

The Assembly met at 2 p.m.

Prayers

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

**Eighth Report of the Standing Committee on
Communication**

Clerk Assistant: —

Mr. Speaker, as Chairman of the Standing Committee on Communication, presents the Eighth Report of the said Committee, which is as follows:

Your Committee has considered the reference of the Assembly of April 22, 1986, namely the recommendation of the Public Documents Committee under The Archives Act contained in the Retention and Disposal Schedules comprising Sessional Paper No. 112 of the Fifth Session of the Twentieth Legislature.

Your Committee recommends to the Assembly that the recommendations of the Public Documents Committee on Schedules Nos. 253, 254, 256, 257 be accepted as amended, and Schedules Nos. 252, 255, and 258 be adopted as presented to the Committee.

Your Committee has adopted the Saskatchewan Legislative Library's annual report for the 17-month period ending March 31, 1985.

Mr. Hopfner: — Thank you, Mr. Speaker. It's a pleasure for me to move, seconded by the member from The Battlefords:

That the eighth report of the Standing Committee on Communication be now concurred in.

Motion agreed to.

**Fourteenth Report of the Standing Committee on Private
Members' Bills**

Clerk Assistant: —

Ms. Zazelenchuk, from the Standing Committee on Private Members' Bills, presents the Fourteenth Report of the said Committee, which is as follows:

Your Committee has considered the following Bill and agreed to report the same without amendment:

Bill No. 93 — An Act to incorporate Holy Resurrection Orthodox Church.

Your Committee recommends, under the provision of Rule 58, that fees be remitted, less the cost of printing, with respect to Bill No. 03.

Ms. Zazelenchuk: — Thank you, Mr. Speaker. I move, seconded by the member for Quill Lakes:

That the 14th report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

INTRODUCTION OF GUESTS

Hon. Mr. Swan: — I would like to today introduce to the Assembly a grade eight class from Rosetown Division III School. There are 31 students in number. They are accompanied today by their teachers, Cheryl Harder and Ron Ford and their chaperon, Wendy Sawatsky.

These students have come a long way to visit the Legislative Assembly, and I'd like to welcome them to the Assembly. I trust that you'll find it an enjoyable afternoon and an educational one. I look forward to meeting with you following question period for an opportunity to discuss the happenings of the legislature and to answer any of your questions.

Would the members welcome the group from Rosetown.

Hon. Members: Hear, Hear!

Hon. Mr. Lane: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of the Assembly, some 21 students from the Balgonie Elementary School in Balgonie. They are grade four students; they are seated in the west gallery. They are accompanied by their teacher, Elaine Caswell, the chaperons Mrs. Haus and Mrs. Tiefenbach.

I look forward to meeting with the students about 3 o'clock this afternoon for refreshments, questions. I hope they find their stay this afternoon enjoyable and educational, and I look very much forward to meeting with them after question period.

Hon. Members: Hear, hear!

Mr. Domotor: — Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you to this Assembly, a group of grade 7 students in the Speaker's gallery, numbering 27 in total. They're accompanied by their Teacher, Bill Lazaroff, and bus driver Elva Turner.

I would particularly like to mention to the members that Watrous is on the map. Manitou Beach has been given a go-ahead to build a new pool. And for those members in the Assembly, if you wish to cleanse your souls and cleanse the wounds from the legislature this summer, I welcome you all to Manitou Beach.

I would like to welcome the students. I hope they find the afternoon enjoyable, educational, and entertaining. And I will be meeting with them at 2:30. And I wish all members here to welcome them to the Assembly.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Public Safety in Saskatchewan Correctional Centres

Mr. Koskie: — Thank you, Mr. Speaker. My question, Mr. Speaker, is to the Minister of Justice, and it has to do with an issue of public safety. As you may well be aware, Mr. Minister, guards at the Saskatchewan correctional centres have stated overcrowding and understaffing of these centres have created serious public safety problems. They report that the guards have been assaulted at least five times in the past month.

