

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
June 4, 1985

EVENING SITTING

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ENVIRONMENT

Ordinary Expenditure — Vote 9

Item 1 (continued)

MR. YEW: — Thank you, Deputy Chairman. Tonight I want to begin my remarks by saying that we can add to the list of big losers in this year's Tory budget the Department of the Environment.

Mr. Deputy Chairman, it really is getting to be quite a list. The changes to the income tax the province collects, including the new 1 per cent flat tax on net income, will take \$39 million out of the pockets of Saskatchewan people in the last half of 1985, and also \$350 million over the course of the next five years. Huge tax increases, Mr. Deputy Speaker — tax increases, I might add, that hit middle and low income people hardest since they encourage wealthy and high income people to continually use the loopholes of MURBs (multiple unit residential building), frontier oil shelter write-offs, and the like, to dodge the applications of the new tax.

Mr. Deputy Speaker, property improvement grants are now gone. Home owners lose \$230 a year. Renters themselves will lose \$150 per year.

MR. CHAIRMAN: — Order! The question before the committee is Environment estimates and I . . . Order! The question before the committee is Environment estimates and I don't really see where it relates to property improvement grants.

MR. YEW: — My apologies, Mr. Speaker. I just wanted to illustrate for you the way this government has mismanaged the economy of this province, as well as where their priorities seem to lie when it comes down to environment as well as other social and economic programs.

I noted, Mr. Deputy Speaker, that the biggest tax increase in the province's history, and at the same time program cuts and the biggest deficits in our history, include the Department of Environment.

We see, Mr. Deputy Speaker, dangerous chemicals transported in completely inadequate ways and stored in improper containers within a half a block of city residents. We see millions of litres of raw sewage going into major water bodies untreated. We see highly toxic chemicals, wastes, being dumped at our land fills, and potentially dangerous plants proposed for our communities. All these things and more, Mr. Deputy Chairman, and your response is to further weaken . . . This government's response is to further weaken our ability to deal with these and other threats. That is appalling, Mr. Minister. It really is.

I'll get down to the questions with regards to the estimates, Mr. Minister. I want to ask you . . . I want to ask the minister if he realizes that the Department of Environment is, in the coming year, budgeting \$1 million less than what the department spent two full years ago. And are you budgeting almost \$5 million less than last year? Don't you think, Mr. Minister, that the mismanagement of the province's treasury should have been made to ride on the back of some other branch of government less vital to the well being of this province, our environment? I ask you, Mr. Minister: why could you not protect the environment from the big cuts proposed here on April 10th by the Devine government? Would you like to respond to that, Mr. Minister?

HON. MR. HARDY: — Mr. Chairman, in answer to the member from Cumberland's questions. In regards to the reduction in the amount of expenditures for the Department of Environment, \$4 million, \$4.306 million is transferred to the water corporation, which is part of the transfer that went over to put all water and water rights under one branch. And the other part was habitat enhancement and protection program, which was looked at bringing over to the Department of Environment, was never transferred over, and was left back there and that totalled almost \$500,000. So there's been no cuts in programs, no cut in the amount of expenditures by the Department of Environment — stayed the same as last year.

MR. YEW: — I have to dispute that statement, Mr. Minister. I see a cut of 33 people indicated in this budget for your department. Can you tell me how many of those people will be fired? As well, Mr. Minister, can you tell me how it is that you imagine you can give the environment of Saskatchewan the same level of service and protection with cut-backs like you have in this budget?

HON. MR. HARDY: — Well, Mr. Chairman, as I said a minute ago, there's no cut-backs. Talking about the number of positions, when the 4.306 million is transferred to the water corporation with the water rights branch, with the drainage and control branch, I guess it was, it was 15 positions. The amount that would have transferred over from the habitat enhancement and protection program from Parks and Renewable Resources would have been 16.2 positions. There is no cut in positions either.

MR. YEW: — Well Mr. Minister, I look at page 42. Under ordinary expenditures, vote 9 . . . Pardon me — vote 8, subvote 17 — a cut in that particular area. I notice a cut in funding to grants to organizations and persons concerned with environmental matters, Mr. Minister. What justification do you have for the cuts in this area? You can go further down, and on page 42 you'll notice a cut even in person-years as it relates to staff of the department as a whole. It's 123.2 person-years down to 91.0. And you're telling me there's no cuts.

HON. MR. HARDY: — Well Mr. Chairman, that's the 31 positions that I just explained, or the 31.2 positions I explained a couple of minutes ago. In regards to the grants to advisory groups, I believe it was reduced by \$2,000. That's about the amount that we anticipated we'd need for this year.

MR. YEW: — Well you contradict yourself there, Mr. Minister. At first you tell me there's no cuts, and then you agree with me that there have been cuts in certain areas. And you just mentioned the \$2,000 less that has been appropriated for that particular area. I see from the estimates, Mr. Minister, a cut of more than \$106,000 to the air pollution control area as well. Is that no longer a priority of your PC government, Mr. Minister? Why a cut of more than one-fifth of the funding to control air pollution?

HON. MR. HARDY: — Well in regards to the reduction in air pollution branch, one of the personnel was moved up to assistant deputy minister to help look after all the branches. So although he's not allocated in the air pollution control branch now, he's still in the administration part of it. So that's . . . And two secretaries' positions have also been changed out of there to another part of the department. So that would account for \$106,000 total.

MR. YEW: — So Mr. Minister, you don't dispute that there have been certain cuts then as well. And that's another area that I could use it as an example. I want to ask you, Mr. Minister, back in respect to the last question regarding the air pollution control section, the cuts that I brought to your attention, I want to ask you: won't that harm the efforts of the government to ensure proper monitoring and enforcement of that branch's functions?

HON. MR. HARDY: — I'm informed there's no changes in the way the air monitoring program has been carried out or will be carried out. So there will be no changes there. The amount cut back, I explained to you a moment ago, was one personnel removed from administration in air

pollution to assistant deputy minister within the same department.

MR. YEW: — I see, Mr. Minister, from the estimates, there are also cuts in funding of over \$20,000 for land protection. As well, Mr. Minister, there is a cut of 24,000 for the mines pollution control branch. Given this government's record in this area, Mr. Minister, why on earth did you let the more powerful ministers in your government cut those important branches off your department and put our environment at risk?

HON. MR. HARDY: — Well, Mr. Chairman, first of all, I let the department decide how they like the money allocated. If you look at water pollution control branch, where they have a great concern about the quality of water in the province, there's been \$92,000 extra added to that so we can do some more monitoring out there.

MR. YEW: — I see as well from the estimates, Mr. Minister, that there will be a major cut in funding to co-ordination and assessments, amounting to \$164,000 compared to last year. And your department used to spend close to \$1 million in drainage control and habitat protection, and you have now lost all of that money, Mr. Minister. How is it that you did not resign when you were told that your department was to be gutted, Mr. Minister?

HON. MR. HARDY: — Mr. Chairman, in regards to the question of cuts in co-ordination and assessment branch, really, one person was transferred out of the branch into a special position within the department so he could be advisory on such things as oil upgraders, toxicology, especially where herbicide and pesticides are involved. We're trying to get some expertise in there. And we had one internally who was at management level who we could use, and we've made that transfer. It's been really worthwhile. It's working out really well. So there has, although there's been a lesser amount of money in there, it's been spent otherwise on assessment.

MR. YEW: — Can the minister tell me why his department paid \$6,000 to the treasurer of Ontario in 1983-84, which shows up under grants to organizations for the purpose of advising the Minister of Environment on environmental concerns? What was that money for, Mr. Minister?

(19:15)

HON. MR. HARDY: — Mr. Chairman, I'm informed that that was our share of an international conference held on acid rain in regards to the whole acid rain problem in Canada. So we participated in it; we paid our share of it.

MR. YEW: — Mr. Minister, I noticed in the most recently published *Public Accounts*, which covers the fiscal year ending March 31, 1984, that in the estimates for that year you indicated an intention to spend \$842,370 on administration of your department. But by the end of the year you had actually spent \$113,000 less than what you budgeted for. Now we are not against economies in a government department, Mr. Minister, but what we do not care for is this government's continually boasting about its big commitments to various departments, and then not coming through with the funding. Can you explain, Mr. Minister, what it is in case that explains the \$113,000 underspent in that particular branch?

HON. MR. HARDY: — Mr. Chairman, I'd say it's just a good economy of scale. The administration wasn't needed. There was one less over in the department for part of the time. We didn't feel we needed it at that present time.

At the administration level we've made some transfer now. I think I mentioned a minute ago here to you that we made some transfers from some of the branches into administration, one especially to deal with toxicology.

So we have made some changes this year. We had those vacancies. We wanted to find somebody to put into them. And it's just good saving for the people of Saskatchewan — \$113,000 that wasn't spent, that I guess anybody could spend if he wanted to, but if we can save it we should.

MR. YEW: — I noticed as well, Mr. Minister, that in the last *Public Accounts*, you announced as an estimate \$1,138,150 to be spent on land protection, but you actually provided 155,000 less than that by the year's end.

Were you inflating your budget so the government would look as though it was concerned about the environment, and hoping that at the end of the year no one would notice, Mr. Minister? Is that the reason for the underspending of \$155,000 for that particular year?

HON. MR. HARDY: — Mr. Chairman, in the '83-84 budget we brought in the pesticide container program. It wasn't all used up in the first year, as the program started late. So there was some left over from that year, which accounted for a surplus at the year end.

MR. YEW: — According to the most recent public statements covering the year March 31st, 1984, your estimates as well in that year allotted \$2.2 million to the hydrology branch, Mr. Minister, but during the year underspent that amount by well over \$200,000.

Now here again, were you simply trying to inflate your budget figures again, Mr. Minister, for the environmental department, without any intention of providing the dollars? Or just what is it, Mr. Minister?

HON. MR. HARDY: — In answer to your question: it's an estimate done and we don't know how much our costs will be. Especially we had the hydrology branch. There was some costing that we would have to absorb, say, in the Diefenbaker dam. We wouldn't know how much it was till all the bills come in; it was an estimate given. There's some other costs shared with the federal government that would be involved in that, and we don't know how much it totals to, so there was some left over. We didn't expend as much as we had anticipated.

MR. YEW: — Again, Mr. Minister, I noticed in the recently published *Public Accounts* for '83-84, the Department of Environment budgeted for grants to organizations a total amount of \$141,790 and actually only spent \$73,000, Mr. Minister.

Why was that the case, Mr. Minister? You earmarked \$141,790 and only spent \$73,938. Why was that the case? Were you trying to pump up the budget figure for environment, then not provide the money to the various organizations that needed it?

HON. MR. HARDY: — In regards to that, the environmental advisory council was the council that had the expenditure allocated to them. They didn't spend them all, so there was some left there. They never used it all up in that year.

MR. YEW: — Mr. Minister, can you provide me and members of the Assembly with figures as to which organizations did receive funding through your department for environmental assessment or protection, or review of certain responsibilities pertaining to that area?

HON. MR. HARDY: — Are you talking about the '84-85 year?

MR. YEW: — That's right, Mr. Minister.

HON. MR. HARDY: — Well one grant was \$200,000 to the toxicology branch; to the water appeals board there was a \$71,000 grant; to the Saskatchewan Water and Waste Association conference, \$2,700; the International Symposium on Acid Rain, \$6,200; the Canadian Council of Resource and Environment Ministers council, \$22,000. That's the one, some of the grants that

we've given to.

MR. YEW: — With regards to grants to organizations and persons concerned with environmental matters on subvote 17, Mr. Minister, I notice a drastic decrease from last year, or a year ago, down to 40,000 from 1.4 . . . or pardon me, from the original figures that I just gave you.

Are you not anticipating any organizations who approach your department in terms of environmental concerns and assessments and studies, etc.? You've really chopped that budget appropriation for that particular area.

HON. MR. HARDY: — Well we anticipate some coming forward this year, but we don't anticipate that many. We've had very little, very few approaches in regards to groups looking at or wanting research aid, or whatever. So no, we don't anticipate a great deal. There may be some. We'll deal with it if it does come forward.

MR. YEW: — Mr. Minister, the *Public Accounts* also show that the water rights branch of your department was allotted 1,469,560 in the budget for the fiscal year ending one year ago. But the actual amount spent was 50,000 under the estimate. I wonder, Mr. Minister, following through, under the heading, environmental information, co-ordination and assessment, the underspending amounted to more than \$272,000.

Now as I've said, we're not against economies in government or any public agency making some savings, etc., but I don't think that's what happened here, Mr. Minister. I think the PC government, Conservative government, decided to inflate its budget to make it look like it cared about the environment, and then not come through with the money. So tell me, Mr. Minister, why should we believe even the shamefully reduced figures in the recent budget as we have before us, which I suppose are inflated as well? These are actual totals that we see here and will probably not be spent in the course of the next fiscal year.

HON. MR. HARDY: — Well first of all, you're back in the '83-84 *Public Accounts*. That's what you're referring to, I assume. That branch that you're talking about has been transferred over to the water corporation, so that's . . . You know, it's not there.

Some of the savings would come because of vacancies that were left because we knew it was going to be transferred and it could be filled at the water corporation with employees. They would see as it fits into the overall program. That's about where most of it would come from.

MR. YEW: — Mr. Minister, as you know, since 1915 Redberry Lake . . . I want to go to that area for a minute or two, Mr. Minister.

I have a couple of letters of concern with regards to the development at Redberry Lake. As you know, as I was saying, Mr. Minister, since 1915 Redberry lake has been a federal game sanctuary which attracts a number of endangered species of water fowl.

Stuart Houston, a noted scientist in Saskatoon, has said it risky to put, in the ecologically fragile Redberry lake area, any project like the hotel complex, marine and related developments proposed by your colleague, Mr. Meagher — or pardon me, the member for . . .

MR. CHAIRMAN: — Order! I'd ask the member to refer to other members of the House by their seat or by their position.

MR. YEW: — My apologies, Mr. Deputy Chairman. I was referring to the member for P.A. I want to ask the minister: why have you had nothing to say about this threat to the natural environment in itself?

HON. MR. HARDY: — Well, Mr. Chairman, and the member from Cumberland, I understand

that we've been reviewing the process headed up by Rural Development for the last quite a few months. Some of the questions we've asked . . . and one would be of the federal government in regard to the bird sanctuary there that was located there in 1912. We're also reviewing all the aspects that we see would be in relation to any development wherever it would be.

