing to give me now, under item 1, the 1978-79 estimates for your three top people in item 1, the actual and the 1979-80 estimated wages? If you would wish to do it now on all four votes, I would be willing to accept it now or if you want to do it on each vote as we go — the top three people on each vote, their salary, the estimate for 1978-79, the actual and the estimate for 1979-80. Your choice of doing them all now or one by one as we go down, it's up to you.

I believe the Minister of Finance (Mr. Smishek) was going to alert all the department heads that we would be asking for this and to have it ready for us.

MR. WHELAN: — I tried to get the top four; there's a few dollars difference. Do you want the name and the position? The deputy for 1978-79; approved, \$39,520; actual, \$43,133. And approved for '79-80 — I think that's what you asked for isn't it? — \$44,140, and the head of the licensing and investigation section, the director . . . yes, I'm now at the Item Vote 1. Do you just want Vote 1 or do you want . . . I'll give you the top four people and I'll tell you where they are and who they are and what their responsibilities are. Is that okay? Vote 1 is adopted. Vote 2 is licensing and investigation; the director is O.A. MacGillivray: approved for '78-79, \$29,970; actual '78-79, \$33,927. I should point in there that there's a sum of money \$794 for temporary performance of higher duties. He acted as the deputy, and there's also a sum of money that's retroactive \$603. And the same applies in the case of the deputy; there's \$795 for retroactive pay for '77-78.

For sub-vote 4, planning and policy, the person is Tom Rogers and the amount approved '78-79: \$27,500; 1978-79, actual, \$29,116 and again \$537 of that is retroactive pay for the previous period, and the estimated for '79-80: \$30,770.

The next one is education and information sub-vote 3. The director is Loretta Eberts. The amount approved for '78-79 was \$27,190; the actual, \$28,785, and again the retroactive pay is included in that and it's \$527. And for '79-80 the estimated amount is \$30,440. Those are the four highest ones. I'll give you the three highest ones. If you want, there's one more if you want . . .

MR. KATZMAN: — Mr. Minister, you indicated there is some retroactive in all four of them. Are you suggesting that that would actually be due from the 1977-78 estimates because of the late settlement?

MR. WHELAN: — That's right.

MR. W.C. THATCHER (Thunder Creek): — Mr. Minister, when you were presenting your budget to the Treasury Board from your department, and you, of course, were deciding what you had to pay your people in your department, what exactly did you feel was going to be the round figure that was fair and equitable for all concerned?

MR. WHELAN: — We include a guess as to what it might be up to a certain point in covering the year in which the contract was negotiated. We have been saying 6 per cent and if there is more we add to that. That is one of the reasons why there is a retroactive figure. The other period from September to the end of the fiscal year, we don't include because our experience has taught us, or indicated to us, over the years that there are people who do not work a full 12 months, and some vacancies where we have to advertise for people. That is my experience; that says that that area is covered.

MR. THATCHER: — Mr. Minister, did I understand you correctly to say that when you planned, you as the head of your department and responsible for consumer affairs, in your wisdom, brought to this Assembly or presented to Treasury Board a concept that a 6 per cent increase for your people was fair and equitable? Did I understand you correctly?

MR. WHELAN: — What we do is, for instance, the 1979-80 estimates includes the 6 per cent provision for salary increases as at October 1, 1978. The 6 per cent is applied for the entire fiscal year, but no provision is made for the anticipated salary increase as of October 1, 1979, because as I indicated a new contract has to be negotiated.

The departments usually — and this has been the experience in our department — are able to absorb the added expense of the new contract settlement through vacancies and turnovers. Any amount over and above the 6 per cent increase (if there is any) is for a discretionary increment based upon assessed performance. This is the sort of policy that we follow, and I understand that all the other departments follow exactly the same policy.

MR. THATCHER: — Well, Mr. Minister, having made that assessment and I think stating fairly clearly that 6 per cent was what you budgeted for in terms of a guideline, would you kindly tell me (just taking item 1 at random), why did you budget for an increase of 11.5 per cent then?

MR. WHELAN: — I believe that Vote 1 (as I recall it) comes, as you say, to about 11.1 per cent salary increases, and if you put the 6 per cent that we budgeted for, together with the increments and the increments in this particular section, 5 per cent more or less — there is your 11 per cent.

MR. THATCHER: — Do I understand you correctly, Mr. Minister? (We are just talking about subvote 1; we will get some of the others a little later). You are saying that everybody automatically has an increment coming before we even start talking about a new contract. Am I correct? I believe that's what you just said. Clarify it if I misunderstood you.

MR. WHELAN: — I am advised that the increments are not automatic; they're discretionary. But when you put the budget together you have to take into consideration the possibility that the increment will be paid in full. They are not always paid. It's a discretionary decision for the out-of-scope people and there are out-of-scope people in this vote. So that's why you add the 5 per cent.

MR. THATCHER: — Would I conclude from that then that for the nine people we are talking about in item 1 there is a merit factor involved? You say it is discretionary. In other words, somebody must evaluate them, somebody must say that employee A is worth more than employee B, etc. You are telling us that you have a merit system in effect in the Department of Consumer Affairs. Would you tell me to whose discretion these decisions are left?

MR. WHELAN: — Well I guess if you talk in terms of administrative approach, I would decide whether the deputy earned an increment and the deputy would make recommendations regarding the other people. I think there is another feature in this, I'm not sure whether this applies in this particular area, but there is a scale of six steps and sometimes when a person moves to another department, the person that moves

into this particular area will start at the first step on the scale rather than at the top of the scale. That, again, is another factor.

MR. THATCHER: — Mr. Minister, I wasn't in the House earlier when your estimates started. Let's take a case in point — let's start with your deputy minister. What salary are you budgeting for her for last year and this year? I can get it from a colleague if you object.

MR. CHAIRMAN: — Order! I would just like to mention to the hon. minister, that that has already been given to one of your colleagues, of the four supplements, the first three or four members in it.

MR. THATCHER: — Mr. Minister, for 1978-79, your deputy minister's salary was \$39,500. Correct? It was \$39,520, right?

MR. WHELAN: — That was the estimated figure, yes.

MR. THATCHER: — You are saying that the actual figure that you provided then was \$43,133. Is that correct?