It is my understanding that the guards have asked to meet with you and to explain their concern. I ask the minister: have you in fact met with them? Have you agreed to meet with them? And can you indicate, if you haven't already met with them, when will you be meeting with them?

Hon. Mr. Dutchak: — Well, Mr. Speaker, I have not met with the guards, and I don't believe it's my place to meet with the guards involving issues that should properly be dealt with between the management and the union. And those discussions are now taking place.

Mr. Speaker, we have a process in place in terms of issues such as the one that now takes place. The guards, as you may be aware, took advantage of The Occupational Health and Safety Act, and in fact took part in a work-to-rule campaign, and unfortunately have now issued a press release to publicly highlight the issues that are being dealt with.

Mr. Speaker, I have confidence in the management in their dealings with the union on these issues, and I have asked management to meet with the union and further discuss the issues and work towards the resolution for the safety of both the public and the inmates, Mr. Speaker.

Mr. Koskie: — Supplement, Mr. Speaker. Mr. Minister, do you not agree that as Minister of Justice it comes under your purview of your department, the responsibility for the operation of the provincial correctional centres? I ask you why, when they are requesting to meet with you, why then would you refuse to even meet with the guards to discuss their basic concerns? Are you so arrogant that you won't even grant them the courtesy of meeting with them to hear their concerns, concerns which in fact they raised several weeks ago by reducing their services . . . a consideration of the reduction of their services?

Will, in fact, you meet with them, or are you too arrogant to meet with the people who . . . the guards who are having problems?

Hon. Mr. Dutchak: — Well, Mr. Speaker, I believe it would be a sad day when the Minister of Justice would bypass management whose role it is to deal with issues such as the one raised in this Assembly, to deal directly with the SGEU leadership who are involved. I find this sudden interest in public safety a little unusual, coming from that side of the House. We didn't hear those concerns when the SGEU strike was in place, Mr. Speaker. And the strike, as you recall, affected correctional institutions plus highways, and we didn't hear the public safety concern at that time.

Now it appears that the union leadership has called on the opposition to bring this matter to the Assembly. That's unfortunate, Mr. Speaker. The information provided to this Assembly by the member opposite is inaccurate. The incidents that he speaks of did not happen to the degree as indicated. Those matters are under review, Mr. Speaker. There is an allegation of overcrowding, insufficient staffing. Those, in our view, are not correct, Mr. Speaker. However, we have indicated that we're prepared to look at various mechanisms to improve the situation.

However, Mr. Speaker, it's clear that the members opposite are bringing the matter here for their obvious political gain, and that they aren't really concerned about the safety of the public or the welfare of the people working in the correctional institutions.

Mr. Koskie: — I don't need the minister across the way indicating any motives for bringing the questions. I'd like an answer, though, to some of the questions of concern to the guards at the correctional centres.

And I ask you, one of the key points raised by the guards is that many of the provincial institutions are overcrowded, and they have raised this concern with you before. Can the minister tell us what the rated capacity of Regina and Prince Albert correctional centres are, and whether or not in your view those centres are indeed overcrowded at the present time, and to what extent?

Hon. Mr. Dutchak: — Well, Mr. Speaker, our view is that any incidents that have occurred are not as a result of overcrowding. We've looked into that, Mr. Speaker, and that's simply not accurate. The members also are aware that certain expenditures are being made by a joint federal-provincial agreement which will expand the correctional centres and alleviate some of the overcrowding which on occasion does occur, Mr. Speaker.

But to put it in terms that the members opposite may understand a little better, Mr. Speaker, in terms of guard/prisoner ratios, our ratio in Saskatchewan is better than Manitoba, and we try to keep consistent with other provinces, Mr. Speaker. These types of difficulties are not unusual. And I don't know why the members aren't listening. They asked the question; they don't appear interested in listening to the answer.

We are dealing with other jurisdictions across Canada to determine if we can find more effective methods of protecting guards who are at work and are trying to do a good job. We are looking at our ratios of prisoners to guards. Their suggestion that we should simply hire a whole bunch of civil servants because we have an incident, or a number of incidents over a number of years, is simply not acceptable, because we think we can do things more constructively by working with management and the employees to find better ways of protecting people who are at work.