We've raised and asked a lot of questions. It's still in the review process. We haven't been approached beyond that point. When they do, and if they do, we'll deal with it at that time.

(19:30)

MR. YEW: — For your information, Mr. Minister, as I indicated before, I have several letters before me regarding the environment in that particular region. There are people who have strong concerns regarding the environment. Now I may forward some of those correspondence to you in due course, Mr. Minister.

I'm sure that the people who have expressed their concerns have as well expressed those concerns to your people in the Department of Environment. In case you haven't, I will be pleased to share the correspondences I have with yourself personally in the hope that you can arrive at some understanding and some feeling and sympathy towards the wildlife habitat in that particular region, and see that the best policies are abided by to protect the environment, the natural environment of the Redberry Lake district.

I'd like to go on to several other items here, Mr. Minister. There are concerns as well with regards to sewage effluent, untreated effluent. In the first week of December of last year, Mr. Minister, the city of Saskatoon dumped 90 per cent of its raw sewage directly into the South Saskatchewan River for at least five hours. That is an even 11 million litres of untreated effluent. And a smaller flushing of sewage occurred again just recently.

Now I ask you, Mr. Minister: can you tell the House what you have decided to do about those incidents, and as well, Mr. Minister, whether you act under the water pollution control regulations or The Environmental Management and Protection Act?

HON. MR. HARDY: — The member from Cumberland asked the question about the city of Saskatoon sewage. I would think he's referring to the first one that happened a few months ago. We have talked to the city of Saskatoon. We drew it to their attention they hadn't informed us about it as soon as they should have. We've been working with them since. They have put now in place, or built, a portable chlorinator so if it happens again they can chlorinate it. We also have in place now where we can notify downstream users if anything should happen.

Also the city of Saskatoon is working towards setting up a second treatment facility, and we're hoping it would be some time in the next few years. So they're working towards a new treatment facility, or an additional treatment facility. They also have a chlorinator in place. If a spill does occur as sewage they can chlorinate it before it's discharged or runs out into the river.

I have the same problem you do; I was concerned about it. We've been addressing it in the department level, but under the circumstances we don't feel that we would be laying any charges.

MR. YEW: — Thank you, Mr. Minister. I'll go on then to raise a few concerns I have with the Department of Environment's budget in terms of the feds.

I want to ask the minister for his assessment of the cuts made by the new Tory government in Ottawa, Mr. Deputy Chairman, regarding the Environmental Secretariat of the National Research Council.

Some of the programs cut were listed in a *Globe and Mail* on the 18th of December last

year. They include 28 environmental programs such as, and I quote, Mr. Minister: “a study of how to assess the impact of organic chemicals, including pesticides, on underground water”; (b) “a study of acid fall-out”; third, “the effects of air pollution on crops and forests”; fourth, and I’ll just name a few, Mr. Minister: “a report on PCBs for the Ontario government which is trying to find safe ways of containing and destroying those types of toxic chemicals”; number five, “the effects of airborne microbes on human and animal health”; and finally, “the effects of wood processing industries on woodworkers’ lungs”. What is your assessment, Mr. Minister? What are you and your government prepared to do to compensate for those drastic cuts that the Mulroney government introduced in its recent budget?

HON. MR. HARDY: — My understanding is that that was the National Research Council that was cut. And though it does have some impact on the Department of the Environment and where we can get our research done — an example would be acid rain; they would normally do it for us — the western acid rain that we were looking at the long-range transportation of it, we did find a research council to do it for us.

So there is other availability. There’s availability of other research out there to do the kind of necessary research that would be necessary.

In regards to PCBs (polychlorinated biphenyls), you know, you bring that up and it’s an interesting topic, because I just come back from Montreal a couple of days ago, and where we made the major presentation at a PCB conference and where the Government of Canada, along with all the other provinces, are looking at the same process that we’ve been using here in Saskatchewan for two years. So although we may not be ahead in everything, we’re certainly far ahead in the avenues of cleaning up PCBs.

And also we’re working with the federal government and the other governments in the transportation, the rules and regulations for transportation of PCBs, the manifestos that are needed — whatever would be necessary to protect the public in the transportation of them, and many other hazardous materials that may be as hazardous or more hazardous than PCBs.

So we have been leading the way with both the mobile plant we have here, cleaning up 150,000 litres last year and estimated 350,000 litres this year; the stationary plant, the permanent plant that’s being built in the Ross industrial area. We have led the way there. They’re going to follow our process here in Canada — what we’re doing here in Saskatchewan.

So I think it’s positive and we’re a long ways ahead of anything I’ve seen any place in Canada or in the United States.

MR. YEW: — Mr. Minister, I want to get a response from you as well regarding this item I have here, released December 1st of 1984, regarding heavy oil legislation for Saskatchewan.

Mr. Minister, do you think Marie-Anne Bowden of the University of Saskatchewan College of Law has a point when she says, as she did on December the 12th of last year, that Saskatchewan needs a vastly improved way of handling the regulation of the heavy oil industry and that heavy oil development threatens our environment? Given the present legislation in your department and in Energy, Mines and Resources, what can you tell us about the chlorine plant proposed by Prairie Industrial Chemicals for just north of Saskatoon, and approved recently by your department?

HON. MR. HARDY: — Well I understand it’s been approved in principle. Environmental approval has been given in principle to go ahead with the plant. It’s Prairie Industrial Chemicals. They were at Davidson; they were asked to, or voluntarily I guess you could say, decided it was too close to the town, or too close to some residents that had a concern. They’ve moved up into the Saskatoon industrial area. They’re going ahead with it. It will be a tank car operation, packaging into bottles that’ll be shipped out for treatment to the chlorine plants around

the province, and maybe others too. Basically, it's just a very simple procedure, taking it from a tank car into a bottling or a packaging plant.

MR. YEW: — I thank you, Mr. Minister. As well you didn't respond to the question about the proposed legislation re Marie-Anne Bowden of the University of Saskatchewan College of Law, and the concern she expressed via the media. My question to you was regarding the present legislation in your department, as well as Energy, Mines and Resources, Mr. Minister. They seem to be obsolete and outdated. What is your reaction to Marie-Anne Bowden's comment?

HON. MR. HARDY: — Mr. Chairman, the Department of Environment and the Department of Energy and Mines have been working together in regards to bringing in — possibly bringing in — some type of new legislation to address some of the environmental issues that we see. And I get the same letters you do, and so does Energy and Mines get the same. The same problems arise. Some of the legislation may be outdated; we don't know. The two departments are working together to look at if there's a better way of handling it, a better way of making it better for the environment as well as for the enhanced oil recovery operations themselves. There may, there is, and could be ways of improving them, and the two departments are working together to achieve those goals.

MR. YEW: — Thank you, Mr. Minister. Getting back to the question about the Prairie Industrial Chemicals, just north of Saskatoon.

Mr. Minister, I want to ask you a couple of questions. How will bulk chlorine get into the plant? As well, how much chlorine will be stored at that plant at any one time? And as well, Mr. Minister, possibly a third leading question in my mind is: if a leak should occur, is it not possible for chlorine to be carried into the city or into the town of Warman through natural causes, wind, storms, rain, etc.?

(19:45)

HON. MR. HARDY: — Well in answer to your first question, it would be coming by tank car. But it would be coming from Saskatoon Chemicals manufacturing, which is in the city of Saskatoon, or on the edge of it, which has been manufacturing chlorine for about 20 years now. It would be travelling about 4.5 miles north of the city. That's where it would be picked up at out of the city. There would be approximately one tank car on site at a time, which is about 90 tonnes of chlorine.

If a spill did occur, and it is very remote because this company has been manufacturing for 20 years without any problems, there is a response team in place and a response area, or way they got to handle it. So there is a response team and a way of handling it should an accident occur. But fully remember that this company has been manufacturing chlorine in Saskatoon for 20 years now, and then it'll just being transported up to be bottled.

MR. YEW: — I have some articles here that were carried to the media, some concerns, some issues that hit the public, Mr. Minister.

I wonder, regarding PCBs: can you tell me if the government has decided to lay any charges under the spill control regulations Act as a result of the transportation of PCBs by a certain Donaldson's Reliable Transport from Prince Albert to Saskatoon?

HON. MR. HARDY: — Mr. Chairman, it would under the federal regulations or legislation, if it was in effect. But the one from Saskatoon to Regina, there was no legislation in place, even federally, where they would be able to lay charges in regards to the transportation of PCBs. There is, in fact, now legislation in place that, if there's a spill occurs because of carelessness or whatever reasons, they can lay charges. It would under the federal regulations or legislation and not under the provincial one. They are responsible, or accept the responsibility for

the transportation of dangerous goods.

MR. YEW: — Mr. Minister, with regards to the task force that your former colleague, the former minister for the Department of Environment, had set up regarding herbicide spraying and Saskatchewan's forest management . . . Or pardon me. The former minister of Parks and Renewable Resources had appointed a task force on the use of herbicides in northern Saskatchewan to look after the forest industry.

Mr. Minister, I wonder if you can advise me at this time whether or not there were public hearings held with regards to that task force's studies, and whether or not there were any public meetings or hearings held at the local level with various communities throughout the province.

HON. MR. HARDY: — Well Mr. Chairman, it was set up under, as you know, Parks and Renewable Resources. I understand they did hold some meetings around the province. I can't speak for the Minister of Parks and Renewable Resources in regards to how many meetings. I haven't saw no reports. I wasn't involved directly in giving out the criteria that would be needed for them to . . . how they would handle the whole hearings or the investigation.

So I can't honestly answer that in regards to if there was very much public hearings or very little public hearings carried out, but my understanding was there was some.

MR. YEW: — I suppose it was an unfair question. I realized at the moment then that the responsibility for that particular issue rests with the Department of Parks and Renewable Resources, Mr. Minister.

I'll then go on with a hydro project at Nipawin, and the Nipawin hydro project development, Mr. Minister. At the outset, a couple of years ago when you took administration, when you took over the government, I asked whether or not there was an environmental advisory committee set up allowing the communities of Cumberland House and Sturgeon Landing to participate in that development, or to monitor the way the development progressed.

I want to know, Mr. Minister, if in fact you have established a monitoring or an advisory committee of some type, or if you have adopted a policy of some type that would oversee the environmental protections and concerns, oversee the environmental concerns and protection of the people living downstream of the Nipawin hydro project — Cumberland House, Sturgeon Landing, and down into Manitoba.

What is your policy, what is your . . . If you have a policy with regard to the safety of the environment, the concerns of the people in those communities living downstream, I want to know what you plan to do with regards to the protection of those people, the communities, and the environment.

HON. MR. HARDY: — Well in regards to the Cumberland area, and I'm sure that's what the member's concerned about — and I remember he raised, I believe the last two years now, he's raised it both times — first of all, the Nipawin hydro project is not on stream yet, and I think I said at that time that when it got on stream, that if it was felt necessary or if the people felt it was necessary to have some kind of a consultative process, that we would look at it. That still stands.

As it comes on stream, and you see there is a problem that will arise from that — it's not, it hasn't been into operation yet — we'll certainly look at a consultative type of process with the people that are involved downstream, certainly as far as the Saskatchewan border.

Also, you've got to remember that there is some persons involved with the attempting to lay suits against the Saskatchewan Power Corporation with regards to damages, and that's, I understand, is still in the courts, so you know, it sort of makes it awkward to do anything until some of these things are resolved.

So although we'll leave the door open for consultative process if a need is there, but at the present time it hasn't come on stream yet. We don't know what the effects will be, and when we do, certainly we'll take a look at it.

MR. YEW: — Mr. Minister, you just indicated to me that you don't know what the effects will be, Mr. Minister. But I'll tell you that there are certainly drastic effects have taken place already.

I've been into Cumberland House several times, meeting with the various local councils, some of whom include the local community authority. With the change of status, it's now a village — a change of status in local government. And I've also met with the people in the reserve, and I've had an occasion to meet with both councils at one meeting, where they indicated to me very clearly that the natural wildlife habitat that was once there is no longer there at all. The level of water in their lake and the rivers have just decreased drastically in those areas. And the Cumberland House delta, as it was once known, is just not there any more, Mr. Minister.

I wonder: at this point in time, what is the government's reaction? I'm sure that you have received a good number of representations from the community of Cumberland House as well as from the reserve at Cumberland House.

What is your position at this point in time with regards to meeting some of those concerns head-on and trying to resolve the very drastic environmental disruptions caused not only by the Nipawin hydro project but also by the Squaw Rapids project?

HON. MR. HARDY: — Well my understanding is that, like I mentioned earlier, that, you know, there's some of it before the courts. I also understand that the Saskatchewan Power Corporation and some of the bands are trying to sit down to talk about how they could resolve the issue.

Also you've got to be aware that Squaw Rapids come on stream 20-some-odd years ago. Certainly it seems to me that if there was going to be any impact it would have happened, you know, in the first couple or three years. I'm not saying there isn't, but if it did, it should have well have been looked at then. Not saying we shouldn't look at it now, but we'll wait till this other one comes on stream.

It's not being retained as yet. I was up there just a few weeks ago; there is very little water being retained. The flow is normal through Nipawin, whatever normal would be. And until such time as it's being used, till there's some diversion of the water, we could see some of the impacts of it, if there is some we'll take a really serious look at it and working with some of the folks down there in addressing some of the issues.

MR. YEW: — We had some similar problems as well, Mr. Minister, in the community of Sandy Bay, whereby an old dam had deteriorated at a lake adjacent to the Island Falls project, Mr. Minister. I wonder at this point in time if you could advise the Assembly: what did your department do to resolve the problem of that deterioration that caused a lot of flooding east of the community? It caused a lot of hardship for people that lived on the traditional resource uses, like trappers, fishermen, and people that had wild rice projects going in those areas. As well, it caused some hardship for cabin owners, cottage owners, as well as tourist outfitters, Mr. Minister. I wonder, at this point in time, if you might be able to address some of the . . . inform the Assembly as to what type of action you took in respect to that problem.

HON. MR. HARDY: — Well, Mr. Chairman, I think the hon. member knows. He brought a group in; we met with them. They were very split on whether they'd want that dam put back or not. Officials have been up and looked at the situation. It is a dam that is eroded away, and I think it goes back a little bit to what we were talking on the Saskatchewan River. There is a dam that you'd like to erode away.