MR. WHELAN: — That is what the deputy was paid, yes.

MR. THATCHER: — What factors were involved to increase that salary from \$39,500 to \$43,133? How did you arrive at that figure?

MR. WHELAN: — . . . first retroactive pay of \$800 for the year 1977-78. . .

MR. THATCHER: — Retroactive pay of \$800? Well, Mr. Minister, there is a problem there of about \$3,500. What about the other \$2,700? Where did it come from?

MR. WHELAN: — . . . of 4.2 per cent in July, and the 6 per cent on October 1.

MR. THATCHER: — I'm sorry. I had trouble hearing you. Do you mind repeating those numbers?

MR. WHELAN: — The increment was July 1 for 4.2 per cent and on October 1, there was a 6 per cent increase.

MR. THATCHER: — I apologize to your deputy for using her figures but we had to use somebody's. I want to make it clear to her that I am not singling her out for any special attention but unfortunately, we had to use one.

All right, that 4.2 per cent. Where did the 4.2 per cent come from? You say it is the increment, but how did you arrive at the figure of 4.2 per cent as an incremental figure? Was this the figure that was used throughout your department or was it applied specifically to your deputy? Where did it come from?

MR. WHELAN: — This was the date for the increment — July 1, and the 4.2 per cent was arrived at on the basis of performance and administrative ability, and how the department operates and that sort of thing. We felt that the deputy was entitled to the regular increment in the amount of 4.2 per cent.

MR. THATCHER: — Why 4.2 per cent? Why not 1.2, 3.2, 5.2, 10.2 per cent? Why 4.2

per cent? That is my question.

MR. WHELAN: — This is a percentage. I am sure when the Minister of Finance (Mr. Smishek) is here, he will explain why they arrived at these percentage points for increment. It is a figure that comes from the Department of Finance for deputies who perform in a certain manner. They don't all get it, but this particular deputy got it.

MR. THATCHER: — Mr. Minister, respectfully, I would have to say the Minister of Finance is not responsible for page 24; you are. The Minister of Finance is not responsible for the figure of \$185,430 under personal services or permanent positions; you are. Therefore, I would like a little bit more, in terms of specific information as to what was involved in 4.2. Are you saying that 4.2 was a directive from Treasury or from the Premier or from the Minister of Finance that your deputy minister was to receive 4.2? Are you saying that that directive went to all departments of government or strictly to yours?

MR. WHELAN: — The 4.2 is arrived at on the basis that the deputy performed well. She's a good administrative person. The amount of the recommendation, the 4.2, is a recommendation that comes from the Department of Finance, but the deputy must perform well; must be able; must be a good administrator; must know the legislation. The recommendation is made by the minister. Now, the 4.2, we think is adequate and I agree with wherever it came from; it came from the Department of Finance, but as far as a directive, the decision as to whether or not the amount should be paid is with the minister and on the recommendation of the minister.

MR. THATCHER: — Very well, then, you recommended that this 4.2 which you claim was a directive came from the Department of Finance or Treasury to be applied at ministerial discretion to their deputies. Am I clear on what you have just said? Please don't allow me to put words in your mouth, but that's how I interpreted you.

MR. WHELAN: — I can't answer for what the other ministers did or whether they accepted the suggestion that came from the Department of Finance, but in my particular case, I thought the deputy did an excellent job. She is one of the best administrators in the government, knows the department inside and out. When you go across the country and see all the deputies at a conference, the deputy from Saskatchewan stands out as a top notch person so I feel that the increment is warranted and the 4.2 strikes me as being a reasonable amount.

I don't say that the Department of Finance issues an ultimatum or a set figure and I'm sure that if you decided that it was going to be 1 per cent, the Department of Finance wouldn't change it; it's within the jurisdiction of the minister. I felt that it was fair under the circumstances. I also have some indication of what deputies in other consumer affairs departments across the country pay and I think our pay is fair and adequate for this particular department and this particular deputy.

MR. THATCHER: — Well, Mr. Minister, I'm sure if she didn't already, your deputy loves you or likes you for those comments et cetera. I want to make it clear to your deputy that I'm not singling her out. I just had to take a number; I just had to take someone and regrettably, she is number two in the department.

Now, let's move off your deputy and let me ask you; in the balance of these nine people that were employed, did they also receive the 4.2 per cent increment which we have just discussed with your deputy?

MR. WHELAN: — Unless I give you the answer for each specific one it's a difficult question. Some of them are at the top of the range and they don't get any increment. For instance, one of the secretaries is at the top of the range and there's no way that particular person can get an increment. The administrative officer tells me he's at the top of his range so he didn't get an increment. But if they are in the range and they are performing well, they get the regular increase on October 1. All of them got the 6 per cent but it depends on the steps. I'm told that the steps range from four to almost five; it depends on the first step, second step, third step. But my guess is that if they weren't at the top of the range and they performed properly and adequately and did a good job they would get an increment of somewhere between four and five per cent.

MR. THATCHER: — Of the people under subvote 1, how many received that increment of four to five per cent? How many of the nine?

MR. WHELAN: — I'm told that three out of the nine are at the top of the range and the other six received the increment.

MR. THATCHER: — Well, Mr. Minister, they received the increment and that was for last year. One-third of those employees under this sub-vote (and I don't know whether that's a rough rule of thumb to follow or not) were at the top, leaving only two-thirds of your employees. I really wonder how you can come up with a figure of 11.5. Now you said that you budgeted for a salary increase across your department of six per cent, but in the estimates you put forward, in the actual numbers that you ask us to approve, you have 11.5; then you tell us that while the balance are strictly for increments. Mr. Minister, there's no way that you can tell us that you budget for 6.5 and then put forward the number 11.5 for us to peruse. In other words, there's another factor in there and it's got to be more than just salary negotiations. What else is involved in there because it's not only under item 1? The same is also true under subvote 3 and I pick on that because you have the same number of employees. The same is probably true under 2, probably more so under item 2 than any of the others simply because the number of employees has actually decreased and yet the number of dollars has gone up very drastically. But because the number of employees differs I really can't give you a percentage.

Item 4 — 11.4 per cent under personal positions in here. Now, what other factors are in here? Let's quit beating around the bush; just tell us what it is and let's get on with this.