However, as police officers and firemen, the guards are in a position where they do have a higher degree of risk compared to many other occupations in our society. And that is unfortunate that we do have correctional institutions, Mr. Speaker; however, that's the reality. And

we will do what we can. We'll do our best. However, management has to get involved here and attempt to correct this situation if there are inefficiencies.

Mr. Shillington: — New question, Mr. Speaker. Mr. Minister, these guards do a dangerous job which is vital to public safety. Their job is being made a great deal more dangerous because of overstaffing — overcrowding and understaffing. Well, Mr. Minister, you may think it amusing, but guards put their life on the line because you can't govern the province.

Mr. Minister, I ask you, in light of the fact that guards are putting their lives on the line and that their job has been made more dangerous by your government, my question, Mr. Minister, is: why are you trying to duck your responsibilities? Do you believe that our institutions are overcrowded or not? And if you do, what do you plan to do about it besides attack them and us in this Legislative Assembly?

Hon. Mr. Dutchak: — Mr. Speaker, the members must be aware that correctional accounts remain high in Saskatchewan. They're lower in this year than they were in last year, Mr. Speaker, and there is a degree of risk involved in guarding prisoners.

However, again I mention that it's a little unusual for the opposition to raise the concern of safety and concern for the public in this Assembly. Because during the SGEU strike, we had roughly one-half of the people guarding the prisoners than we do today, when the RCMP were brought in. At that time the opposition remained mute, Mr. Speaker — no concern for public safety. Suddenly, when the SGEU leadership requests support from the opposition, they're on their feet, worried about public safety.

Mr. Speaker, I trust the management in this province. They're the best in the country and they're dealing with the issues. And the issues shouldn't be dealt with in this Assembly because we have professionals who are dealing with each and every issue involved in the dispute.

Mr. Shillington: — New question. Mr. Minister, if you talk down to guards and attack them for raising these concerns, as you do us, I can well understand why you have a crisis on your hands. Mr. Minister, the guards have said there have been five assaults on corrections workers in the last month. Has the minister been made aware of these assaults, and are you suggesting to this Assembly that this is the kind of situation which we all ought to tolerate and accept as a normal part of prison life?

Hon. Mr. Dutchak: — Well, Mr. Speaker, let me just clarify, because obviously the member doesn't have the correct information. The union, in their press release, I believe issued a statement indicating that five violent incidents did occur. The description of five violent incidents is inaccurate, although there was one situation where a staff was taken hostage by inmates in the Regina Correctional Centre; on two occasions there was a physical altercation between the staff and inmates at the Prince Albert centre during the past three months. A staff member was also assaulted at Buffalo Narrows, Mr. Speaker.

The situation is that the SGEU leadership have taken it upon themselves to go into a work-to-rule campaign and, in a sense, are probably involved in a self-fulfilling prophecy, because if the work system is taking place and is not effective, it's designed to disrupt the programming within the centres, and that probably will cause altercations. So I hope that the union leadership work things out with the management because I am advised as late as this morning that management is involved in each and every issue and would like to rectify the situation and the difficulty being faced in this province, which we do recognize.

Increase in Advertising in Department of Tourism and Small Business

Mr. Engel: — Mr. Speaker, I have a question to the minister responsible for Tourism. In the documents which you were forced to supply to us during our estimates review, there's a breakdown in the amount of advertising done by your department in '85-86. These documents indicate that your department spent more than \$2,224,000 on advertising in the fiscal year — just increase — an increase of over 35 per cent. When ordinary people of Saskatchewan have already been hit with record tax increases, how do you justify that kind of jump in advertising budget?

Hon. Mr. Schoenhals: — Mr. Speaker, the justification for the advertising increase in the Department of Tourism and Small Business is that we are on a major campaign to sell the province of Saskatchewan. We are increasing the tourism activity in this province in a very dramatic way. We have obviously been setting a stage for the things that will happen this year and our advertising for the year under review, which the member has discussed. We have introduced programs in Manitoba, in Alberta, in the northern tier states. We have across-Canada advertising in magazines. The whole intent is to take the walls down from around the province and invite people in.