I'm just not sure. It's sort of having both types at the same time. And I would wonder. Up in that area, you know, you had some of the trappers in. Some wanted it left; some said, leave it out; some said, maybe we should put it back. It seemed to be a undecided thing. It's went back to its natural course of what it was before the dam was put in.

I'm not sure what is really needed up there because even the natives up there, or the folks that are living up there, some felt it should be put in and some felt it shouldn't. It's a water corporation responsibility, if it does, or Sask Power, if it relates to Island Falls. But at the same time, they were really undecided when we met with them — and you were along; you brought them in — terribly undecided if anything should be done, and if it should, they were very undecided what they'd like to see done. So I think it goes a little bit back to those folks to sort of make up their mind, or at least come to a decision of what they'd like.

MR. YEW: — So in other words then, Mr. Minister, your department and your government did absolutely nothing with regards to the problem in that area. As well — correct me if I'm wrong — but you indicate to me and to the members of this Assembly that the problem now must be handled by the water corporation and/or Sask Power Corporation. Am I correct?

(20:00)

HON. MR. HARDY: — Well the water rights come under the new water corporation. If it some way involves Island Falls, that belongs to the Sask Power Corporation. I'm not just sure how it would involve either or both. But certainly, water rights would come under the Saskatchewan Water Corporation, so they would be involved in it. And the member from Souris-Cannington, I'm sure, would be able to answer your question at a later date.

MR. YEW: — I'm sure there's still a lot of concern with regards to the Island Falls project, Mr. Minister, and I'm sure that we will have an opportunity to discuss further issues related to that with the member for Souris-Cannington if he's available.

With regards to the Collins Bay mine, Mr. Minister, I want to know what your assessment and reaction is with regards to the proposed concern, proposed demonstrations coming out from that area.

Just to brief you in a little bit, Mr. Minister, there are certain communiqués going out. One has been sent to me, and I'm sure that your department officials or the government have received it as well. Literature, communiqués . . . I noticed as well there's been a petition signed by the people of Wollaston Lake, a community of approximately 800 who are strongly opposed to the Collins Bay development and proposed developments such as the one announced recently at Cigar Lake.

Mr. Minister, I want to ask you: what is your government's position with regards to the crisis situation confronted by the people in the community of Wollaston Lake? They're direly concerned about their natural environment, the fisheries problems that will be associated with the mining activities. Overall, Mr. Minister, there is going to be a drastic impact in the surrounding area affecting the people of Wollaston Lake, Kinoosao, and Southend, possibly even Southend, Reindeer Lake. Could you comment on that?

HON. MR. HARDY: — Mr. Chairman, in regards to Wollaston Lake, and certainly my understanding was it was approved about 10, 15 years ago by the former administration, and I'm sure that EIA (environmental impact assessment) was all carried out and everything was done properly. But there's been monitoring going on ever since then. It has been continuous monitoring. There's virtually showed no change in the fish, the sediments, or the quality of the water up there at all.

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It goes back a little bit to some people going up into the area where native folks are and really going in there and stretching a lot of stories a long ways. And there's a guy that's been going into that area — and I'm sure the member from Athabasca knows about this; I'm sure he probably agrees with me — is that he goes in there and he stirs up a lot of folks, telling a lot of stories with half-truths.

And I had a letter from the priest up there in Fond-du-Lac — I forget his name— but he sent me a letter, and it was a clipping in the paper — both he sent — saying the fishing has never been better up there in the last five years, and that a lot of people go there tell stories just to upset his people in the area there.

And I think that goes back to a guy called Miles Goldstick, who's been all over the country with Greenpeace and everything else creating problems. He's talking about a road blockage up there now.

I mean, those kind of people have no relevance to the real world out there. They forget that those people up there need jobs, that it relates to a lot of jobs. They also forget that there's a lot of money invested by the former administration, by the people of Saskatchewan now.

And if it's the truth it's one thing; but half truths, all it does is upset people, doesn't do anything for anything, anybody at all.

And when you see the Father, priest up there saying exactly that . . . You know, I have to believe somebody, and I'd be a lot more inclined to believe him than I would some people such as this Miles Goldstick, who has created a great deal of dissension up there — unnecessary dissension.

If there's a problem it should be dealt with — and I agree with it — but this kind of stuff, you know, just leads to problems for people where jobs are needed.

MR. YEW: — Mr. Minister, I'm not opposed to development, Mr. Minister. I just want to reiterate to you, though, that I'm direly concerned about the environment, the safety of the environment in any region of the province. And I'm sure that your colleagues as well as mine share in that concern, as well s the people of this province.

We just have to be very cautious regarding any major developments that occur throughout the province or throughout Canada. We just have to be very sure about any side effects that may occur due to major developments of this magnitude.

And Mr. Minister, I want to ask you: are you certain that the health and safety aspects, the environmental safety measures, are intact?

Are you certain that that area, and any other area for that matter, will be under strict guide-lines; will be monitored very closely by your department; and can your government be trusted to monitor those major developments?

We had a good number of occasions in the past to argue that point, Mr. Minister. We had some major spills at Key Lake.

Are you assuring me, the members of this Assembly, the people at Wollaston Lake, that there will be no such spills at the Collins Bay mine activity, spills that may infringe or fall into the lake, the Wollaston Lake region?

Are you certain that there will not be any environmental damage in that area?

HON. MR. HARDY: — Well Mr. Chairman, I don't suppose in this world you're absolutely

certain of anything, first of all.

But what we do have is the strictest environmental control regulations any place in Canada, in fact any place in uranium, where uranium is used or mined or milled. So we do have that in place.

If there are other regulations that need to be put in place, we will put them in place. If there is a need up there to do something that we haven't been doing or the mines haven't been doing, then we'll see that it is done. But right now in Canada, and especially here in Saskatchewan, we have the strictest environmental regulations in regards to uranium mining of any place in the world. And that don't mean to say it's absolutely certainly safe but it means it's as safest as anybody could possibly make it.

MR. YEW: — As well, Mr. Minister, just for the record, I received a letter indicating to me that there will be certain workshops held commencing on the 9th of June. The concern expressed at the same time was the four other major deposits that will be developed, and those deposits lay underneath the Wollaston Lake itself. Collins Bay D and A, Eagle Point and Eagle South, together I'm told, informed, contain almost two times as much uranium as the B zone.

And my question, Mr. Minister, is this. Getting back to the pollution and environmental hazards of that development, have you in any way met with the people of Wollaston Lake, the band, the treaty people at Wollaston Lake, the Metis people at Wollaston Lake? Have you met with any organizations dealing with the Collins Bay mine to review and to assess the activity in that area and to work co-operatively, openly, and in close consultation with the people of Wollaston Lake? Have you approached in the course of the last few months any people, any officials, of the community of Wollaston Lake?

HON. MR. HARDY: — Well, Mr. Chairman, first of all, in regards to zones A and D at Wollaston Lake, we haven't had no formal proposal yet from the company although we're aware that there is ore out in both those zones. And you know, we realize what we'd look at and what would be necessary should they be allowed to mine it. We haven't, as I said, had no formal proposal yet. If they do come forward with a formal proposal, we would certainly have a very strict and very strong review process in place in regards to the mining of the ore body, especially under the lake.

And we will involve the folks from up in the area, certainly some from the Wollaston Lake area. I would like to think that we would talk to some of the people from Fond-du-Lac or maybe . . . (inaudible) . . . could be part of the whole thing. So if we can involve employment into it, the safety of the water, the safety of the environment . . . And first of all they've got to come forward. So they haven't come forward yet with a formal proposal to us. They've made some initial contacts, but lots of people do that. Where they're taking it from there, we're not quite sure.

MR. YEW: — Thank you, Mr. Minister. I'm pleased to see that you have committed yourself, your department, to get the people of Wollaston Lake involved should you receive an application, a formal application, a formal proposal from the company or the corporation that's involved at the Collins Bay mining venture.

It's my understanding that you haven't received a formal proposal, but when you do you will involve the people of the community of Wollaston Lake, and that's good news as far as I'm concerned. I certainly hope that you will involve the people in any close jurisdiction to the Collins Bay mine. And I should add, maybe you could go beyond Wollaston Lake and involve people in communities like Kinoosao as well, because they too will be affected by this project, as well as possibly other communities further south of Wollaston Lake — possibly even Southend, Reindeer Lake and Brabant, and as far up as La Ronge. People in those areas would definitely be involved in one way or another. The off spin of major development such as that will be an impact regardless of how you look at it.

Getting back to the mining ventures in northern Saskatchewan, Mr. Minister, if you . . . I'm not sure whether this falls into your responsibilities and jurisdiction. But can you advise me as to what the status is regarding the surface lease agreements for Key Lake and Cluff Lake? As well, what is the status with regards to the monitoring committees that were established, etc.?

HON. MR. HARDY: — Mr. Chairman, they don't fall into the Department of Environment requirements, so I'm not sure what the status of either the committee is or the status of the lease arrangement is. The minister responsible for DNS, I'm sure, could answer that for you. That's who's responsible for it.

MR. THOMPSON: — I just have one question, Mr. Minister. My colleague from Cumberland has gone over your department quite thoroughly. And I just want to make a comment on the storing of PCBs in the province. I just wonder, Mr. Minister, if you have or your department has taken a look at the possibility of destroying the PCBs rather than the continual storing of them.

I believe in the Scandinavian countries they are now successfully destroying PCBs through high temperatures. And I was just wondering if you and your officials would have that information here today.

(20:15)

HON. MR. HARDY: — In regards to the member from Athabasca's question, I think he's aware of what we've been doing in regards to a chemical reaction of where there's low contamination of PCBs in mineral oil. The PPM plant has been going around the province doing anywheres up to 300,000 litres a year. That's low-concentrate PCB mineral oil.

In regards to the high-concentrate, we don't have an incinerator available yet in western Canada, although at the conference I attended in Montreal on Friday it was discussed. And one of the things they discussed was a possibility of even maybe a mobile incinerator type plant that could go around.

That concern is a concern of just about everybody across Canada, and it has to be addressed. We're cleaning up the low-concentrate oils. We have to look at some way of cleaning up the high-concentrate oil.

Alberta will have an incinerator on stream in about a year or so. We're hoping we can deal with them to look after it for us. We only have a very low amount of high-concentrate. Whether it's PCBs or other hazardous commodities, it would be nice to be rid of them. But at the present time we don't have, and we're doing the best we can to store them and to keep them as safe as possible.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

MR. YEW: — Yes, Mr. Minister, regarding habitat enhancement and protection again. I know there's a notation in here that that vote is included in Parks and Renewable Resources. But could you elaborate a little bit in terms of what that program, why it's been removed and redesignated, and what that program entails?

HON. MR. HARDY: — Well Mr. Chairman, why it was over in Parks and Renewable Resources, in regards to some of our wildlife specialists, I can't remember just all. And it involved mostly, in fact entirely almost, in regards to wildlife, fish, some habitat areas of the wildlife.

We looked at bringing it over into the Department of Environment, but it didn't really fit. We never transferred it; it was just in the book as a transfer. It never really fit. We decided to leave it

over with Parks and Renewable Resources. It seemed to complement them better than us.

You know, you do a second review of it; it seemed to be that it should be left there, and we decided just to leave it there. The same people they were just going to move them over. It would have disrupted them, and I really believe it was best left with Parks and Renewable Resources because it complemented all your wildlife and your fisheries which they have a major . . . are a major player in the province.

Items 8 to 11 inclusive agreed to.

Vote 9 agreed to.

MR. CHAIRMAN: — There are no supplementaries, Minister of the Environment?

HON. MR. HARDY: — No, Mr. Chairman, we haven't, no.

MR. CHAIRMAN: — Does the minister have a closing statement?

HON. MR. HARDY: — I would just like to thank my officials for giving me the information and being part of a great team I think we have over there. As it's quite aware, we've come a long ways, and we are doing a really good job over there in handling the environmental issues, and I think it's complimentary of the folks that's here today.

And I'd like to especially to say thank you to the member from Athabasca and Cumberland for their very direct questions. I think they were very pertinent to the area. And certainly we'll continue to work with them in regards to any issue they want to bring up at a later date.

MR. YEW: — Thank you, Mr. Deputy Speaker. I'd like to also take this opportunity to thank the officials for their time and effort in reviewing the estimates. As well, I'd like to thank the minister for providing some necessary information required to review these estimates.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

CONSUMER AND COMMERCIAL AFFAIRS

Ordinary Expenditure — Vote 4

Item 1

HON. MRS. DUNCAN: — Mr. Chairman, I'd like to introduce officials from my department who will be assisting me tonight. On my left, I have the deputy minister, Mr. Ron Kessler. On my right is the deputy superintendent of insurance, Mr. John Page. Directly behind me is Mr. Ted Madill, the rentalsman. And behind the deputy is Mr. Al Dwyer, director of administration.

Before entertaining questions, Mr. Chairman, I would like to make a few brief remarks about the involvement in the department and some of the areas that we've been working relatively hard on in the past 12 months. I think I would like to say, Mr. Chairman, that it's a particular pleasure for me to be able to rise as Minister of Consumer and Commercial Affairs.

My department and my portfolio are taking on a particular importance in this province, and the goal with my department is to help create an environment in which consumers and producers can reach their full potential.

My own direct concern is with the market-place, and I would just like to say that too often we overlook the vital role that the market-place plays in our democratic society. And when you think of it, of course, one must realize that the history of western civilization is the record of the

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ceaseless struggle by people for liberty. Surprisingly, people did not find their freedom by creating bigger government or by structuring bigger bureaucracies. They found their freedom in one place, and that namely, is the market-place.

Our society has found over the years that without a freely functioning market-place there can only be one alternative, and that is government control. And I think too, Mr. Chairman, that history has shown us over and over again that that is not a particularly attractive solution. It may have been appropriate in the past under previous administrations to think the Department of Consumer and Commercial Affairs as a department whose chief purpose was to place regulations and controls on the market-place or society as a whole. But I can say with pleasure, Mr. Speaker, that that is not the case today. Under this Progressive Conservative government, my department is playing an increasingly important role in building a stronger economy in the province.

My department has one concern, as I said before, and that is the market-place as it affects both consumers and business people alike. Our goal is to work towards a market-place that is seen to be fair and honest; a market-place that has integrity, a market-place that serves not only the interests of consumers, but the interests of business also — because, as I said before, the alternative is an ever-growing bureaucracy.