MR. WHELAN: — There are a couple of factors; for instance, one of the nine got a reclassification for the Public Service Commission and one of them came in at a higher rate than we had budgeted for and that keeps the 5 per cent. That's what happened among those nine. If you want me to run down through the whole group . . . but this kind of thing happens all the time when people move from one position to another and are promoted within the Public Service. And in this case one person was reclassified and this raised his salary substantially and one person came to work in the department at a higher rate than we had budgeted for.

MR. THATCHER: — Mr. Minister, your department supposedly is in existence to protect our consumers in the province of Saskatchewan. We also have a federal department of Consumer Affairs which theoretically is in the same business. Would you be so kind as to tell me what the people of Saskatchewan are spending all these dollars for in your department that they're not already getting from the federal department? So my

question is very simple: What service do you provide that is not currently provided by the federal department?

MR. WHELAN: — Well, Mr. Chairman, we gave this information to the hon. member for Moosomin (Mr. Birkbeck). To begin with, there's two kinds of jurisdictions in consumer affairs. We have nothing to do with the Competition Act. This is a federal jurisdiction.

MR. THATCHER: — There's no Competition Act in existence federally.

MR. WHELAN: — It's the Combines Investigation Act but it has to do with competition — the Hazardous Act, the Textile Act — there's all sorts of acts that they administer and we have no jurisdiction whatsoever in. I think they've got two and one-half people in the province of Saskatchewan or something like that — federal people — that was their cut. Their staff is very small and there's very little or no overlapping. I gave the hon. member for Moosomin (Mr. Birkbeck) and the annual report which indicates the number of acts that we administer is great. We have 50 employees and the number of acts that we administer is extensive. Just to give you some examples: The Direct Seller's Act, The Motor Dealers Act, The Cost of Credit Disclosure Act, The Correction Agents Act, The Unsolicited Goods and Credit Cards Act, The Credit Reporting Agencies Act, The Sale Training Courses Act, The Pyramid Franchises Act, The Auctioneers Act, The Consumer Product Warranties Act. The different departments are planning and policy, licensing and investigation, resource centre, information division, education division. We handle planning and policy for the consumer in the province. We have a sell office in Saskatoon. We think that this department has a tremendous record of achievement and performs well when you figure that they only have 50 staff employees. I think they do a more than adequate job.

MR. THATCHER: — Well, Mr. Minister, you took a long time telling us about the things the federal people do that you don't have any jurisdiction over and that was not my question. Finally you did rattle off the odd particular item as to theoretically what you people do.

Mr. Minister, there is a lot of criticism (I think it's a valid criticism) of the needless duplications that go on in this country between the overlapping of the federal and provincial governments. You are asking this legislature to approve expenditures for your department of about \$1,300,000. Mr. Minister, isn't it true that your department and the items you've listed, that you administer, are in effect basically trivial, that in one form or another, either directly or indirectly, they are under federal jurisdiction? And isn't it true that your department is a silly, useless duplication of an already existing government department? One of your employees can smirk there if he so desires. There may come a point in time when the smile will vanish from his face. But none the less, Mr. Minister, isn't it true that you are just a simple duplication of a federal program? In effect by many of the silly rules that you put in, purportedly under the guise to protect our consumers (I say purportedly under the guise) that you are in many cases adding bureaucratic regulations and red tape? Our consumers, instead of obtaining some real significant protection, are really in effect paying an inflated price for the so-called protection that you and your bureaucrats are imposing on them? Consequently they are paying for this terrible duplication and these silly rules which really give them no protection but simply add to the cost of that item. Isn't it really true when it comes right down to it, Mr. Minister, that you and your department are a duplication? If you vanish tomorrow nobody would really notice the difference.

Tell me, how many cases did you win last year that you went after? How many did you really go on, did you go to court with or how many did you handle? How many did you really win?

MR. WHELAN: — The answer to the first question is no. The people of the province had a chance to say whether we're trivial and I'm not going to go into that. I think there was a loud, clear answer to this kind of blanket accusation and blanket statement. I could show you a stack of thank-you letters that high we get every month and we get them from every constituency that's seated over there. As a matter of fact, I think it's very interesting . . . No, the staff certainly doesn't send them.) . . . but there are thank-you letters from people who have consumer problems who have appealed to us and the problems have been solved. As a matter of fact, I think, the thank-you letters would make some very good reading for some of the hon. members in their constituencies — even from places like Thunder Creek! Because the people who use our services are not restricted. There is a cross section of the province — younger people, older people — people from every walk of life who have problems and write us. We don't ask them for a thank-you letter. The thank-you letter comes back. There it is; it's on the record. We have a package of them so thick, every month. I'm appalled and absolutely amazed, but not surprised, to hear the hon. member for Thunder Creek making that statement. I think his conscience would bother him if he were advised of the people in his own constituency who appeal to our department for help. It is recognized in every jurisdiction. For instance, I can give you some other provinces who..

MR. THATCHER: — Tell us what you're doing, never mind the . . .

MR. WHELAN: — Well, I want to talk about the philosophy of this thing. The philosophy of the consumer is in every jurisdiction of this country. With advertising it's difficult to understand, and with machinery that is technically difficult, you are bound to have problems. The manufacturer is not foolproof and there are times when the consumer has to have someone go to bat for him. The consumer appeals to us.

MR. THATCHER: — Tell us how many you went to bat for?

MR. WHELAN: — Just 33 convictions in one jurisdiction alone. Three bonds were forfeited. I'm not going to go into all the details of these convictions..(inaudible interjection)..but if you can negotiate them satisfactory. Are you suggesting to us that we should be hauling in every little retailer or manufacturer when we want to negotiate with him? Isn't it better and more reasonable and more democratic and more practical from anyone's point of view to negotiate a settlement than to haul somebody into court. I think that people in this province who are in the manufacturing and retail field have a great deal of respect for us and negotiate with us — and satisfactorily. I would say three out of four of those who appeal to us are able to get satisfaction with those whom they are dealing with because of our work. That's a pretty high record.