We see tourism today as a billion dollar business. There are 2 to 3,000 new jobs added annually, through good times and bad, through tourism. And today we have 32,000 people directly or indirectly employed in the tourist industry. So a 30 per cent increase in our advertising budget, I believe, is very easily justified. I only wish, Mr. Speaker, it could have been much higher.

Mr. Engel: — Mr. Minister, another question. Most taxpayers agree that we should be encouraging the growth of tourism in Saskatchewan. What they question is whether we have to shell out that kind of money in advertising to do it. Two and a quarter million dollars a year is a Cadillac advertising program, Mr. Minister. To put it in perspective, the two and a quarter million dollar advertising bill for your one department is more than this province spends in a year on the Saskatchewan hearing aid plan, where people have to wait six months . . .

An Hon. Member: Nine months now.

Mr. Engel: — Up to nine months now for testing because there isn't money to hire needed staff. Can you justify spending that much money on advertising when you're

asking those in need to do without and to wait in line?

Hon. Mr. Schoenhals: — Mr. Speaker, I'm not sure that that type of comparison really provides anything to the answer. We would like to spend considerably more on our advertising budget. The Government of Alberta, for instance, for years has benefited from the results of the advertising that they have gone to.

Under the previous administration, Tourism was stuck away in the parks . . . in the Department of Parks, and their major job . . .

Mr. Speaker: — Order, please. I'm just going to ask the Assembly for a little more order. It's very difficult to hear.

Hon. Mr. Schoenhals: — Mr. Speaker, however, the point is, as I indicated, with the number of jobs that are created in the tourism industry, with the amount of livelihood that depends on it, more importantly with the significant opportunity that exists in tourism, by the year 2000 tourism will be the single largest industry in the world and the single largest employer in North America.

And it is very important — very important, Mr. Speaker — that Saskatchewan be positioned to a benefit. A diversification of our economy is obviously a significant element, and I think that tourism, in times of low commodity prices, is one area where we can continue to benefit. But we're going to have to spend a little money, Mr. Speaker, to get a lot.

Mr. Shillington: — Supplementary, Mr. Speaker. Mr. Minister, we're asking you about your government's spending priorities. Taxpayers are asking if the government needs to spend \$2.25 million on tourism advertising when money's so tight.

Mr. Minister, are you aware or have you thought of the fact that the money your one department shelled out on tourism advertising would have been enough to maintain the fresh food subsidy for northern Saskatchewan for 10 full years? What's more important to you, Mr. Minister — spending money on government advertising or helping northern families put fresh food on the table?

Hon. Mr. Schoenhals: — Mr. Speaker, once again, when you consider that 32,000 people in this province put the bread on their table through the jobs that they benefit from in tourism, when you consider that through good times and bad over the last five years we have seen a 2,000 annual increase in the number of jobs that are directly attributable to tourism, I think that this is money well spent.

Mr. Speaker, the members opposite may not be aware of some of the programs that . . .

Mr. Speaker: — I'm going to just ask for order. The members are continuing hollering, and I would ask for silence.

Hon. Mr. Schoenhals: — Mr. Speaker, possibly after tomorrow, in both Saskatoon and Regina, tomorrow we will hold public shows indicating what our advertising is. We will do them for the media and the public, indicating

exactly what programs we are undertaking this year. Hopefully that will lead to a better understanding on the part of the members opposite as to exactly what that advertising accomplishes.

And to compare it to other programs, we're not discussing priorities of government. We're discussing whether in fact we are, as a province, interested in selling ourselves, interested in being in a position to benefit from this very important industry that continues to get more and more important each year. And, Mr. Speaker, we make no apology for what we're spending here.