Some of the things that we have been looking at in the department is looking at ways of easing things. We're looking at education rather than legislation, or education rather than regulation. And I'm beginning to look strongly, Mr. Chairman, at self-regulation where groups like the real estate people or travel agents have a responsibility to regulate themselves. My officials are working with these groups now to develop means where they can regulate themselves rather than having the government do it for them. We would like to see people help themselves.

I want my department to be lean and efficient and effective and productive, and to this end we have worked very hard to recognize it and to streamline many of our operations.

I'm delighted to report that we have made a great deal of progress in this area. And I would like to particularly commend the staff within the department who have been working extremely hard and well, not only in carrying out the necessary regulations that are part of this department, but also in developing new legislation that will be of great benefit in meeting the goals of our government, and of course ultimately serving the people of Saskatchewan better.

I would like to indicate to you first some of the activities of my department in recent months.

We have substantially reduced unnecessary regulation and in this way have been able to keep the size of the department under control. As I indicated, we are moving in important new directions, reflecting market-place and economic realities. Our move to a preventive approach, based on our sound education and information programs, is certainly the most cost-effective way and provides the long-term solutions to many problems.

To explain our new landlord and tenant programs we have developed within the department a very imaginative communications program. We have turned to radio, television, and print ads, and we have developed a new series of publications as hand-outs. A kit called *Information for Landlords and Tenants* was mailed extensively to landlords, housing associations and authorities, municipal and SPC offices, and community and self-help groups. The kit contains brochures and fact sheets on such subjects as protection for renters, landlord and tenant rights and responsibilities, 20 questions about rent stabilization, condition of premises check-list, and serving notice of rent increase.

We also sent out the brochure *Protection for Renters* with most of the 1984 rebate cheques. And we produced two different radio and television ads to reach young people and older renters in particular.

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I said I place a great deal of importance in having a department that is productive and efficient. And I am pleased to report that we have made great progress here. We have found ways to automate certain routine functions, and this has boosted department morale and led to increased productivity.

For example, we recently automated the lottery licensing functions. In another move we merged the licensing and investigations branch with the real estate and insurance branch. Our efficiency as a result has gone up, and we're quite pleased with that.

In another innovation, Mr. Chairman, we are now distributing consumer product information through the public and regional library system throughout the province. This puts information into the hands of citizens across the province at very little cost. And this consumer product information is updated throughout Saskatchewan on a regular basis.

We have also developed a comprehensive automated mailing list of client groups, agencies, and individuals, and we use it to help disseminate nearly 600,000 items of department produced information since May, 1982. And I really feel, Mr. Chairman, that that is quite an accomplishment and speaks well of the people within the department.

And I really do believe that our efforts have been paying up. The public is showing much more awareness of our services, and things we have in the department.

(20:30)

For the first time ever, this department has been provided with sufficient funds to explain to the public just what we are about, and how we can help. And with our expanded distribution system there has been a 28 per cent increase in the public use of our product information services since 1982 — and that's not a small feat, Mr. Chairman.

I mentioned that my department is very diversified. The corporations branch is of vital importance to the business activity in this province. It's there that we register the firms that do business within the province. We want to register them efficiently and inexpensively, yet we want to make sure that we safeguard the interests of the public. And we have made great progress. We have also streamlined the operating rules for non-profit corporations. We eliminated the requirements to file duplicate sets of documents. Corporations now have less red tape when they submit new by-laws to their memberships.

We have also eliminated duplication between the corporations branch and the securities commission, in which each branch held identical information on their files.

We are enhancing our computer system to increase the capacity of the corporations branch to handle the additional volume, and to enable the public to access the data base through their own computer terminals.

We are catching up on processing backlogs and we now provide, I believe, better access through our Saskatoon office. And we have also set up a process allowing for immediate incorporation.

We provide other emergency services such as having documents ready on the same or the next day upon request by a client.

We have also, Mr. Chairman, streamlined the process involved for religious societies which want to transfer and hold land. Now a religious society can change trustees by resolution, instead of using the expensive and complicated court order procedure previously required.

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Regulations and red tape, as we all know, are the bane of every business person, and every consumer. I'm pleased to report that we have made major strides in eliminating unnecessary regulations, and streamlining existing regulations and procedures. We are now reviewing all programs involving licensing and bonding, and eventually we will terminate those which serve no purpose.

As I mentioned, we are setting the stage for certain industries to begin taking over some of the administrative and regulatory functions from government. And I use as an example certain functions within the insurance and real estate industries.

We repealed the societies Act because all societies are now incorporated under The Non-profit Corporation Act. We also repealed the mining associations Act and the plumbing contractors licensing Act because, if you can believe this, Mr. Chairman, they were never used.

In areas where legislation is still needed, we evaluated existing legislation and in some cases drafted new legislation. For example, we drafted a new Securities Act to update and improve securities law in the province, and to provide the proper environment for growth and investment.

And I must say, Mr. Chairman, that I was very pleased with the response of the opposition on this particular Bill, because it was a major piece of legislation and it was referred to the non-controversial Bills committee and unanimously supported there, and ultimately brought back for assent here. So I was very pleased with that.

We have made many changes in policy and procedure to add to market-place efficiency and confidence. For example, we introduced regulations on the sale of break-open lottery tickets to see that the charities get the benefits.

In another innovation, my department is working with other provinces to develop industry-managed compensation funds rather than to have the government administer these particular funds, and the insurance industry and the travel industry is one example. We're working towards getting these two industries to set up a national compensation fund run and administered by their own industries.

Our information programs are particularly effective, and last year alone we distributed 280,000 items through programs and mail-outs. In addition to the items already mentioned, we distribute our *Services Business Guide to the Consumer*, *Products Warranty Act*, *Investor Alert*, *Consumer and Small Claims Court*, and *The Consumer Times* public newsletter, as well as by-lines on a host of topics.

We're putting a great deal of emphasis and attention on public education and awareness, Mr. Chairman. Since May of 1982 we have initiated programs to inform the public about consumer issues, business matters, and department services. We have also developed several self-help educational packages.

The educational material we produce includes *The Marketplace*. This helps consumers make better decisions. It helps business people to improve customer services. We have worked with chambers of commerce and community colleges to produce it.

Senior citizens, as I'm sure everyone recognizes, do have particular needs. We developed a package called *The Senior Consumer — Protect Yourself*. And Mr. Chairman, we can barely keep up with the demand for this package which deals with a range of subjects from travel and prescription drugs to hearing aids and funerals. It is a first-rate example of providing practical information to people to prevent and solve some common market-place problems. The *Spending Planner*, a do-it-yourself budget book, and *It's Your Money*, a workshop and leader's guide, help people experiencing financial and debt problems to solve those problems before it's

too late.

Another publication called *Food of Consuming Interest* is a tool for helping groups and individuals learn and improve their food-shopping skills, which enables them to get full value for their food dollars. The advertising package holds a wealth of practical information tips for consumers in dealing with advertising and related problems.

Presently, Mr. Chairman, we are in the process of developing more material on such varied topics as consumer safety, consumer credit, consumer law, renting your first home, and consumer education and social issues.

Our focus on education and communications branch activities have shifted dramatically from the inefficiency and inadequacy of attempting direct delivery to training others to deliver programs for us. This program we call the facilitators' program. And this brings together a group of professionals in Regina and Saskatoon who have volunteered to act as facilitators to meet the demand for consumer education. And they speak and they teach. And to date 24 facilitators are active; 42 have been trained; and nearly 4,000 people in Saskatoon and Regina have attended workshops under this program. And we are particularly proud of that one.

My department is working with the University of Saskatchewan home ec branch, on their "Seniors Helping Seniors" program, and this trains seniors to give consumer education in general.

I think, Mr. Chairman, that it is essential that the public be made aware of the programs that the department offers. My column, "Of Consuming Interest," has been a regular feature in three out of five of the Saskatchewan weekly papers, and I think they're printing it because it's good useful information. And I might add that it is not paid advertising, and I appreciate the support shown by the Saskatchewan weekly in picking up this particular program.

My department organized and hosted a successful conference of superintendents of insurance from across the country in 1984, and the conference addressed current issues and problems in the insurance industry, and had 226 registrants.

As I said, Mr. Speaker, I believe that the department was long dedicated to promotional or business services in name only, and I believe that that has changed to the benefit of consumers, and for the smooth operation of the market-place generally. And I'm extremely pleased in the accomplishments in the department in the last year. And, as I said, I take great pleasure in presenting to the legislature this year the estimates of my department.

MR. LUSNEY: — Thank you, Mr. Chairman. I listened to the minister with some interest, listening to what she was saying and how her department is going to deal with some of the problems that we have. And I find it very interesting, Mr. Chairman, that the minister is talking about all the freedom that she is going to be providing to the industry at this time. I think what we need now is not more freedom for the industry, but we need some protection for the consumer.

And Madam Minister, when you were talking about deregulation and providing, or allowing the market-place to regulate themselves, and you talked specifically about some travel agencies. Well I find it very interesting that here what we need at this point, or what we needed at least a little while back, was some regulation in the travel industry that would have protected some senior citizens in saving or being able to keep some of that money, or at least spend it in a way that they would have got the holiday that they had paid for.

Now Madam Minister, if this is what you mean by saying that you're going to allow the industry

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to regulate themselves, that they can go out there and sell tours to the senior citizens and virtually defraud them of money and then not provide the tours, well I think there is a problem within the industry, and that somehow the department and the people, the public of Saskatchewan, would expect that the minister would be responsible because this is what the department is there for, and everyone does expect that somehow the department would be responsible and that the people would have some protection. But that, Madam Minister, was not the case.

And one can go to a number of other areas — and not only the travel agents — but go to what has been happening in some of the security areas. And when you talk about Pioneer Securities, there's been a while back that you have made some changes within that area, when you were talking about firing some people within your department that you thought were being a little too extreme in their control of the Pioneer Securities, at one time when they had suggested that there were maybe some irregularities in the company. And Madam Minister, that should have gave you at least a little hint as to what was happening within Pioneer at that time. But it seems that for the past year or so you totally ignored it; the whole government ignored it. And why? Because Will Klein said there was no problem, and that somehow the government . . . At that time, I think, was it Mr. Ken Stevenson, the chairman of the securities commission that was dismissed? He was a little too harsh, and I guess maybe probing a little too much for Mr. Klein's taste, really. And he said that that was an extreme case of the department interfering and that shouldn't be happening.

So what does the minister do? She fires the head of the securities, chairman of securities. And I guess at one time it wasn't only chairman of securities you let go, Madam Minister, but also I think it was Mr. Dennis Foley from your department that you also let go. And you did that saying at the time that it was on women's intuition that you made the decision.

Well, Madam Minister, I think you should have used some of that women's intuition to see that there was a problem within Pioneer and within some other areas affecting consumers, and what you should have done was put maybe a little more stringent control on what was happening within the trust companies, within the securities area and protected the consumer.

Your inaction, or your department's inaction, has cost the taxpayers of this province some \$28 million. That, Mr. Minister, is what your department has cost the taxpayers of this province. And that's only in the area of Pioneer Trust, which allowed the organization to operate in the manner that no company would be allowed to operate in the manner they did where they were able to take people's money and then say that it's gone and it's tough luck, you're going to have to lose.

(20:45)

Madam Minister, I think there are a good number of areas where rather than reducing the regulation, and this is all you talked about in your opening statement — that you're going to reduce the regulations and allow the industry to regulate themselves — well I think it's been very clear to the public that that does not work. In the past year that you've been talking about it and all the moves that you have made, it's cost the taxpayers of this province millions of dollars for that to be at least put into place temporarily, where your department took no action at all when they should have taken action. That, Madam Minister, has cost the taxpayers of this province millions of dollars. And it's through the one area.

And the other one that I want to make specific reference to is the senior citizens from Radville that lost a lot of money because of a travel or a tour company that set up a holiday for the seniors and then cancelled it and didn't refund the money. Two people, when they saved all their life, from Radville, put in \$4,200 for the first holiday that they were going to make when they were 70 and 80 years old, Madam Minister. And what happens? Your free enterprise company that's not supposed to be regulated, are supposed to regulate themselves, take their money and

then say that, we can't give you that holiday; it's too bad, but we're closing our office down.

Well, Madam Minister, I think the people of this province expect a little more. They expect a little more from a government, because they assume that a government will somehow protect them at least a little bit, to regulate any unscrupulous characters that may want to operate within the province.

But, Mr. Chairman, I suppose that's difficult or maybe a little hard to expect from a government that is maybe unscrupulous as some of the people that are working or operating within this province.

So I think there is a lot of changes that need to be made, Mr. Chairman, maybe not only within some of the people that operate in Saskatchewan, but I think one of the changes that certainly have to be made is within government itself — and that I know that people are going to be looking at very carefully come the next election.

Madam Minister, there's a number of other questions that I'd like to direct to you, but the one I'm going to ask you about: the senior citizen. And just what is going to happen to the money that they have paid to the company for their holiday, and are they going to get any of this back? Are you concerned at all? Are you trying to get this money back? Are you trying to track down the people that took the money? And how is it going to be replaced for at least a few senior citizens that have come forward? And there's a good number.

We have the Radville case here, but there's apparently about 25 more that were not, don't have documented here, Madam Minister. So if you could please tell me just what it is that you are going to be doing for those people.

HON. MRS. DUNCAN: — Mr. Chairman, in response to rather a large number of questions that the hon. member has proposed: first of all, I would like to say to the hon. member that perhaps you weren't listening to my opening remarks.

We are not talking about deregulation of certain industries. We are looking at ways of allowing certain industries some degree of self-administration. I'm sure the hon. member is probably very aware of the function of the superintendent of insurance, and should we allow these industries to self-administer certain functions, that would be done under the direction of the superintendent of insurance and those powers would not be allowed unless they were passed by the Lieutenant Governor by order in council.

I might say that we do have some very good industries in this province. The real estate industry is one that has set up some very rigid controls within themselves as a body and cause very few problems. I would say that the insurance industry, on a whole, is in the same situation.