MR. ROUSSEAU: — With all these increases in salary you have given your staff, I am sure they are very efficient and I'm sure they can give me some answers. How many complaints has your department received in the last 12 months? Out of those complaints, how many did you settle because of your intervention? Were they settled by the retailer, the wholesaler and the consumer, or were they settled by your department? What percentage are you talking about — 50 per cent, 10 per cent, 1 per cent, half a per cent? What is it?

MR. WHELAN: — Well I can't give you the figure right off the bat. I can tell you the

number of consumer complaints that came to us where we carried on negotiations or telephoned people, wrote them, or something on behalf of the consumer — 3,669 — and the record shows (and this has happened year after year) about 75 per cent settlement as a result of our work negotiating with them.

MR. ROUSSEAU: — Well, Mr. Minister, as a retailer myself, 75 per cent doesn't apply to my place and the previous one that I had before. I am wondering where they are applying. You say 75 per cent of the 3,300 and some claims that you have received were settled to the consumer's satisfaction. Were settlements made to his advantage because of your intervention, or were they settled because he was wrong in the first place and the retailer was right in the first place?

MR. WHELAN: — You asked me and I gave you the information. Our records show that 3,669 complaints were received. Sometimes the consumer was right; sometimes the retailer or the manufacturer was right. We are not saying that either party was right all of the time. What we are saying is that there was a settlement made that both parties agreed to and after our department had been approached. I am suggesting to you that in heavily populated areas you will find the same thing even more so. But the same sort of degree of settlement prevails in other jurisdictions.

MR. ROUSSEAU: — Mr. Minister, we are trying to determine or justify the existence of your department. The question which I will put to you again, is out of the 3,300 and some claims that were submitted to you, were most of them not in fact settled because you told the consumer that he had no claim? They were settled because the consumer had a complaint that really wasn't a complaint, because he didn't understand the procedure, he didn't understand the bill, he didn't understand the quote, whatever it was. Isn't that in fact really what happened? When you are saying 75 per cent, it was because you advised the consumer — well you know, you are wrong.

MR. WHELAN: — If you had asked me the question — how many instances and what percentage of the number (total number) were abandoned because they had no case, I would have given you the answer. Mr. Chairman, 8 per cent (and that's out of the total) were people who approached us who had no case and we advised them to abandon what they were asking for. But in 75 per cent of the total — in the group that we did not settle are included the 8 per cent — were settled.

MR. BIRKBECK: — Mr. Minister, I would just like to ask one question in this same area. Of the complaints that you handled, did you have a better success rate in the ones that came to you or the ones which you initiated?

MR. WHELAN: — The figure that I am quoting, the hon. member for Moosomin (Mr. Birkbeck) has asked, we don't initiate those. Those are complaints that come to us from a consumer or from a manufacturer or from someone like that. The number that we initiate is in the enforcement area only and there are 649 of those. Those were in areas where we were responsible for enforcement and there were 649 instances where we initiated it as a department.

MR. ROUSSEAU: — Just to get back to my question again, Mr. Minister. All right, now we understand that 8 per cent of the claims submitted to you had no claim. That is the answer you gave me a minute ago. Is that right? So, the remaining 92 per cent had a claim, a legitimate claim. Of the 92 per cent what percentage was settled favorably, either way — it could be the retailer going after the consumer, too, but mostly the

consumer going after the retailer — how many were settled favorably as a result of the intervention by your department, keeping in mind that before the existence of your department, consumers who had complaints with the retailers could make those settlements on their own, without your intervention?

MR. MOSTOWAY: — Hogwash!

MR. ROUSSEAU: — Have you never been in business, Paul? Try it some time. You may find out that that is exactly what has been happening over the years.

MR. WHELAN: — In order to answer the question, I am going to break down the total figure I gave you, 3,669 or the total number of complaints that came to us: 8 per cent was unjustified; 8 per cent was referred; 9 per cent was unresolved and 75 per cent was solved to the satisfaction of the parties concerned.

MR. ROUSSEAU: — 75 per cent?

MR. WHELAN: — 75 per cent.

MR. ROUSSEAU: — Of the remaining 92?

MR. WHELAN: — No, no, the total. I am giving you 100 per cent worth — 8 per cent unjustified; 8 per cent referred; 9 per cent unresolved and 75 per cent of them solved. I can indicate the consumers, retailers, wholesalers, the people in this province sometimes, in most instances, are reasonable. When the proper negotiating procedure is drawn to their attention the problem is solved, but it won't solve by itself obviously, or they wouldn't be complaining to us.

MR. TAYLOR: — Mr. Chairman, back on the salaries here, for one minute. The minister was talking about both increments and merit. My understanding of an increment is the way you get from the bottom to the top. Usually those are divided into steps of so much money, maybe 4.2 per cent. I don't know, but usually that is what an increment is.

The other factor that is often in salary is merit. Now, does the 4.2 per cent, that you are indicating, indicate your increment?

MR. WHELAN: — I got very close to it. If you're in six steps and you start at the bottom of the range at the increment date, if you perform adequately and to the satisfaction of the administrative people — the deputy is responsible to me and after that they're responsible to the deputy — then they get one step at a time on the increment anniversary date and it's close to four per cent. Sometimes it's higher — it could run as high as five; but I don't know all the ranges. I don't have them in my hand and I don't have them before me. But that's a fair enough assessment.

MR. TAYLOR: — That's acceptable, Mr. Minister, we have established that there is a six step by step progression. My next question then is: is there a provision, and in these salaries, has there been merit, which I call payment for over and beyond the call of duties? Have you had any of that in your department?

MR. WHELAN: — The deputy tells me in answer to your question that on occasion they've held back an increment on a merit basis. In other cases they have granted two increments at once because the person was performing very well and was entitled to it. It's in the discretion of the deputy in the department; the deputy makes the

recommendation regarding the department.

MR. TAYLOR: — So therefore, what you're telling me is that of your six steps, by the judgment of the deputy, you could go three steps at a time, one step, two steps at a time and so on, and I realize what you mean by demerit. I wonder if there are ever any increments held back; but then once you get to the top of your range — are there merits or do you stagnate there and you just get the percentage negotiated increase? I imagine that's what the six per cent that seems strange when you're getting 4.2 per cent in July and then you get six per cent in October. They seem to be coming thick and fast but..