Mr. Shillington: — New question, Mr. Speaker. Mr. Minister, let's talk about the real campaign. Mr. Minister, taxpayers wonder if the \$2.25 million your department is spending on tourism advertising is really designed to generate new tourists, or designed to fatten the bank account of the advertising firm which handles the Tory election propaganda.

Mr. Minister, these documents show that out of an advertising budget of \$2.25 million more than one and a half million went straight to Dome Advertising, the PC party's political advertising agency for the next election, while at the same time you're closing down tourist campsites.

Mr. Minister, that spending represents a 50 per cent increase in your payments to Dome in one year. How many farmers, Mr. Minister, or working people saw their take-home pay increased by 50 per cent? Or do the farmers and working people not figure into your election campaign?

Hon. Mr. Schoenhals: — Mr. Speaker, once again, a clear demonstration that the NDP, despite all the noise that's emanating from the benches, have no real interest in what's going on in the province. This is political theatrics we're experiencing here.

The advertising program that we have undertaken is selling this province. I would challenge them to explain what the advertising program of the Crown corporations that they were selling prior to 1982 was doing for the province and whose pocket that money was going into.

And, Mr. Speaker, what we are doing, I have clearly explained the rationale for it — the jobs that are directly attributable to it, and the opportunities that this province has, and must be in a position to access in order to diversify our economy and make life better for our citizens, and I believe the majority of the citizens of the province understand that very clearly.

Some Hon. Members: — Hear, hear!

Fresh Food Transportation Subsidy for Northern Communities

Mr. Thompson: — Thank you, Mr. Speaker. I direct my question to the minister responsible for northern affairs, and it deals with his government's spending priorities. Today we find that over the past year your government spent \$2.25 million for tourism advertising. Yet at the same time you cancelled the fresh food transportation

subsidy for remote northern families, making it almost impossible for those families to buy adequate amounts of fresh food for their children.

Is the minister aware that even 10 per cent of what his government spent last year on tourism advertising would have been enough to maintain the fresh food transportation subsidy for northern families for a full year? And can he explain why he didn't lobby his colleagues to rearrange their spending priorities to do that?

Hon. Mr. Dutchak: — Well, Mr. Speaker . . . (inaudible interjection) . . . I am not sure the members want to hear the answer, Mr. Speaker. However, when the member from Athabasca read the same question several months ago, I indicated at that time that I invited him and the other northern member to submit proposals to me, to this government, in terms of assistance which would be required, which may be required for young people in some of the remote communities. It's my understanding that we haven't received that, unless it hasn't come to my attention. And I'm not sure if the members simply lost interest in providing a constructive solution.

However, I'm informed by the Minister of Social Services that something is being looked at, at this time, in relation to social service recipients, in order to decrease the costs of fresh foods in the areas that are not accessible by highway. And I spoke to some of the Northerners, Mr. Speaker, when I was attending the gold site north of La Ronge a short time ago, and many of them had already been employed in the gold activity on site. However I did speak to them about the food problem, and they had indicated that much of the benefit had been going to fly-in camps. And in fact that was confirmed on a CBC program some time later.

So we are looking for something constructive, where the assistance is targeted to those in need, Mr. Speaker. And our position is the same today. We are prepared to look at something constructive. And I believe that the Minister of Health and the Minister of Social Services may have something that is constructive and simply more intelligent than what we saw before under the NDP administration, which put all of its aspirations into the DNS basket, Mr. Speaker.

Mr. Thompson: — Supplementary, Mr. Speaker. The minister in charge of Northern Affairs has a very short memory, Mr. Speaker. Only two weeks ago, in this House, I questioned the Minister of Health and asked him to reinstate that program. And you say that you have not heard from us. That simply is not true, unless you were not in the House only two weeks ago. I discussed this with the Minister of Health.

Mr. Speaker: — Order, please. Does the member have a question? He is making statements but not asking questions.

Mr. Thompson: — Mr. Minister, I ask your government to reconsider its arrogant disregard for northern families on this issue.