With regard to Pioneer, I can just reiterate for the hon. member that Pioneer Trust was a federally incorporated entity, being federally incorporated in 1974. And as a federally incorporated trust company they were audited by the federal superintendent of insurance, because they fall under the parameters and requirements of CDIC. Certainly the superintendent of insurance federally . . . You know, we do get an annual report from them, but we do not go in and re-audit a financial institution that has already been audited by the federal superintendent of insurance.

With regard to the travel industry, I think it is extremely unfortunate that those particular seniors suffered that loss. However, I might say, with all the trips that are purchased in Saskatchewan, with the millions of trips over the course of many years, there's only been one case where 18 people have actually been . . . lost money by booking a trip.

The department does not have the authority to go in and look at financial books to see if each and every business is a viable entity. We did do some investigation. We did get a number of

complaints to the department. The information was ultimately turned over to the RCM Police who did an investigation, and I understand that there were not grounds for charges.

With regard to what does my department do, we became very active in this area, and, as I said, the seniors' package: protect yourselves. We put out bulletins, and we put out news releases, and we tell people, and the seniors included, that when you're purchasing a trip usually about 10 per cent is sort of the ruler, the scale used when asking for a deposit, and to be awfully wary of anybody that asks for large deposits some time before the day of the trip. And we do this on a regular basis.

Unfortunately, as I said, those people did lose money. There was 18 people in all. And for many of them probably they hadn't had a trip in a lifetime and were looking forward to this trip, and had a very bad experience.

I can only reiterate that the problem isn't so much with our own local travel agents per se. I would say that they are a very reputable group. The problem lies with the wholesaler, many of them who do not do business out within the province. Usually a travel wholesaler will be based in Vancouver or Toronto or places like that, and that's where the majority of the problems come from. That is where the majority of the collapses have occurred. Some very large travel wholesalers have gone into bankruptcy, and unfortunately it is the consumer plus your local travel agent who suffers. And quite often in a case where a wholesaler goes down, the local travel agency will make good on a trip that has been bought.

As I said, we have no authority to . . . they are not direct sellers and cannot be bonded. We are working presently, and have been for some time, with the travel association in the hopes that a national fund could be set up. We have looked at the feasibility of bonding, and apparently it's just not a viable approach. We have looked at setting up a provincial fund, and that, with the small numbers of people within our province, may not be a viable solution.

We have talked about this issue at two federal conferences that I have attended, and all jurisdictions are working with their travel industry to see about setting up a nationally-funded, industry- administered fund, and hopefully we will not have — you know, if that comes to fruition — we will not have the type of incident that we had last year which was truly unfortunate.

MR. LUSNEY: — Madam Minister, my colleague from Gravelbourg, I think, will have a lot more to say on the Radville and the senior citizens' problems, so I'll just leave that to him.

But I'd like to ask you a couple of questions, Madam Minister, on Pioneer Trust. We all know, and I think you were aware, that there was some problem within Pioneer Trust prior to its closing its doors in February, and the government was aware of it, but there wasn't an awful lot done.

Can you tell me, Madam Minister, if your department was in contact with the federal department of insurance regarding Pioneer Trust, and what kind of information may have been exchanged, or what you may have said to them, or what they may have told you regarding Pioneer?

HON. MRS. DUNCAN: — I believe it was in August of 1984 that we were advised by the federal superintendent of insurance that Pioneer's licence was renewed by the federal government. I can only reiterate, because it was a federally incorporated financial institution, the authority of the federal superintendent of insurance supersedes our legislation.

MR. LUSNEY: — Madam Minister, if you were aware of that — and it was quite obvious, I am sure, from what the federal government has told you at that time, or the department, that they had renewed it only until December of '84, that there was some serious problems within Pioneer

Trust, and I find it almost difficult to believe that the Minister of Finance would send the kind of letter that the did after that time, or at least continue to allow the company not to disclose to the public what may be happening within the company.

I think your department, at that time, had some responsibility if the Minister of Finance didn't feel that he did. But your department being one that the public looks at or views as the department that they can get some protection from, that you would have at least brought it out into the open that there were some problems within Pioneer Trust, and that people shouldn't be going in there and investing more money than what they already had until Pioneer got their affairs into order. I think that would have saved some of them from investing even more money. And maybe action at the proper time would have saved some money for the taxpayers as a whole on that \$28 million that they're going to have to come good for.

So, Madam Minister, why didn't your department take some action to inform the public as to what was happening within Pioneer, and that they were having some difficulties that would have to be straightened out in the near future?

HON. MRS. DUNCAN: — Well I find that rather a strange question. As I said, we were kept abreast by the federal superintendent of insurance as to the imposition of restrictions and requirements deemed necessary by that department.

We were also made aware that the company's licence was renewed with the same restrictions until January 31, 1985 because the federal superintendent of insurance who ordered Pioneer to divest themselves of some of their American holdings felt that the company was working towards that end. And we were kept apprised of the situation.

MR. LUSNEY: — Madam Minister, I think there's . . . You find it difficult to understand why I would even pose that kind of question. Well, Madam Minister, I think the people of Saskatchewan would expect you to at least inform them of what was happening. If there were some difficulties, they should have been made aware of it. If you felt that they weren't serious enough that people should be afraid of anything, then you should tell them that there are some problems within the company, but you feel quite confident as the department that these would be straightened out in the trust company followed some of the direction that was given to them.

But to keep them totally in the dark and not say anything and pretend that everything was going along good and have a minister of your government send a letter that would say, yes, we're going to bail you out and we certainly support everything your doing, I think was not the right thing to do, Madam Minister, because it sure didn't protect the public or the people that had invested some money within the company. And now what has happened because of that, the taxpayers of this country, or this province, have to assume total responsibility for that company.

(21:00)

And your government wouldn't even investigate what happened, why it happened, and who may have been responsible for it. You wouldn't even take those steps to do that. I think if we're expected . . . if the taxpayers are expected to put out that kind of money, your responsibility should be to say that we want a total and very precise investigation as to what really happened, who was responsible, and what we can do to get some of that money back so the taxpayers don't have to assume all of that responsibility.

And if there are some people that were unscrupulous and they took some money out of the company in a way that they shouldn't have, or if they made some investments that were totally irresponsible, then, Madam Minister, I think we should be telling the public that, and we should not be protecting those individuals. We should not be protecting them. Because you continually talk about these private sector management, or managers that you have, and that they are going

to do such a good job for the people of this province. You've talked about that ever since you got elected in '82, and all we've seen ever since then is total mismanagement in just about every area you can come up with, even in government, and we don't tell the people the truth. And I think it's time that we started telling the people the truth, exactly what is happening, and why it's happening, and who's responsible for it. So, Madam Minister, I disagree that we should continue to keep people in the dark as to what has happened, or why it has happened, and that we shouldn't even try to find out who was responsible for it.

Madam Minister, I know that the Pioneer issue is behind us now, and it appears that there won't be any further action taken by this government, other than pay out the money and tell the taxpayer that it's going to have to be them that are going to have to be responsible now. So it hardly pays to continue to pursue it.

But, Madam Minister, there are some other areas, there are some other areas that I think you should be looking into and trying to do something about the problems that are facing the consumers of Saskatchewan. And that, Madam Minister, I think the one area is to look closely at, is what some of the people dealing within this province are doing. What kind of licence they operating on? We find a lot of people coming in, be it selling tours, or selling anything else, seem to be able to operate within the province without having to be licensed, or to be responsible for anything they do. And I think we should be setting some regulations down, not allowing them to set their own regulations, or to regulate themselves because it's quite obvious that when they try to regulate themselves, they are going to do it for their advantage and not for the consumers. And this department has been set up to protect the consumer. And we should be putting together some legislation that's going to protect the consumer rather than to allow some of the people that come into this province for the pure reason, or the simple purpose, of getting money out of the public, and then leaving without producing, or supplying whatever they were selling.

And that, Madam Minister, I think has been happening quite often — more so with senior citizens than anyone else — because it appears these people realize that the seniors are a lot easier to get the money out of, and these are the ones that they go after.

And I think that's the one area that we should be looking closely at. We should be putting out some information that will indicate to seniors not to spend or to buy anything from anyone that may come to their door, or come to a senior citizens' centre, but to deal with a local establishment that has been in business for a long time and do their dealings with people that they know, rather than someone comes in and gives them a good story and then disappears, and they never see him again after they get the money.

HON. MRS. DUNCAN: — Okay. With regards to Pioneer and what have we done, I think that the member surely must be aware that when we were involved by the federal superintendent of insurance, surely you wouldn't expect us to go out and say, hold the phone, folks, don't take your money out of Pioneer. That would have meant the instant collapse of that particular financial institution.

At the time during early 1984 and into late '84 the federal superintendent of insurance still thought that if Pioneer could divest themselves of some more of their American holdings and some of their Alberta holdings that the finance company still had a chance to survive.

What we did do as a department concerned with the protection of consumers, we started to issue brochures and bulletins on CDIC, the 60,000 maximum protection that was allowed under that legislation. But as I said, we couldn't very well go out and point a direct finger, but we started an educational awareness program.

With regards to your comments on people coming into the province: I agree with you. And I think people who come in — or people within the province themselves who may dream up a scam — they're unlikely to contact the department to get a direct seller's licence.

And the only way we can really come to grips with that, we can't have investigators sitting on every home in the province waiting for someone to come to the door, but we have taken a very pro-active stance in the department in the area of consumer awareness.

As I said in my opening remarks, we have developed a very, very good package called *The Senior Consumer — Protect Yourself*, and it's a conglomeration on a wide range of issues, including one of how to deal with door-to-door salesmen.

I've had talks with SUMA and SARM, asking them if . . . You see, even if a person has a direct seller's licence, they still are required to get a municipal licence to sell within that particular municipality, whether it's Regina or Maple Creek or Assiniboia. And I think the best thing that we can do is make people aware that these people that come knocking at the door must also have a municipal licence, and ask to see it.

I've had discussions, as I said, with SARM and SUMA to see if they could, when they're sending out tax notices, to include a little card. You know, if someone comes to your door selling, ask to see their municipal licence. And if they're not, that quite often scares them off faster than anything.

The *Senior Consumer — Protect Yourself* package, we've mailed out 7,300 packages throughout the province. We're into our second printing, and I can tell the member that it is one of our most requested information packages.

And I think the educational awareness of the consumer must be enhanced, and this is an area that we are putting a tremendous amount of effort into, and it will take time, I realize; I recognize it will take time. But the more information you provide to a consumer, the more skilled he is in dealing in the market-place.

And I'm a great fan of education because I think education is the key to everything. And these consumer skills, that's a lifelong learning experience. It goes on and on and on. And as I said, we're very active in that area in the department, and I'm particularly pleased with some of the productions that we've produced to date.

MR. LUSNEY: — Madam Minister, on the packages that you have apparently distributed out to the province in one way or another, could you tell me just where you distribute those packages to? Do you mail them out to individual senior citizens, or are they to towns or R.M.'s, or who gets these packages that you sent out — some 7,300, I believe you said it was? How do you get these packages out to the people that really need that information?

And basically the seniors is what I'm talking about. And everyone else should have those packages. I agree with you that that kind of information is very important and should be sent out. And if we have to spend a little more money, maybe we can take some of the travel expenses of the Minister of Highways and get a few more of those packages out that may be beneficial to the consumers of Saskatchewan.

But if you could just tell me who you sent those packages to.

HON. MRS. DUNCAN: — Okay. Our initial mailing list went to R.M. offices, senior citizens' centres, community colleges — a whole host of those — seniors' associations that are registered with the department, hospitals, anywhere where seniors might be using services, a doctor's office, and that type of thing.

And as I've said, we've had an excellent response to it, and we don't have a direct mailing list. We don't have access, you know, to one that is just for seniors.

You know, when you talk about the salesmen that go in the province — in 1984-85, 16,521 different licences or sales people were issued licences by the department under a whole host of Acts: the direct sellers, the sale of training courses, The Cemeteries Act, auctioneers, collection agents, Pyramid Franchises Act, unsolicited goods and credit cards, investment contracts; but over 16,000 licences were issued to sales persons in the '84-85 annual period.

MR. ENGEL: — Madam Minister, I want to apologize for missing your comment earlier. I was visiting at the back, and I didn't hear the comment you made when you were talking about the amount of people that suffered some loss, and particularly you referred to some people at Radville that had bought a tour package. How many tour companies that actually offered tours went belly up in Saskatchewan this past year?

HON. MRS. DUNCAN: — Two did, hon. member, involving losses to 18 people.

MR. ENGEL: — Were these two companies related in any way at all, as far as the same people involved as directors, or were they two separate identities, or do you know that?

HON. MRS. DUNCAN: — Okay, they were two separate identities, so that there was a few people that had been involved in one, and we were made aware that they were involved in the other. Subsequent to that the investigators went out to have a chat with them, and they simply folded up their tent and moved away.

MR. ENGEL: — When they moved from . . . their name . . . or changed their name from Scenic Tours to Unique Travel, were your officials involved in between that time at all? Why is it that people can be licensed, or can operate in Saskatchewan, without the same kind of authority and licence like they would require in some other provinces? I understand that there are some provinces that demand bonds and licence and securities being put up by these tour companies. And why is that not the case in Saskatchewan?

HON. MRS. DUNCAN: — We've looked at bonding, hon. member, and it won't work. I might say that the main principals in the first company that collapsed were not involved in the second one, but some people that had worked for the first company that collapsed set up a similar operation, and it wasn't in operation very long.

I think there's only three provinces that have a type of provincial compensation fund, but that's based on the numbers of travellers from within those provinces. We have also looked and explored that aspect here in Saskatchewan with the industry, but given our small amount of travellers compared to, say, Ontario or British Columbia, a wholly provincial compensation fund doesn't appear to be feasible at this time. And I can only say that we continue to work with our provincial and federal counterparts as the Department of Consumer Affairs, and the travel industry as a national body, in trying to set up a national fund to take care of instances like these.

(21:15)

You know, as I said to the hon. member, it really is unfortunate because most of these people, in fact I think all of them, were senior citizens, and I'm sure a fair number of them had saved for many years to take a trip such as this.

You say, why didn't we have something in place? Well up until this point we had never had a Saskatchewan consumer lose money in the travel area. This is the first time that a Saskatchewan consumer has suffered financial loss because of the collapse of a company.