MR. WHELAN: — I want to correct an impression. You are suggesting that the deputy would give three increments at once and I think the deputy is restricted to two. If they get to the top of the range, the inclination is to move to another job because all they get then is the six per cent. If they're interested in improving their income and interested in moving up to the civil service, they get to the top of the range and then they move to another job at a higher salary. When they are at the top of the range they get only the six per cent.

MR. TAYLOR: — I'm not meaning to probe into this deputy in particular but we've had estimates in here in continuing education and the deputy minister had a Ph.D., and I know he's a very qualified man. The deputy minister from highways was an engineer. My question is, what qualifications has the Deputy Minister of Consumer Affairs? Is this a home economist? Just what's the requirement?

MR. WHELAN: — I suppose performance in other parts of the government, but a Bachelor of Commerce degree and a chartered accountant.. and I think that's qualification. In addition, I'll go into that pitch again, a good administrator.

MR. ROUSSEAU: — Knowing the deputy minister a little bit, I know she's highly qualified, and I think you're very fortunate to have her in your department. I have a question, again relating to salaries. I would like to make it clear at this point that the reason for asking these questions is not to investigate the individual civil servant's salaries and what they're making and all the rest. We're trying to establish a pattern and I don't know if you have caught on to this pattern by now or not. But you're the third department now that we have asked questions to relating to salaries, estimated salaries, actual services paid, and . . . if your member back here would keep his voice down a little bit, I'd have a better time . . . (inaudible interjection) . . . it's your member that I can hear.

We're trying to establish the pattern of why the increases or the estimates are budgeted for and then are not followed at all. In every instance, on the three departments, the highways, the continuing education and now yours, we are running into the same situation. Why do you not establish the budget in the estimates for the salary that you are anticipating paying, including the merit increases, including the increments, including the six per cent. We don't care what you're including. We'd rather see you come in with a lower actual than a higher one. But in every instance that we've received so far, in every case, you're estimating a dollar amount. The actual paid is way over that amount, so how can you possibly come out with estimates and a budget, not knowing what you're going to pay your deputies or your department heads or the other employees in your civil service? So far you're the third department, so I'm expecting it's going to be all through the estimates the same way. The total dollar amount will probably exceed \$20 million that you're going to be out of your budget. Why not tell us now what you're anticipating paying next year, including all of the steps that you're

taking?

MR. WHELAN: — There are a number of unknowns. To begin with, you start the budget process in May. It's a long process and the fact is that negotiations with the union are concluded in October. I'd like to see them coincide with the financial year. I think that would solve part of the problem. These are factors that we can't ignore and we do the best that we can starting as far back as we do, with the estimates. I think that you never know what the settlement is going to be. If you were to budget and try and guess the settlement, you would be a genius if you could because you never know what the settlement is going to be, where they're going to land. I know one settlement that's trying to be negotiated now which started out at 25 per cent. I don't think it'll be settled at 25 per cent but it's an indication of what happens in these negotiations.

MR. ROUSSEAU: — Getting back to that same question again. Historically over the last eight years, hasn't the same situation happened where you've estimated X number of dollars and you've actually paid out hundreds or thousands more? That being a pattern, why can we not, using the rules or using the percentages that you've used in the past, increase it by so much so we know what your estimate is actually going to be? If it's high, great! Then you're paying less. That's fine. But why are we always paying more than you're estimating in your estimates?

MR. WHELAN: — They're looking at a picture going back a number of years in the department and you can't predict this, but this is actually what happens. Out of 612 permanent person-months available, the department experienced 41 months of vacancy to March 31, 1979. Now, how could you predict that? How would you know how many vacancies you're going to have? How could you possibly know that?

MR. ROUSSEAU: — Experience. It happens over and over and over again. That's how you do it in business, Ed.

MR. WHELAN: — There are three and a half months vacant out of 108 months resulting in a saving of \$6,273. How could you predict that? There's no way you can tell who's going to leave or take another job or move on to a higher position. You can budget taking into consideration as many factors as you possible can — and I think our people do an excellent job of budgeting. I really think they do — but these are factors that you can't predict.

MR. ROUSSEAU: — Very well, Mr. Chairman. I will make a prediction. If your department cannot predict what you're going to be spending for the individuals in your department, then I will predict that in every instance where we question the same question in all of the departments that we're going to be involved with on this committee, the same situation will happen. That will be my prediction. What I'm telling you is that the increase is there in every case. Correct me if I'm wrong.

MR. WHELAN: — I think it would be really helpful to us if we knew what the settlement was going to be in October next, and if you can predict that you will really be helpful to us. We can't; you don't know where they'll arrive at and what the final settlement will be.

MR. THATCHER: — Mr. Minister, in your last comment, you posed the question to us; how would we know what their final figures are going to be? I would like to suggest to this minister that probably there's no other department in government that is as simple and as straight forward as yours is..

AN HON. MEMBER: — Or the minister, either.

MR. THATCHER: — Well, now, I don't know whether I would go quite that far or not, in deference to the minister. I certainly rate this minister as a great improvement on his brother as far as the job that he is doing. But anyway, getting back to the subject, Mr. Minister, there is no department that is less complex, more simple. I won't say less needed because that's going quite a way. Mr. Minister, you say that you can't come up with more accurate figures than that. Mr. Minister, really what does your department do? You've got down 27 people who are going to spend almost \$600,000 on licensing and investigation. O.K., that's hardly something that is going to change the course of Saskatchewan if they want it there. It's hardly an agency that couldn't be very easily handled by some other department of government instead of having a Department of Consumer Affairs specifically to do it.

Education and information — my goodness, the federal government spends millions to supposedly educate us and inform us on consumer produce. We even get oodles of it from the CBC. Then planning and policy — well now this one does get me, Mr. Minister, because you've got four people who are going to spend \$100,000. They are going to plan supposedly some sort of policy for the Department of Consumer Affairs. In other words, Mr. Minister, tell me what you do, other than issue a licence which isn't really very complex? You have a standard form. I think any agency of government can do that thing. You are going to plan on policy. My goodness, the federal government has got millions down there. In effect, you say that you can't tell us what your final figures are going to be. Yet you don't do anything that's very dramatic. In other words, Mr. Minister, have you told us in your last dissertation that you are really not necessary? Is that a fair conclusion for us to come to on this side of the House, that perhaps we could survive, that perhaps if we didn't have you and your department, that the sun might even rise in the East the next morning? Is that a possibility?