Recently I compared some prices for fresh food in Black Lake in my constituency with prices charged in Regina at

a major supermarket. And that was done just yesterday, Mr. Minister. And I am just going to quote for information a few price differences between Black Lake last week, Mr. Minister, and Regina yesterday.

In Black Lake yesterday for a loaf of bread it was \$2.05; in Regina it's 99 cents up to \$1.45, depending on the loaf. A litre of milk: in Black Lake, \$2.08 a litre; and in Regina it's 89 cents to 93 cents a litre — a difference of \$1.13 a litre. A small head of lettuce up in Black Lake is \$3.57; in Regina, 99 cents. And I'll give you just one more item, Mr. Minister, and that is: 10 pounds of potatoes up at Black Lake costs \$7.33; in Regina, it costs \$1.29.

Now, Mr. Speaker, these are prices in Regina yesterday and prices in Black Lake last week. Mr. Minister, a member of the clergy from Black Lake recently wrote to me about the impact of high food prices on poorer families in the North. And his letter said, in part, and I quote:

I wonder what the wife of the minister responsible would tell her husband if she had to do her shopping around here at those prices.

Do you not admit . . . and need to help bring down fresh food prices in the North . . . and if so, what action are you planning to take, Mr. Minister?

Some Hon. Members: — Hear, hear!

Hon. Mr. Dutchak: — I'm sorry, Mr. Speaker, the NDP colleagues of the member from Athabasca were heckling at the time when he was talking about the individual who apparently wrote a letter. Could you please continue your question from that point? I couldn't hear what you were saying.

Mr. Thompson: — Mr. Minister, I was quoting from a letter from a clergyman in Black Lake. Did you want me to read the whole letter?

Hon. Mr. Dutchak: — That's fine. I got the rest of the question, Mr. Speaker. Now if the NDP members are finished asking the question, I will answer it, Mr. Speaker. I have some difficulty as they're hollering from their chairs. Mr. Speaker, that was a very lengthy question dealing with a number of items, and I'll try to deal with them in order. The member from Athabasca . . . Well, Mr. Speaker, I'm not sure any one of them is listening.

The first issue which was raised is the regional disparity. And I know something about that, Mr. Speaker. I grew up in — I didn't grow up in Black Lake; I grew up in Blaine Lake, and we did see the discrepancy between prices in a farming community and the city of Regina. And what we're seeing, we're seeing many discrepancies. This is more extreme, Mr. Speaker, the discrepancy between Black Lake and Regina. However, what we have to recognize is that the Department of Social Services does target in on where the discrepancies damage the health and well-being of individuals in northern Saskatchewan, and that's what the Minister of Social Services has been working on, Mr. Speaker.

Now in relation to the indication of a letter from a

Northerner, I would like a copy of the letter because I would like to respond to the clergyman who has written the letter. We did receive . . . Excuse me, Mr. Speaker, the members are having difficulty listening again.

We did get many complaints in the form of written communications and telephone calls from the North indicating that Northerners do not want the old program reinstated because they were concerned that the total amount of dollars spent by government was not getting to the people in need, and that is verified by the complaints of some of the northern outfitters, Mr. Speaker. So I want to leave the members opposite with the answer and the offer that if they can see a better way, a constructive way, of delivering assistance to those individuals in those remote communities, the few remote communities that we do have in northern Saskatchewan, we will look at it. In fact, I believe the Deputy Premier visited Fond-du-Lac, or was in consultation with the people of Fond-du-Lac when he announced the northern power grid, and they had indicated that they expect a better program than . . .

STATEMENT BY MR. SPEAKER

Ruling on a Point of Privilege

Mr. Speaker: — Before orders of the day, I want to respond to a point raised yesterday by the Deputy Premier. On May 6, 1986, the Deputy Premier raised a point of privilege to the effect that the member for Pelly was in contempt of this Assembly through statements he made about a meeting of the board of Internal Economy.

The Deputy Premier did give me the required notice under rule 6, for which I thank him. I deferred my ruling at that time. I've carefully reviewed the remarks of the Deputy Premier and the member for Shaunavon. The question of privilege is a very important parliamentary principle and it is not to be taken lightly.