MR. ENGEL: — Never is a long time, Madam Minister. I wouldn't be so sure that you have never suffered a loss in travel, because I am aware of people that were stuck the same way on an out-of-province, or an out-of-country tour operation, and lost funds and had no compensation for it. So when you say "never lost," that's a pretty broad, sweeping statement. But I agree with

you that this is the first time a Saskatchewan company has gone default, and it's a little different than saying Saskatchewan people never lost any money on a travel business.

But what would you estimate would be the cost to administer a program to provide compensation, or to provide guarantees for our travelling public? And I think as people become more aware and more affluent, and if we get a change of government again, and people have money to travel again, that possibly you should look at some protection even now. What do you think it would cost to administer a program like that?

HON. MRS. DUNCAN: — We are still exploring ways, as I said, with the industry. There is a type of insurance available through some travel agents in the province, called INTRA (Independent Travel Retailers Association), which insure against this type of losses. And it's, from what I understand, a voluntary thing that an individual travel agent can bring into his or her own firm. We haven't looked at the administration costs of it because we are still hopeful that a national plan will be instituted.

MR. ENGEL: — Your colleagues are the ones that are in office in Ottawa now, and I think as ministers of consumer's affairs across the province you should be promoting that.

But my point I'm trying to make, Madam Minister, is that seeing the losses provincially, looking at the amount of people that travel in the province, seeing that the losses that are suffered provincially are so small, I think it's mandatory — it demands of you to accept the loss that's there because individually, like you say, the people would like to have a little more from you as Minister of Consumer Affairs than you good wishes and your sympathy. They need a little more than that.

And Madam Minister, I had a function in my riding this afternoon, so I stopped in my office this morning, and three people that suffered loss came to my office, unsolicited; I didn't know they were coming. They came there to see me. And one or two raised the concern and brought files along on this very issue, not realizing that this was going to be discussed tonight, and brought me photocopies of correspondence they had, both from the police and from Scenic Tours. And I think you should know, you should know, Madam Minister, what's going on and how tough it has been on these people.

Let me read a letter to you that's dated October 2nd. And it names constituents of mine that had purchased a tour package and the owner of International Scenic Tours — I believe his last name is Dusyk — D-U-S-Y-K. — Gordon Dusyk writes:

We refer you to our letter sent recently, a copy of which is enclosed, in which we, as owners of International Scenic Tours, indicated that we would be repaying your money personally.

And that letter he wrote earlier said:

Due to some managerial mistakes and pressures from some past creditors, International Scenic Tours finds itself in a difficult position. By a mistake (he writes this now — Gordon Dusyk) by a mistake, funds from the trust account were used to repay some of the creditors a portion of the amount we owed.

We then experienced problems with our sales department who eventually transferred to another tour company. Our sales suddenly dropped, and our potential to fill tours in the remaining months this year became very slim. Due to the above problems, we have had to cancel the tour you were booked on.

A refund was to come from Consumer and Commercial Affairs since we had a direct sellers' bond. However, we find that through a miscommunication between International Scenic Tours and Consumer and Commercial Affairs, we did not obtain

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a direct sellers' licence. This makes the bond we have worthless.

We do recognize this as our error and do not wish to take the money and run from you since you were so kind as to trust us.

And then he writes and says:

In this letter we were referring to funds which were left on deposit with our corporation to be applied towards the price of the tours on which you were booked.

Please be advised that it is not our intention by forwarding the letter to make a binding offer to repay moneys owing to you in our personal capacity. As things stand right now, we cannot afford to repay any moneys owing to you.

And I'm reading this into the record, Madam Minister, for one little reason, and that is a copy of a letter I had that is addressed to these same people, and I can give you these letters personally afterwards. I don't want to draw the constituents, the senior citizens from my riding, into this.

But it's written from the officer in charge, commercial crime section, F Division, Bag Service 2500, Regina, Saskatchewan.

Dear Mr. And Mrs So-and-So:

Re: International Scenic Tours: Please be advised that an investigation was conducted into complaints of theft by International Scenic Tours. The results of our investigation were presented to the special prosecutions unit of Saskatchewan Justice department. (The Attorney General's department, eh? Saskatchewan Justice department.) We have now been advised by the Saskatchewan justice department that they do not feel a criminal offence has been committed, and that loss of the deposits is a debtor-credit relationship or (and he puts in brackets) (civil action).

And another sentence goes on to say:

As a result of this interpretation we will not be proceeding with charges, and will be concluding our file.

Madam Minister, in the admission, in the admission of Gordon Dusyk himself, he said that by mistake funds from the trust account were used to repay some of the creditors a portion of the amount owed. "We then experienced problems from our sales department who eventually transferred to another company."

Does this story sound familiar to you, Madam Minister? Does this sound a little bit like Pioneer Trust story? Does this sound like . . . This Gordon and Will are brothers, almost.

You know, Madam Minister, this . . . When I look at the constituents, when I look at the people from Assiniboia, when I look at the people from Assiniboia alone that were involved in this transaction, it's kind of a sad story. Now I can tell you there's 10 people right from the town of Assiniboia that suffered this severe loss.

And these people think that if you, in your wisdom as a government, decided to refund depositors that had taken a risk, that bought shares and deposits over \$60,000 with their eyes wide open . . . They knew that those deposits weren't guaranteed. They bought those deposits and lost. And you repaid them. Great.

Here are some people that, in your own admission, have saved up for a long long time and decided to go on a bus tour and see their own country, Canada, this beautiful country of ours. They were going to have a look. This was the Maritimes tour, in fact.

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And they saved hard and long — and it took hard-earned money — and paid their \$450 on deposit. And then, just weeks before they were supposed to leave, just weeks before they were supposed to leave, they give the other \$4,050 in good faith, knowing that they're going to go on this tour.

Days later — days later they get this kind of letter saying that it's all over folks. Sorry about it. And we'll be making a refund. We'll be giving your money back.

They didn't get their money back. They then got a letter that said the first letter we wrote you, don't take that into account. That letter doesn't count for anything. That sounds a little bit like our wise Minister of Finance's letter. He wrote a letter, too. And he withdrew that letter, too. This letter was withdrawn as well.

The only difference between this operation and Pioneer Trust is that you're affecting people that didn't buy with the idea that they were taking a risk. They bought in good faith. They bought in good faith, Madam Minister. And I think you have a responsibility.

If you don't want to spend money administering a program that's going to bring these people to heel and that's going to put their money into trust in a secure fashion and police that trust similar to what I would do if I have to put money in trust when I'm buying something with a law firm — and they put that money in trust — and I have some confidence that that money's secure. And that lawyer isn't going to bugger off with my money. I have some insurance there. I have some insurance there. I have some insurance there.

But here you have legislation in place. Here you have legislation that doesn't cover up, that doesn't cover the tour companies that can go out and collect from 10 people in Assiniboia, \$4,500 a couple, and they're gone. And these people are out their money.

And I think, Madam Minister, if you felt obligated to the people of Pioneer Trust, how come you're not obligated to these senior citizens? It's less than \$50,000 for the province; that's peanuts. That's less than 10 seconds of interest that it's going to cost us on what the Minister of Finance paid to the people that have more than \$60,000 in deposit in Pioneer Trust.

And I think you owe these people, I think you owe these people some money. And I think tonight, Madam Minister, you should stand up in this House and put your money where your mouth is. Sure you feel sorry for these people; sure you sympathize with them. But show them you mean it; show you mean it. Put up or shut up is the statement I'd make, Madam Minister. I think it's time you put up. And I'd like some comments on this.

HON. MRS. DUNCAN: — Okay, I can indicate to the member that a travel agent is not considered as a direct seller, therefore do not fall under the parameters of a direct seller; therefore, they do not need a bond.

They were licensed to do business in the province of Saskatchewan. The total loss to the 18 consumers was \$31,000. The letter that you read that was received by the consumers from that particular company contained totally inaccurate and misleading information.

It might be of an interest. I mean, you were saying why didn't you do something before this happened? Well I would like to inform the member that that particular company was licensed to do business in the province of Saskatchewan in 1981 — 1981, before we came into power.

Now if you show this type of concern, why didn't you show that concern in 1981 and put in all the things that you are yapping about right now? They were licensed in 1981. Scenic International Tours have been licensed in this province since 1981, and they were good corporate citizens. And it would appear that there must have been a degree of mismanagement along the way which forced this company into severe problems.

And I can state that probably legislation wasn't brought into place because this has never been a problem in Saskatchewan. And a lot of laws — you don't bring in a myriad of laws in anticipation of a lot of problems. Unfortunately, that's the way the system works. We do not have the authority within the department to compensate consumers who suffer financial losses because of business collapse.

(21:30)

Are you listening? Are you still thinking about all those licence plates that were around the arena in Assiniboia last night?

We do not have the authority within the department to compensate consumers who suffer financial loss because of a business collapse. We don't have that authority in my department.

What we did do, and what we do, and what we have been doing, is warning people — in particular seniors — to deal with a reputable merchant, a reputable business person, a reputable travel agent. If you are asked for huge amounts of money up front, be wary; phone someone. Phone the department. This is part of the *Senior Consumer — Protect Yourself* package, and I think it takes a certain amount of educational awareness.

It is interesting that when Scenic Tours went down, we really started to get this type of information out, and many of the weeklies were kind enough to carry these warnings that were put out by the department. And then the very same type of a scam came up and we had more seniors taking part, and certainly seniors are a target group for unscrupulous people. That's unfortunate, but I feel that within the department the best thing we can do is provide seniors with the skills, the consumer skills and the consumer knowledge to make wise decisions.

MR. ENGEL: — Madam Minister, you never answered the question. I asked you point-blank: why don't you put your money where your mouth is? I said, either put up or shut up — are the words I used, and I'll repeat them.

Madam Minister, you were prepared to put up — you were prepared to put up when people had invested beyond \$60,000. They knew there was a risk involved, and when they lost to a company that was operating in Saskatchewan before you were the government, to a company that was operating the same way Scenic Tours was . . . Pioneer Trust was there before you were elected, and so was Scenic Tours, one year.

And my question was, simply put: why not reimburse the citizens of Saskatchewan that lost because this company went under? This company went under, as far as I'm concerned it was a reputable firm. I don't think it was the kind of an operation like you . . . You're slandering them to be as though they were intentionally corrupt. You suggested that they were intentionally corrupt. Madam Minister, I don't think that's right.

AN HON. MEMBER: — I never said that.

MR. ENGEL: — Yes, you did, Madam Minister we can check the record, and you said that these fly-by-night operators that fleece senior citizens. This isn't the case. These people paid out, on May 29th, \$450 deposit for two people. Is \$225 too much for a \$2,300 tour package? I don't think it was too big a deposit. And then in October, then in October just prior to — a little earlier than that, pardon me. In July, just prior to them leaving on their tour, they paid \$4,000, \$4,050 for two people. And I don't think that's excessive payment. They did it in good faith, the same way as somebody deposited in Pioneer Trust.

In Pioneer Trust you decided to put up 24 million bucks, or 28 million, or 29 or whatever it was. Here we are saying \$31,000, and you haven't got the grace, because it's only \$31,000, to give

these people their money. I think it's more than \$31,000. I think it's more than 31, in case some people got a lot better deal than the people from Assiniboia did. But in this particular issue it was about 2,000. It was 4,500 bucks a couple, and 10 couples from Assiniboia alone, Madam Minister, have lost their money.

And tell me why you won't reimburse these people. They are operating in Saskatchewan like Pioneer Trust was; you had no responsibility to reimburse the people that were depositors over . . . You had no legislation in place to reimburse depositors over \$60,000. They bought that deposit knowing they weren't going to be secure. And yet you decided to reimburse those that lost it.

These people bought something that they thought was a good deposit. They bought a tour package that they thought, from a company that's been operating since 1981, was a good company. They lost their money. Why can't you reimburse them?

HON. MRS. DUNCAN: — I indicated to the member before, we do not have the authority within the Department of Consumer and Commercial Affairs to reimburse consumers who have suffered financial loss due to a business collapse. We don't have that.

And I don't think our rules can be expected to compensate consumers for every business that goes down. We had several businesses go down in Regina recently where consumers had deposits for goods on the books. Unfortunately, a consumer usually is the last one down the list.

And I could also say that it's usually not the consumer that gets stung in a situation such as that . . . (inaudible interjection) . . . It's usually the creditors . . . (inaudible interjection) . . . It's usually the suppliers . . . (inaudible interjection) . . . It's usually the suppliers who are also small business men.

MR. ENGEL: — Madam Minister, did you take this to cabinet on behalf of the consumers and say that it's not a very big amount? It's so much like Pioneer Trust I think we'd better reimburse those people. Well, did you even make that request to your colleagues to try and get as good a coverage as the Minister of Finance did? Did you not suggest to your colleagues that as a government you should reimburse these senior citizens? Don't you think that that was just as meaningful to these senior citizens as those people that deposited unsecure deposits, and they got their. . .

When you set a precedent like that, how do you justify people that make cash deposits and lose them? How do you justify reimbursing them for your friends who are the presidents of your party and not reimburse people that are the ordinary citizens? How can you justify your government reimbursing people that lose money because . . . Does the president have to . . . Does the owner of the company or the head of the company have to be the president of the Conservative Party to get a reimbursement for his people? Or what are the ground rules? Why make . . . (inaudible interjection) . . . Why make a reimbursement to somebody that is depositing something that's not secure? An unsecured depositor with \$60,000 or more that wasn't secured. He knew he wasn't secured. You paid him. But here's somebody that you're coming in —Do you think that's fair, when you set a precedent? . . . (inaudible interjection) . . .

HON. MRS. DUNCAN: — I kept my cabinet colleagues apprised of the situation. No, I did not ask, or I did not propose to cabinet that we reimburse these seniors. At that time it was still under investigation, and there was some hope that they would be able to get their refunds that way.

As I indicated to the member, the letters that the people got from the particular company contained very inaccurate and misleading information, and those consumers do have the option of civil action through the small claims court.

MR. ENGEL: — Mr. Chairman, the last remarks were not on the record. I'm sorry, I didn't hear that last sentence.

HON. MRS. DUNCAN: — Those particular consumers who lost money as a result of the collapse of this particular travel agency, or travel wholesaler, would have recourse, or may have recourse, through small claims court.

MR. ENGEL: — Would you consider, seeing you didn't even take it — I'm really impressed with the Minister of Consumer Affairs, and I thought that you would care about senior citizens that lost money. I thought you'd care about it.