MR. WHELAN: — It's a possibility.

MR. TAYLOR: — Mr. Chairman, I'd like to talk to the minister a bit about The Direct Seller's Act. I notice that comes under his jurisdiction. I have experience in the schools with Saskatchewan being plagued by direct sellers — jackets, pencils, rings, you name it, pictures. There is somebody on your doorstep almost every day. These people are taking a considerable amount of money out of many of the small towns in Saskatchewan and in fact many of them have head companies out of Saskatchewan. It has been a concern of mine, as a high school principal. You don't have an awful lot of comeback on these companies. I was wondering what your department has been doing. I wonder if these people are paying licence fees. Are they paying one licence to the province? Are they paying a licence in every jurisdiction that they go into? It seems to me they are taking away from local business in many situations. You have been on record many times, your government, wanting to help rural Saskatchewan and decentralize. Still, these fellow are running rampant, through the schools — and I might add while I am on my feet — taking away valuable time from the main purpose of principals and teachers educating students.

MR. WHELAN: — There are two or three points. First, I am sure the hon. member knows that these people have a bond and that you can move in if you are dissatisfied, and realize on the bond. Secondly, I am sure you realize that there is a 'cooling off' period. If you are dissatisfied with what they have sold you, you have four days to just say I'm not for it, I don't want it. This happens in many instances, particularly when we negotiate.

Many of these people are local community people and are licensed by the local community. We license them, that is true, but in the town of Wolseley . . . I am not sure whether they license people or not . . . There may be local people who are representatives of different firms and operate with a licence from the town of Wolseley. The Direct Seller's Act — this is why the Department of Consumer Affairs exists. If you are dissatisfied with the way the fellow is handling his commercial arrangements with the public, first you can realize on the bonds; second, you have four days to say you don't want whatever he has sold you, and third, the community itself can license the individual.

MR. TAYLOR: — Well, you may know of cases that I don't, but I have been the principal of a school for 12 years and I have never had one citizen of that community come in. Most of these people come in from Ontario, from Toronto, from Calgary. That is the actual situation.

Now, your four days of cooling off — what do you do after you have had students come in? They have got to put down a tremendous down payment. Their jackets come, they are not satisfactory and they don't meet the delivery quotas. And the other thing is that you get a different one every year.

MR. WHELAN: — You raised a question under The Direct Seller's Act. If they are selling only to schools, as you indicate, they are not under The Direct Seller's Act. They are selling only to school children. They are in the hands of the local municipality and the school board if they are selling only to school children. I assume that is what they are doing, according to what you are telling me. Is that right?

MR. TAYLOR: — Individuals. Is that not a direct seller? They are selling to 52 students in school A. — 52 of them at about \$30 or \$40 a child. Now, is that not direct selling?

MR. WHELAN: — The Direct Seller's Act is written so that if someone approaches you on your premises or in your home, The Direct Seller's Act controls what those people do. If they approach someone on the school premises and sell on the school premises that's not a direct sale. That doesn't come under the description of the act. Certainly the people who are in charge of the school can evict them easily. There's no reason why they should be there if you don't want them there. The school board can say that loud and clear, and again, the municipality could have them evicted if they wanted to, but we have no control unless it's a direct sale in the home.

MR. ROUSSEAU: — Another question to the minister. The Motor Vehicles Licensing Act comes under the consumer doesn't it? Right. Could you tell me how many convictions you've had in the last 12 months on individuals selling automobiles without a license?

MR. WHELAN: — Well, I can give you some indication of what's going on in the two cities. I have that right at hand and I'll give you these figures. For the motor dealers in Regina, there were 25 warnings, two suspensions of their license, one forfeited, the bond, one a charge is pending, and one was convicted. In Saskatoon, there were six warnings out of the Saskatoon office.

MR. ROUSSEAU: — When you say convictions are you referring to individuals or dealers?

MR. WHELAN: — That was an individual.

MR. ROUSSEAU: — No convictions of dealers?

MR. WHELAN: — No convictions of dealers.

MR. ROUSSEAU: — How many investigators do you have on that staff for the motor vehicles?

MR. WHELAN: — In answer to your question, I can't divide up the jurisdictions that exist, but the total number investigating staff in Regina and Saskatoon adds up to seven.

MR. ROUSSEAU: — You say you can't divide it up. Are they investigating other areas as well, not only the motor vehicles? You don't have any full time investigators in the motor vehicles division?

MR. WHELAN: — No, not separate and distinct. They handle other pieces of legislation as well.

MR. H. SWAN (Rosetown-Elrose): — I would just like to go back to the question that was asked about selling in the schools. You suggested that the school board could keep them out and that may be true except that the school board may be a hundred miles away from the school. The principal, in many cases, has been instructed to keep them out. These guys come in at noon hour; the principal may not be on the premises. They make their sales and believe me they're not always legal sales. I think it's something you should be looking at.

SOME HON. MEMBERS: — Hear, hear!

MR. SWAN: — Going a little further . . . (inaudible interjection) . . . Who has the floor anyway, Mr. Chairman? Do I have it?

MR. CHAIRMAN: — Order. I think the point is well taken but I think both sides of the House should control themselves a little better. Member for Rosetown-Elrose (Mr. Swan).

MR. SWAN: — Mr. Chairman, there was a sale made in my own community this year which amounted to about \$1,500. The people came in and took all cash on that sale. It was nearly seven months before anything was heard again from that company and I suppose they wouldn't have heard yet if I hadn't followed up as an MLA. But I think that this type of thing needs investigation and I think consumer affairs is one group that could do some investigating to try to correct some of the problems in the province.

MR. WHELAN: — First, I think that I should reply to the first part of the argument, the first comment you made. It's something we should look at. There is no legislation now and it's something that we'll take into consideration. If there's a need for special piece of legislation for this, we will certainly be . . . I invite you to make representations to our deputy and to our licensing staff and see if it's possible to amend some legislation that we have at the present time.