Beauchesne's Parliamentary Rules and Forms, Fifth Edition, page 11, defines privilege as:

. . . the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions . . .

Beauchesne's further states on page 19, paragraph 52(1) that:

The Speaker should be protected against reflections on his actions.

The House must always be careful to protect the independence of the Chair.

The member for Shaunavon said yesterday that the point raised was a dispute over fact and was therefore not a point of privilege. The hon. member is correct in saying that a dispute over fact does not constitute a point of privilege. I do not feel that there is a dispute over fact in this case, but that is not the issue here. What must be determined is whether the member for Pelly reflected improperly on the Chair and the officers of the Legislative

Assembly.

On reviewing the words of the member for Pelly, as quoted in the point of privilege, one key phrase seems to be in question, and I quote:

The PC government is attempting to undermine the independence of the Legislative Counsel by forcing the office to report to the Legislative Assembly through the Clerk's Office, rather than directly to the MLA's.

While reflection on the Table, when made, are unfortunate, and are against people who have no right to speak or to defend themselves, it does not constitute privilege. Privilege is a right enjoyed by members and the Chair.

From the quotation by the member, he is levelling a charge against the government, which is his right, but I do not feel that the member has cast negative reflections against the Chair.

I therefore rule that a prima facie case of privilege was not established.

Some Hon. Members: — Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 27 — An Act respecting The Institute of Chartered Accountants of Saskatchewan and to repeal The Chartered Accountants Act and The Certified Public Accountants Act

Hon. Mr. Morin: — Yes, Mr. Chairman. I'd like to introduce my deputy minister on my left, Mr. Keith Laxdal; Mr. Gerry Kraus, directly behind me, provincial controller; and Mr. Terry Paton, senior analyst with the controller's office.

Clause 1

Mr. Koskie: — Thank you, Mr. Chairman, for being so patient and so considerate. In respect to this Bill, Mr. Minister, and you perhaps have alluded to it, I want to ask you specifically . . . Well first I want to go into a little bit of background in respect to The Chartered Accountants Act.

As you may be aware, there was a Special Committee on Regulations, and one of the tasks that we had — I was chairman of that Special Committee on Regulations — and part of it was dealing with a white paper on the proposals for a new chartered accountants Act. And this was put forward by the former minister of Finance, and we finished that off some time in '85 — April of '85, the report is dated.

At that time, as the report will indicate, Mr. Minister, we had hearings here in Regina, and we also had hearings in Saskatoon. And an umber of interested groups came

forward representing the chartered accountants and some within the chartered accountants association that had some reservations with the white paper and the draft Bill.

And I thought the process worked very well, and I want to commend all of the members who sat on that committee for the effort that they put into it. And I think that, in looking through the Bill, I note that many of the recommendations that the special committee put forward are incorporated in the Act. And I think that sort of verifies the meaningfulness of the work of the committee. So I don't want to take all the credit, but I wanted to share it with all members of the committee. I thought it was a very constructive effort that we put into it — came forward with unanimous recommendations in the report.

(1445)

So I guess what I want to ask is: in making the amendments, Mr. Minister, can you indicate what process that you have followed in bringing forward this Bill? What I'm really asking you more specifically is: what is the method of communication with the chartered accountants and others? And did you in fact make the Bill that we're looking at here at the present time in going through the Committee of the Whole — has that been presented to the chartered accountants? Has it in fact been . . . Well, I'll stop there and just ask you to outline sort of the process of implementing some of the recommendations in the report, if you would.

Hon. Mr. Morin: — Thank you very much, Mr. Chairman. To the member from Quill Lakes, that paper that I've just sent over to you is a bit of a correlation between that white paper and the Act, which may make it a little easier for you to follow back and forth. And I think what you can see from there, under the final column on the right-hand side "status," shows where there was agreement, where there was modified agreement, and where there was disagreement.

I'd like to pick up on your comments regarding the procedure that was followed and the report and the committee that you chaired. I would concur with your comments that that was a valid and valuable working committee and that a lot of good effort was made by the people on the committee.