But seeing you don't care about the fairness of that aspect and didn't request in your cabinet, would you consider a co-claim and pay the legal fees for these people, or do you think personally that there's reason for them to go to small claims court? Do you think that this person and the people that were involved and own Scenic Tours, do you think there is sufficient funds, or do they have backing and support there too?

If they lose the case, do you think there's sufficient money there, or funds available, that senior citizens — the claimants — could get reimbursement for the money they pay out? Do you think there's a chance, and would you go co-counsel with them and pay their legal fees, at least?

HON. MRS. DUNCAN: — I can say to the member that I do care about senior citizens, and I do care what happens to them. And you don't have a monopoly on caring just because you happen to be a New Democrat. This party has shown day after day the type of feelings we have towards seniors and people of this province, and we've brought in a lot of programs to help seniors. We were the ones that doubled their supplement. You guys never did a darn thing for them in 11 years. So don't tell me we don't care about seniors, because we do. And I think it's very evident with the initiatives that have been shown by my department, and the people in this department, exactly what we do care about seniors.

We have had more programs directed to seniors in this last year than you did in four or five or six years. And they are working. No, I will not pay. I will not pay, hon. member. I will not pay the legal fees for these seniors to go to small claims court to recover their money. Because you do not need, nor require, legal counsel when an individual appears in small claims court, and I'm surprised you don't know that.

MR. ENGEL: — Well, you'd be surprised. What about the second half of the question?

HON. MRS. DUNCAN: — Why aren't we paying the legal fees? Or would I pay the legal fees? . . . (inaudible interjection) . . . I don't know. I don't know if there's something there, whether there is or not. And we have no way of knowing.

You know, we have no way of going into a bank and checking an individual's bank account. We have no way of going into a business and checking the financial viability of that particular business. We have no way of going in and saying, well, you're not a good manager; we're going to cancel your licence; you're not a good manager, we're going to cancel your licence. We can't do that.

And with the number of businesses that are registered to do business in the province, I think that's a rather ludicrous suggestion.

MR. ENGEL: — Madam Minister, in the words of the president of the company, he said, by mistake funds from the trust account were used to repay some of the creditors, a portion of the amount we owed them. We then experienced problems with our sales department, and these people that likely transferred and went to this other company, Unique Travel.

And then Unique Travel, Unique Travel, Madam Minister, went defunct on October the 19th, and he wrote this letter on October the 2nd, after my friends contacted both your department

and the Premier's office.

The Premier said he's going to do something about it, and two weeks later Unique Travel went under, and the people from Radville area that I'm not familiar with — I don't know how many lost money because they didn't bring their things to me. But I understand that 19 days later the second company went defunct after you said you were going to do something about the first one.

And I think you were very negligent in your department, and if you're standing up in this House and want to convince me and the seniors that bought these travel things that you have no responsibility on their behalf, as Minister of Consumer Affairs you have no responsibility on their behalf — you don't demand of them any kind of security — they can put money into a trust account and use it to pay off their creditors or somebody else, possibly even set up another company, for all I know. And then, and then these people are supposed to be on their own. And these senior citizens are supposed to find their own way.

Consumer beware, under a Conservative government. You be responsible, you're telling the consumer. You better read up and study. You get your own gun. You fight your own battle. I'm not going to do it for you. That's what you're telling these people.

You're going back to the wars of the jungle where the fittest can make it, and, if they can get away with it, good luck to them because the Department of Consumer Affairs is going to talk on your behalf. They're going to feel sorry for you if you lost something.

(21:45)

But repay them? Unless you're a millionaire, unless you got big deposits, forget it. Forget it, because you're on your own. That's what the message I can take back to my consumers. Thanks a lot.

HON. MRS. DUNCAN: — We do not take the stance, "consumer beware." Obviously you did, because when you people were in power you did nothing in this area. You did nothing in this area to take preventative steps. You say we do nothing. If you had been in the House when I had my opening remarks and went through . . . (inaudible interjection) . . . Well you weren't listening, you weren't listening. As usual, you weren't listening . . . (inaudible interjection) . . . As usual, you weren't listening.

We have put out more informational items on very specific . . . (inaudible interjection) . . . You know you're the rudest, by far, you are the rudest person I have ever met in my life. And Hubert Humphrey once said: when people lose manners, it's the beginning of the decline of civilization. And obviously you're a good example.

We put out, as I said, a senior package. We have consumer product information in every regional library in the province. It's updated on a monthly basis.

We put out *A Business Guide to Consumers*, *Investor Alert*, *Consumer and Small Claims Court*, *The Consumer Times*, *The Marketplace*, *Decisions, Decisions, Decisions* — it's a handy publication that teaches people how to make effective decisions — and I could go on.

I could send you, and I will undertake to send you a copy of all our publications. And they are useful, and they are in demand. We are into the second printing of *The Senior Consumer — Protect Yourself*, the second printing. We've already distributed 7,300 copies, and we are into our second printing.

So don't say we don't care, because we do care. But what it takes is an informed public, an informed public, consumers that are conscious of how to make good decisions. And as I said,

that's a lifelong skill. And we are concerned about seniors, because seniors are a particular target group. They are, they are a particular target group.

As I said, we have had millions of trips originate in this province, internationally, nationally. And I recognize it's scant . . .

AN HON. MEMBER: — Comfort.

HON. MRS. DUNCAN: — . . . comfort — thank you, Mr. Yew of the opposition — scant comfort for those seniors that did lose, did have financial losses. But 18 consumers in millions of travels . . . And as I said, we have ongoing discussions with the industry, nationally and provincially, in the hopes of getting a compensation fund in place nationally that will compensate travellers in these cases . . . (inaudible interjection) . . . And you say we didn't do anything. When we were made aware of it, there were problems with Unique. And we have no way of knowing that a business is in trouble, or acting unethically, unless a particular individual consumer contacts our department.

We don't have staff that can go around on a daily basis and check every business in the province, and I don't think the member would expect us to. But when we received our first inquiry and concern concerning Unique, we went in and we ordered them to cease until they had additional capital in place to shore up their business. And they did. They did stop selling on that order.

The police ultimately investigated the situation and the results, unfortunately, did not warrant further charges being laid because of criminal activity, and, as I say, if those particular consumers wish to go through the route of small claims court, that option is open to them.

HON. MR. BLAKENEY: — Madam Minister I want to just touch on this matter that my colleague from Assiniboia-Gravelbourg has been talking about. And I don't quarrel with you when you say that governments, particularly in small provinces, shouldn't necessarily have regulatory and registration systems for everything and anything. And we didn't have one for travel services and you don't have one for travel service. And if we had one, it would probably cost 25 or \$50,000 a year to operate it.

And all I am saying is: since we are saving 25 or \$50,000 a year by not having it, since it has proved to be a wise decision in the sense that there were no losses for a good number of years, and since now some losses have occurred in 1984, it doesn't seem unreasonable to take a small part of the savings that have been achieved by not having a bureaucrat set up and looking after the losses. And it wouldn't take more than one or two years of the costs of the bureaucracy to pay off the losses, and that seems to me to be a not unreasonable position.

Obviously, we could have done what some other provinces did. We could have set up a registration system, bonding, and all the rest of it, and then these people wouldn't have lost the money. And we could have spent 50,000 a year to save losses of \$50,000 every 20 years. But that doesn't make much sense.

And I don't quarrel with you not setting it up, but when some losses occur, then it seems to me not unreasonable for the Crown to pick them up. As soon as the losses begin to get too big, then, obviously, you will want to set up some licensing and bonding system. And I think that's not an unreasonable position that my colleague takes, that as I say — if they'd been in some other province, they would have got paid because of the licensing and bonding system.

We didn't have a licensing and bonding system, and none was put in because it was felt to be uneconomic. Well it's just a question of who should bear the burden of it being uneconomic, and I think, by and large, the Crown got the benefits by not having the apparatus and not paying for it. Now it seems to me the Crown should pay the loss, and it seems to me not unreasonable what my colleague is suggesting.

HON. MRS. DUNCAN: — Okay. I can only state that . . . You talk about bonding. Well bonding would not ensure that a company is run well the same way licensing a company is no guarantee that that company may, or may not, suffer financial hardship.

Bonding — simple bonding — will not help a traveller that is stranded in London or Ottawa or Honolulu. I think the hon. Leader of the Opposition knows full well that it takes two years to recover or to be paid out of a bond once it's seized.

As I said, we are having ongoing discussions with the industry, because I feel and the industry feels very strongly that a compensation fund must be fair, must not penalize the good operators, but must provide protection to the consumer. And we are hopeful that this will come about, and these decisions are ongoing as I indicated earlier.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I wonder if you have considered a small first step which hasn't yet been taken but I think might be considered. And that would be legislation providing that when travel agencies operate and take money from the public that they must put 90 per cent of it, or such figure, in trust. Now it's a small step forward, because if they don't do it, I admit, what are you going to do? Except that if they are required by statute to put it in trust and they divert it from trust, that may well be a criminal offence, and the fear of criminal prosecution may cause them to be careful in that regard.

That can operate without licensing, bonding, or compensation fund. It will operate inadequately. I'm not suggesting it's a solution. I'm suggesting that it's something that one might consider. That's the sort of thing that people have with respect to mechanics' liens and the like, as we're aware. I'm not putting it forward as a solution. I'm putting it forward as something that you might consider as a — I was going to say a half-way house, a quarter-way house because it does give another inducement for the tour operator to have his money in trust until a given time. And there are many, many examples of that in legislation. The cemetery legislation has similar provisions and a good number of other Acts have them as well.

HON. MRS. DUNCAN: — I can indicate to the Hon. Leader of the Opposition, the problem right across Canada appears not to be with the individual travel agent that might be located in Saskatoon or Regina, it's at the wholesale level. And though we would certainly appreciate your suggestion, it may not work, because we probably don't have any jurisdiction on the wholesaler that might be registered to do business in British Columbia.

I know that the recent collapse of a very major wholesaler in British Columbia literally stunned the whole industry. The travel agent, individual travel agent, themselves had no indication that that firm that they had been dealing with for quite a number of years was in financial difficulty. And therein lies the problem.

HON. MR. BLAKENEY: — Thank you, Madam Minister. I change the subject now and ask a number of questions which by now will be familiar to the minister, if she's been here for other estimates. Can you give us an indication of the names of your personal staff, and any salary increases which may have been accorded to them in the last 15 months? Let us put it that way, since March 31st, 1984 as an example.

HON. MRS. DUNCAN: — Yes I can. And while I'm giving that information, Mr. Chairman, I also would like to indicate the abilities of the people that I have working in my office and the wealth of information that they bring.

I have working in my office as my special assistant, Mr. Don Baron; his salary is \$53,000 per annum. He has had no increase since starting to work for me in December 1, 1983.

Mr. Baron is a graduate of the University of Guelph and has a bachelor of science in agrology in

1949. From '49-52 he was the livestock editor for a farmers magazine in Toronto. From 1952 to '54 he was assistant editor of the *Country Guide* in Winnipeg. From '54 to '55 he was the *Country Guide* field editor stationed in Calgary. From 1955 to '63 he was the eastern field director for *Country Guide* in Oakville, Ontario. From 1963 to 1974 he was the senior editor of *Country Guide* in Winnipeg. From 1974 to 1979 he was the area director of the Palliser Wheat Growers Association. And I was pleased to be able to hire him on, as I indicated, on December 1st of 1983.

My Ministerial D assistant, my senior secretary, is Mrs. Lillian Gorrie. Mrs. Gorrie started January 1, 1983 at a salary of \$2,219 per month. Presently, as of August, she had an increment on August the 2nd, 1983. Her present salary is \$2,445.

(22:00)

In the two and a half years that she has been working for me, she has received a \$226 per month increase. Mrs. Gorrie started her career with veteran affairs, welfare and services unemployment insurance commission. As a steno from '69 to '79 she was a steno with Public Works Canada in Regina. From '75 to '79 she was a secretary at John the Baptist RC Church in Estevan. From '79 to '82 she was a secretary in the Department of Industry, Trade and Commerce, federally, in Regina. In 1982 she was promoted to office manager in Industry, Trade, Commerce, Regina; and from January 1 to July '83, of course, she was my secretary when I was minister of Revenue, Supply and Services, and is still with me in that capacity.

I also have Jo-Ann Whitmarsh on my clerical staff. Jo-Ann began July the 25, 1983, at \$1,743. She had an increment in November of 1984, and an increment on March 19, 1985. Her present salary is \$1,874, giving her a \$131 increase in the two years that she has been in my office. And Jo-Ann has been in the work force since 1981.

But I will send this over. I want us to get that on the record, by the way.

HON. MR. BLAKENEY: — There's Larry Birkbeck — he'll make a good page. That's not on the record.

I'll withdraw the comment. I'm not using the name of the hon. member.

Mr. Chairman, and Madam Minister, I don't know whether you have a copy of what you sent to me. If you have, would you refer to page 47, dealing with Lillian Gorrie, I believe. She began at \$2,219 per month; and she received two increments or one?

HON. MRS. DUNCAN: — Her increment occurred on August 2 of 1983, and since that time she has not had an increment because she's at the top range of that classification.

HON. MR. BLAKENEY: — With respect to Jo-Ann Whitmarsh, she has had two increments. With respect to ministerial assistant C's, is there a regular scale of increments, or are they discretionary, or how do they work?

HON. MRS. DUNCAN: — They're regular increments in a definite scale.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, do you have any other personal staff than the three who are here?

HON. MRS. DUNCAN: — Not with the department, no.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, do you have any other personal staff who are with some other agency for which you may be responsible?

HON. MRS. DUNCAN: — Yes, I do. I have a person on staff dealing with Sask Minerals, and that'll come up Wednesday when Sask Minerals appears at Crown corporations.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, would you tell us what lawyers may have been employed by the department, let us say, in the last year?

HON. MRS. DUNCAN: — In 1984-85, we had no call to use a law firm.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, could you indicate whether or not advertising firms were used by the department during the year, and if so, what advertising firms?

HON. MRS. DUNCAN: — Hon. member, we used three advertising firms: Dome Advertising; Brown and Associates, here in Regina; and Beauchesne Storla, also in Regina.

HON. MR. BLAKENEY: — Could you indicate approximately how much was spent with each of the agencies?

HON. MRS. DUNCAN: — I'll just send this information over to you. It lists the publications that were done with each individual firm.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, can you indicate whether travel agencies were used by the department during the year, and if so, which ones?