I wanted to point out to the hon. member who just took his seat that there is one possibility regarding the material that was purchased and that is that under The

Consumer's Warranties Act, there is a possibility we could look at the material and look at the delivery and investigate it on that basis — once they've entered into a contract, once they've made a purchase and it hasn't been delivered. I invite you to get in touch with our department in that respect, because I think we have jurisdiction in that area once the purchase is made. But as far as getting them on whether they have any rights operating on the premises, we should look at the legislation we have.

Item 1 agreed.

ITEM 2

MR. BIRKBECK: — Mr. Chairman, I would like to ask a few questions. I would like to get back to what I initially opened up with. Some of the other members on this side of the House have specific questions that they want to get on record and they have had an opportunity to do that.

The worth of the Department of Consumer Affairs has been thrown into question, I suppose, by our side of the House and possibly with some substantiation now that we have had an opportunity to pursue the matter a little more in depth.

Mr. Minister, we are in support here, in Saskatchewan, of a consumer department. All we are attempting to assure the people of Saskatchewan is that there is proper value received for the amount of money that is expended in this department and at the same time, I would hope, it is going in the direction that I had outlined previously.

In looking at the report I see that you have a publication called the Consumer Times, which is a department newsletter, going out to the education sector in the province. I wonder, Mr. Minister, could you give me an estimate as to what the cost of that particular book is?

MR. WHELAN: — It is published three times a year and the cost for each issue is \$2,500 and a few cents. But that is the approximate cost of publishing it. It goes to people right across the province. Some educators get it. It doesn't go to all the teachers.

MR. BIRKBECK: — Mr. Chairman, I am not clear on the cost. It is \$2,500 for what?

MR. WHELAN: — There are 42,000 issues and the cost for each issue is \$2,500 and that does not include the postage because the Department of Government Services pays for the postage.

MR. BIRKBECK: — Well, the reason I was asking the question, of course, is that hopefully more editions of the Consumer Times could be made available. I will ask another question after I ask you one more question in this area. Just to ask if you intend to put out more editions of this in the future, if you've any projections to do that, and also in the same context I see you propose a consumer's and law publication as well. What would be the cost of that and how many editions of that are being made available?

MR. WHELAN: — In answer to the first part of your question: the budget calls for three issues, the budget that's under review. It's well accepted. We have people writing us asking us for it and we'll put them on the mailing list if they ask us, but that's the only way that they get on the mailing list.

Consumers and the Law is a teaching kit and we put together 50 of them. We don't have

a price because it was put together with a number of other pamphlets and bits of material and it was merely to be used as a teaching kit.

MR. BIRKBECK: — Mr. Chairman, I note that you have consumer seminars held in our community colleges and I'm just going to ask how that particular arrangement came about?

MR. WHELAN: — These requests come from the colleges, community colleges, and we're not able to handle the requests that we get. We do try to meet the requests but we are not able to do it. We don't have enough people — there are too many requests. The demand is such that we may have to look at that down the road a bit; but it's well accepted, the requests from the community colleges are continuous and the work that's done is highly acceptable. We're the only people that can answer this kind of request because well, there's no one else.

MR. BIRKBECK: — Mr. Chairman, Mr. Minister. Initially, Mr. Minister, in our discussions regarding the Department of Consumer Affairs and its staff on how well qualified they were, which I concur, and how efficient they were, which I did at that time concur (because I took your word for it — that you were in fact doing all of the work put to the department). Now you indicate that a very worthy program such as consumer education in the community colleges, demanded by local people through the local community college boards, is being denied because, in your words, you don't have the staff to provide. You don't have the mechanism, the machinery to provide that kind of information to a consuming public that is crying as you say for information on consumer problems. And you can't provide that to the community college boards which is an ideal place to institute such a program in the community colleges. That's just what we want to see done. There is a purpose for the community colleges which we can support and do support. We support the demand by the local boards. Now you tell us this adequate staff that you have that is so efficient can't provide that information. Now I can believe one or the other but I can't believe both when you're not consistent in what you're saying.

MR. WHELAN: — We have one member of the opposition that wants us to be done away with completely. I agree with you that this is an area that we should look at and if the demand is there we should provide more people. We have three people who do this kind of work and last year they met and attended in different communities across the province 115 community groups in community colleges and so forth. I think we are doing a good job and I think it's an area we have to look at. If the demand is there we have to assess it but the position is in this budget that there will be three consultants.

MR. BIRKBECK: — Mr. Chairman, the minister alluded to the comments made earlier by the member for Thunder Creek (Mr. Thatcher). The member for Thunder Creek was stating a very valid observation that he had made. In his view, based on the information that you were providing him, he had no alternative but to assume that we might as well do away with the department because you were not answering his questions. You know, Mr. Minister, and I know that that is not what this side of the House is suggesting that we do away with the department. What we are saying is the department is in place, it has expenditures of \$1.3 million allotted to it and we want to get our money, worth. That's what the member for Thunder Creek is saying.

If the department is there, if \$1.3 million is established then we want to see what that \$1.3 million is doing. We are now questioning the efficiency of that department and in fact is it doing these things. I suggest and you've already stated it and it came from you

and not this side of the House, that you in fact cannot fill the demand because of a lack of staff. I suggest that you move to your government, talk to the leader of your party, the Premier of this province, and see if you can't in the next fiscal year get more funds allotted to this department so when there comes a need like this from community colleges, we could get a real good point across to provide information to consumers. I support your department and I'll support it if you can prove to me that in fact it's doing something for the consumers of this province. Now there is no argument there whatsoever and I don't need a reply from you in that respect. We know the case. We'll just move to another questions, Mr. Minister.

You have referred to the numbers of complaints that you had to your department and I note here that you have, through your department, alleviated a lot of consumer problems by discussing with them the pros and cons of the value of certain commodities. Now what I'm asking specifically is do you recommend to people what product is good and what product is bad and if so, on what basis?

MR. WHELAN: — No. I don't think that would be practical or reasonable to recommend a product. We try to give them consumer information but we don't take a specific position regarding products. No, we avoid that.

MR. BIRKBECK: — Mr. Minister, then possibly you could answer to this paragraph on page 18 and it simply states:

We have again experienced an increase in the number of inquiries received which suggest consumers are contacting the department for information to avoid problems in the marketplace and to obtain the best value for their money. It is also indicated by the reduced number of complaints handled by this office.

Now, how by contacting your department, do people get the best value for their dollar spent? How is that achieved by your department?

MR. WHELAN: — I'll give you one specific example. Often the request is for information as to what their legal position is. That would certainly help them.

MR. CHAIRMAN: — Order. I wonder if we could have a few less meetings in the back there, please, just a little more attention.

MR. WHELAN: — These requests come to us because the consumer wants to know what his position is regarding the law, what legislation governs what he does and that kind of thing. This helps him when he's dealing with a retailer, wholesaler, so forth because there is considerable legislation and I think it's beneficial to the consumer and it's really beneficial if the understands it.

MR. BIRKBECK: — Thank you, Mr. Minister. I have just, for my part, one further issue to raise. I think we've established that there's a need for a consumer department. We've established that there's a need for that department to answer to the people of Saskatchewan and provide them with proper information on two counts:

1. The consumer laws that they need to be made aware of;
2. That, in fact, you are doing your job in obtaining your goals.

Mr. Minister, I would just ask you a further question in regard to the provincial mediation board. The provincial mediation board very simply is a . . .

MR. CHAIRMAN: — Order, order. State your point of order.

MR. WHELAN: — The point of order is that the estimates of the mediation board will be coming before the House and we'll have a report regarding their activities. That will give you ample opportunity. I don't have the staff here for that but I certainly will be prepared to answer any question regarding mediation.

MR. BIRKBECK: — O.K. Mr. Chairman, I make reference to the provincial mediation board, not because I want to discuss in depth under this consumer department but because I want to know just what jurisdiction it has. I might refer then to the problem and then you might tell me if, in fact, this provincial mediation board can handle that problem or whether you handle it direct as a consumer problem. I don't care how you handle it but it's a problem that relates to the down time that is paid to cab operators, when they're involved in an accident. How that relates to consumers in that the payout by SGIO (Saskatchewan Government Insurance Office) is not sufficient to offset their down time. Therefore, the only alternative they have would be to increase their rates so they could have it set aside to compensate themselves, and I say themselves because the majority of cab operators are individual operators under a company, for those losses incurred when they are in an accident. Now, to put a question more specifically then, the down time at one point was \$10, it is now \$18. Question no. 1, how did you get from \$10 to \$18? Question no. 2, very recently an individual cab operator settled with SGIO for \$56 a day. Now, if I'm to assume that the standard down time pay is \$18 a day — and I might add that's here in Regina and I understand it's \$23 in Saskatoon, that's a good question too, why the difference — but more importantly, why is it that an individual settles for \$56 when the more or less base rate is \$18 or \$23? What I'm suggesting is that if SGIO isn't paying adequate down time for these cabs, then I might suggest that cab rates might be going up. Those consumers that use cabs in this province are going to have to pay even greater costs, and I think that's a very important issue. A lot of people have the thought in their mind that it's only rich people that use cabs and, in fact, it is not. It is people who in fact cannot afford to own a car, or it's elderly people, or senior citizens. I think that cabs are used for a variety of reasons, and not just for rich people going to and from the airport. Therefore, I have a concern in that area. I think that cab rates are high enough in relation to their costs and we all know that their costs are going up all the time, with the price of fuel and so on, and parts. Mr. Minister, you have to take a look at that, and I just ask you to reply to that question and answer my question as to how you arrived at \$18 from \$10?

MR. WHELAN: — Well, I know the case that the hon. member is raising very well. It doesn't come under the mediation board, and it doesn't come under consumer affairs. It's really a SGIO problem, and there will be ample opportunity to raise it when the SGIO estimates are before the Crown Corporations Committee. If you were to ask me to give you an answer in general terms over the whole picture, anyone that's dissatisfied with this kind of settlement always has recourse to the courts. I think the position of the different figures were negotiated with the cab companies, but in this specific instance, the person who had the grievance was able to show that it was a particular time of the year when the cab was down when the cab companies made far more money than they do under usual circumstances. That's why, just looking at the face of it, I know the period when the cab was down. I think that's why the negotiated figure was higher, because it was close to Christmas. I think there's a need, if I was going to make a

response, and it should be in another area, but if I were going to make a response, I think there's a need for the cab companies to sit down with SGIO (Saskatchewan Government Insurance Office) and work out a different rate. These rates were worked out by steps with SGIO in each instance because it has something to do with the rates that they charge as cab people. There's a different rate in Saskatoon than there is in Regina and maybe this is the time to look at it to get the average higher. Maybe they should put into the whole negotiated arrangement a figure for days when they make a lot more money like just before Christmas.

MR. R. ANDREW (Kindersley): — One question, Mr. Minister, and it relates to a problem we experienced in west-central Saskatchewan, perhaps a year, year-and-a-half ago, and that is in the field of metal building contractors. The problem we ran into, of course, is that the metal building contractors were coming into town (they were properly registered under The Direct Seller's Act) and selling their products to farmers. What they were doing was getting most of their money up front, which is perhaps, the farmers' fault; not knowing the particular law of contracts, etc., they were in fact paying that money up front. As is the case, unfortunately, with metal building contractors and siding contractors, some of them are less than reputable. There are fly-by-night people, if you like. The net result was that the farmers were left holding the bag with mechanic's liens, etc., I believe, under a penal bond. Now I think it was restricted to \$10,000. When you start dealing in the whole field of metal buildings in the farming community where they can cover a lot of metal buildings it seems a fairly low figure. I wonder if your department is aware of that total problem and has addressed that problem of penal bonds.

MR. WHELAN: — I think it's a good point and a good case. It's a problem area and we agree entirely. We know the case specifically and we know the story of the bond. We're looking at it and we should at least double the bond and we will raise it. It's necessary because the value of the buildings has increased. We agree with what you're saying.

Item 2 agreed.

Items 3 to 5 agreed.

Consumer Affairs Vote 4 agreed.

Supplementaries agreed.

MR. CHAIRMAN: — Just a minute, Mr. Minister, there is nothing in heritage in your department, is there? . . . (inaudible) . . . That concludes it then. Thank you.

The committee reported progress.

The Assembly adjourned at 4:57 p.m.