HON. MRS. DUNCAN: — We didn't use a travel agency, Hon. Leader of the Opposition. Our department travel was booked through Air Canada, Air Canada exclusively.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, could you indicate what out-of-province trips were taken by you or by senior departmental staff?

HON. MRS. DUNCAN: — Okay. With regards to senior staff, Mr. Baron travelled to Ottawa in October to attend a strategic planning forum; Don Cheney travelled to Ottawa on a food price study; Mrs. Cherneskey from the Saskatoon office attended the rentalsman conference in Halifax; Mr. Copeland went to Regina, Calgary, Edmonton, also on a data processing and analysis contract. Myself, I attended a strategic planning forum in Ottawa in October; I attended the ministers' conference in Halifax in September; I also went to Ottawa in February to meet with the new Minister of Consumer and Corporate Affairs federally. It was another ministers' conference.

Mr. Flory went to Toronto in August to attend the Canadian Conference of Corporate Law Administrators. Terry Ford went to Toronto in November for a securities course. He's with the securities commission. Lawrence Hartt attended a film classifiers and regulators conference in Toronto in September. Mr. D. A. Higgs attended a superintendent of insurance conference in Ottawa in November, '84, and also went to Ottawa in February; Charlottetown, June 18th, for a trust administrators' meeting; and back to Toronto — oh, that was in '82.

W.G. Johnson went to Calgary in December of 1984 to meet with the financial services industry, and he also attended the securities law conference in Banff, the securities industry inquiry in Toronto — and that had to do with the study that Ontario was doing. He went to Halifax for a CSA meeting, to Jasper for an IDA meeting, and to Montreal to a CSA meeting.

Mr. Kessler, the deputy, attended a meeting in Ottawa in February of '85, meeting with Consumer and Corporate Affairs concerning the Combines Investigation Act and the proposed amendments to that Act. He also attended a deputy ministers' conference in Toronto in December. He attended with me to Halifax for the ministers' conference. And there was also another deputies' conference in Edmonton in June of '84.

Mr. Lawton, who was an interim deputy or acting deputy, went to Toronto to a deputy ministers' meeting. Mr. MacGillivray, the present superintendent of insurance, attended a conference in Vancouver to do with the department, and also went to Winnipeg in June of '84 to a meeting of superintendents of insurance and the Manitoba Consumer Affairs to discuss general operations and policies.

Mr. Madill attended the rentalsman conference in Winnipeg. Ron McCann also attended that same conference; he's with the rentalsman. Cheryl Mogg travelled to Montreal for a speaking engagement. Mr. Page attended the insurance securities conference in Toronto in May of '84; Arleen Smale of the Saskatoon office met with Alberta Consumer and Corporate Affairs in Edmonton in October of '84; Mr. Stuewe of the planning and policy section attending the meeting with the deputy minister in Ottawa to discuss the Combines Investigation Act and attended a course on public participation in Edmonton on November of '84; Mr. Stuewe also went to Halifax to the ministers' meeting in September and made a trip to Edmonton . . . (inaudible interjection) . . . I have such good people, member from Shaunavon.

HON. MR. BLAKENEY: — I must say then, Madam Minister, you must have good people if you can operate the department when approximately half the staff would appear to be in the air, at any given time. But can you perhaps tell me what a strategic planning conference is?

HON. MRS. DUNCAN: — It had to do with the transition of the change in government in Ottawa, and how it would impact on the federal provincial matters, and what the new thrust may or may not be, and just the general sight of a new government coming into office. If the member cares, I could send him a copy of the proceedings. It was an extremely interesting conference.

(22:15)

HON. MR. BLAKENEY: — Well I think I would be interested in at least some idea of what happens at a strategic planning conference. It sounds very military.

I noted that you say that you book your air travel directly through Air Canada. You will no doubt have been glad to note that Air Canada has a new director, you are no doubt glad to note that Air Canada has a new director . . . (inaudible interjection) . . . Well this one is one by the name of Ken Waschuk, and I don't know whether that name has any familiar ring to you. He's often described as a senior organizer for the Progressive Conservative Party in Saskatchewan, and he is evidently the operator of a small business called . . . (inaudible interjection) . . . Yes, Tanka Resources Group, I believe is the name of the small business that he . . . And I already noted he was on the board of Air Canada, and he, among his other accomplishments during the year, appeared to be to carry on, in the year '83-84 anyway, some services or duties for the Department of Consumer Affairs.

And I wondered whether you could tell me what valuable services Mr. Waschuk, or Tanka Resources Group Inc., performed in between times from when he had time to spare from organizing for the Progressive Conservative Party or as he now is serving on the board of Air Canada.

Asking what Tanka Resources group did for the \$34,500 you paid them in 1983-84, as shown in the *Public Accounts*.

HON. MRS. DUNCAN: — It was a consumer survey.

Some of the question asked were general thoughts on food prices, general thoughts on film classification, video classification, video classification, pornography. It was just like, what concerns you the most as a consumer. And I think some of the legislation that we brought in this year reflects the feelings of

the public.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, was there anything particularly confidential about the work Mr. Waschuk and Tanka Resources Group Inc. did for the \$34,500?

HON. MRS. DUNCAN: — I can assure the member that there were no political questions asked on that particular survey, if that's what you're asking. And, yes, it is a confidential department document.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, you asked about it, I take it, asked about pornography, and I heard something about the taxation of pornography in that non-political document read by the Minister of Finance on April 10th. And I take it that that would not be thought to be political, but others may take another view on that, you know, and think that there may be a little bit of politics in a budget speech.

And what other non-political subjects did he cover that — and perhaps you might refer to the particular pages of the budget speech where the polling was reflected in the non-political comments of the minister?

HON. MRS. DUNCAN: — It was not reflected in the budget at all. It was purely an internal information-seeking survey for department use only in the directions that we would like to take the department.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

Item 8

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I might have asked this under Item 6, but I ask it under 8, as well. The Rentalsman and the Rent Appeal Commission — has there been any changes in the program of rent review during the last year?

HON. MRS. DUNCAN: — No, there hasn't. The program that was announced in December of '83 is in place today and working very well.

Item 8 agreed to.

Item 9 agreed to.

Item 10

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, can you tell me who is serving as the chairman or acting chairman of the securities commission at the moment?

HON. MRS. DUNCAN: — Mr. Serge Kujawa of the Department of Justice, who has been a long-time member of the commission, is the acting chairman. Mr. Al Wagar is the acting vice-chairman, and Herbert Dow is a member.

HON. MR. BLAKENEY: — Mr. Wagar — have I heard that name before?

AN HON. MEMBER: — They keep cropping up in the strangest places. What a network.

AN HON. MEMBER: — Coincidence.

HON. MR. BLAKENEY: — Yes, coincidence. Mr. Al Wagar, former Progressive Conservative

candidate in the constituency of Regina South East or Wascana — I forget what it was called then, but it's the one substantially represented by our colleague from Regina Wascana at this time.

With respect to the relatively rapid turnover of persons in the securities commission: Madam Minister, I think we know why Mr. Ken Stevenson was dismissed. That was stated in the paper with some succinctness, and I will read a portion of it:

The shock of the year was the firing in November (and this is November of '84) of Ken Stevenson as chairman of the Saskatchewan Securities Commission (that's November '83, I'm sorry). Stevenson was rigid on rules which many of the established players in the industry respected and even like, but Consumer and Commercial Affairs Minister Joan Duncan did not like his style. When there were complaints that Stevenson was following the rules too closely on requests by some speculative companies to float some secondary issues in the province, Duncan swooped, all of which really pointed up the need for a new securities Act and especially provisions to facilitate more high risk investments. Perhaps it will come this year.

And that is the . . . I ask the minister whether that is an accurate statement of why Mr. Stevenson is gone, and then I will deal with the next one or two who we have had since then.

HON. MRS. DUNCAN: — I won't comment on a newspaper article that's purely speculative. Obviously, Mr. Stevenson's employment was terminated on Wednesday, November, 1983.

A settlement, agreeable to all parties was accomplished, and all I can say is that if Mr. Stevenson felt he had been aggrieved, he had other options that he could have pursued. The termination of employment was agreeable on both sides, and Mr. Stevenson did not pursue the matter.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, did Mr. Stevenson's departure have anything to do with your view of the manner in which he was discharged his duties?

HON. MRS. DUNCAN: — Not particularly. As I indicated at that time, Mr. Stevenson is respected across Canada as an expert in the securities law. And I said at the time, I wanted a user's perspective on the new Act that we were working on, and I just do not care to comment on Mr. Stevenson's dismissal other than to say it was amicable solution, a settlement was arrived at. Subsequent to that, Mr. Gord Kuski came in to the acting chairman.

A new Act is in place that enhances investor protection. And at no time has the protection of public moneys been jeopardized.

HON. MR. BLAKENEY: — Well, Mr. Chairman, and Madam Minister, I won't pursue the matter. I thank you for saying what you have said. You have said flatly that Mr. Stevenson was dismissed. And that settles that, and avoids any circumlocutions about whether he left to pursue other alternatives or the like. He was dismissed; he was dismissed presumably by the minister because that's the only way he could get dismissed, and he was dismissed.

Now Mr. Kuski came in. And how long did Mr. Kuski last in that post?

HON. MRS. DUNCAN: — Mr. Kuski was never brought in, hon. member, with the intention of making him a permanent head of the securities commission. He was acting chairman until Mr. Johnson moved over to that position. I think Mr. Kuski was there three months — approximately three months.

HON. MR. BLAKENEY: — So Mr. Kuski was there about three months, and then Mr. Johnson

would have come in in about February or March of 1984. Would you confirm the month in which Mr. Johnson left?

HON. MRS. DUNCAN: — Mr. Johnson assumed the position of chairman of the securities commission in February of 1984, and left us and the province in the end of April of this year to assume the position of president of SAIT in Calgary.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, could you explain why Mr. Johnson left the post of chairman of the Saskatchewan Securities Commission?

HON. MRS. DUNCAN: — Well, I hate to admit it to the hon. Leader of the Opposition, but there was a substantial difference in the amount of pay paid by the securities commission to the chairman of the securities commission and the salary that was offered to him by the Southern Alberta Institute of Technology.

HON. MR. BLAKENEY: — So Mr. Johnson stayed as chairman of the securities commission for 14 months or thereabout, and Mr. Kujawa is now acting as the chairman of the securities commission . . . (inaudible interjection) . . . Yes, I'm aware that Mr. Kujawa is not spending all of his time with the securities commission. I hear from time to time that he is taking part in proceedings in courts, and I'm sure that he is performing other duties. Is there any prospect in sight of some other — the next person who is likely to assume the post of chairman of the Saskatchewan Securities Commission?

HON. MRS. DUNCAN: — We're in the process of advertising nationally. There was one comment I wanted to make a comment on; I can't remember; it's escaped me right now.

Oh, I might indicate to the hon. member that not only was Mr. Johnson approached on being the principal or president or SAIT (Southern Alberta Institute of Technology), he was also offered jobs by some rather prestigious law firms in Saskatoon and Regina — one in Saskatoon you might know.

(22:30)

HON. MR. BLAKENEY: — I'm not able to comment on that — not here anyway. When is it thought that applications will be received and an appointment be made; approximately when?

HON. MRS. DUNCAN: — Some are coming in already. We hope to have someone in place by July.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I ask consent to revert to number 8 to ask a question on rent control. I have noticed that some time ago the government of Ontario was proposing to set up a registry to deal with increases in rents.

The story in the *Globe and Mail* indicated that Ontario is planning a registry to combat illegal rises in rents. Understanding that their system is somewhat different than ours, have you given any consideration to establishing such a registry in Saskatchewan?

HON. MRS. DUNCAN: — No, we haven't given any thought to setting up a registry at this point in time.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I am not at all sure that I am asking this question under the right subvote, and I will ask it and you will make the decision as to whether you will answer it.

I've had some comments from real estate brokers and salesmen with respect to the operation of the real estate agents Act — I think that's the name of the Act — which, as they explain it to me,

says that the amount that a real estate broker is to get for selling a house be set out in the contract, the listing contract. And they then tell me that the amount that the agent, the salesman, is to get from the broker is also to be set out and that — The Real Estate Brokers Act:

no salesman shall accept any commission or other remuneration for trading in real estate from any person except the broker . . .

And they are raising the issue of offers of tickets to Hawaii for people who sell houses. And they ask me: in the opinion of your department, can a salesman be given tickets to Hawaii to sell a house, within the way the Act operates?

Now I suspect that this has been brought to your attention, or to the attention of your staff, because — my notes here don't make it clear, but I think it was the Canada Permanent Real Estate had some offers of tickets to Hawaii. And it doesn't matter which broker, and I'm not suggesting — I'm not in any way picking out that broker. I'm sure they're thoroughly reputable.

The question that's raised with me is: does the department view this as being within the four corners of the Act or not?

HON. MRS. DUNCAN: — The deputy superintendent of insurance indicates that his branch has not been made aware of the situation you describe. However, should it be a promotional plan within a single company with their own sales people, I . . . But no, the department has not been made aware of the situation you describe.

Item 10 agreed to.

Items 11 and 12 agreed to.

Vote 4 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

CONSUMER AND COMMERCIAL AFFAIRS

Ordinary Expenditure — Vote 4

Item 1 agreed to.

Item 2

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, this \$302,000 is quite a lot for planning and policy, considering that, as a supplement for planning and policy, considering that the vote last year was only \$192,000. So you've brought in a little supplementary that is 150 per cent of what you had voted.

Could you throw a little light on why you needed — why that small overrun occurred?

HON. MRS. DUNCAN: — It was a food monitoring program set up in the department that covered most of Saskatchewan.

Item 2 agreed to.

Items 3 to 5 inclusive agreed to.

June 4, 1985

Vote 4 agreed to.

MR. CHAIRMAN: — I'd like to thank the minister and her officials.

HON. MRS. DUNCAN: — Mr. Chairman, I would really like to thank my officials for being here tonight to assist me. And I would like to also thank the members of the opposition for their questions. I do look forward to coming to estimates each year because estimates is a more comfortable forum, I think, for politicians to debate in, and I do thank you for your questions. And I would also like to thank the officials for their excellent work that was done this year.

The committee reported progress.

The Assembly adjourned at 10:40 p.m.