There were 20 items that were raised for concern, I believe, and of the 20, 17 of them were either agreed . . . The chartered accounts institute agreed with 17 of the 20 recommendations made; or at least, if they didn't fully agree, they acquiesced in their persistence and went with the committee recommendation.

In terms of what was done, how did we get to where we are, I guess, is really the thrust of your question. You've touched on it partly with the white paper of the committee on regulations. Essentially, there are four accounting bodies in the province of Saskatchewan. They're the society of management accountants, the certified management accountants, formerly the RIAs; there are the certified general accountants, or the CGAs; there's the institute of accredited public accountants; and the institute of chartered accountants.

We met with all of these groups, and there are 1,841 certified management accountants or formerly registered industrial accountants. They did not make an oral presentation to the public hearings that were held by the special committee, but they did make a written submission to the committee in support of what was one of the more controversial areas of the committee, and that being practice inspection. And they supported that in order to keep the quality of accounting up in the province.

There are 340 members of the certified general accountants, and they made one comment regarding terminology. So they were generally in pretty strong agreement with the Act. There are 47 members of the accredited public accountants, and where the made comments, those comments were considered and taken into consideration in the Act.

The institute of chartered accountants, who the Act primarily applies to, is made up really of four different areas. There are people in teaching through the institutions. There are institutional accountants, people who work for government or large corporations. There are the private practice chartered accountants that most of us would be familiar with, people we take our taxes to or to do the accounting work for small business around the province; and there are students of the institute.

The institute of chartered accountants surveyed its membership, and 93 per cent of the people who responded were in favour of the Act, and there are, I guess, 827 members of the institute, which I would mention. They had a 69 per cent return rate on that survey, and that return rate of the 69 per cent were primarily of the practising chartered accountants in the private, you know, the private chartered accountants. The return rate was a little lower among the institutional or the teaching people involved in education.

And I think from a reading of the Act the member will no doubt know that this Act has a great deal to do with the private chartered accountant, and consequently those people did express their approval in an overwhelming way.

Of the people within the institute who were not in support initially when they were surveyed, they came primarily out of two chartered accounting firms, and we have discussed the concerns with those two chartered accounting firms and worked around them. I feel there's very, very strong support for the Act among the institute at this time.

Mr. Koskie: — I'm glad to hear that you have followed up and made the modified Bill with its changes and a significant number of changes in accordance with the report available. I'm just wondering . . . There were some individual members of the chartered accountants' profession who came forward with some concern. And I'm wondering whether you addressed, for instance, on sessional paper 210, which is the Bill itself, the white paper on the Bill, whether or not you had any communications with all of those who, in fact, made representations to the committee.

You know, I look on the sessional paper, the institute of chartered accountants, and then there's the certified general accountants — I think I'm on the right one here. And there was Mr. Dunbar and Skilnick, and Dean Burlingham, and Professor D.T. Lowery, accredited public accountants; and Professor W.J. Brennan, and Mr. S. Schopp, Prince Albert. Those are some that are mentioned in respect to the list of oral presentations. And I'm just wondering: have communications been made at least to all of those that came forward and made presentations and some concerns in respect to the draft white paper Bill that we looked at?

Hon. Mr. Morin: — Thank you, Mr. Chairman. The answer to your question is both yes and no. All of the practising CAs were contacted through their survey. The CMAs and the CGAs and people like that, of course, made representation, and we have included their comments and remarks, so we've dealt with their concerns.

As I mentioned, some of the names you mention are people from those two accounting firms that I indicated had some problem with it initially, and we have worked with them to resolve the problems. So I would have to say that although maybe we haven't sat down and talked with each participant on an individual basis, we've dealt with the other associations; we've dealt with the CA firms that indicated they had a problem initially with the Bill.

And for example we've had members of the Assembly dealing in liaison with chartered accounting firms from their constituency to make sure that they were well appraised to what was going on. I know I contacted, for example, the member from Biggar, the member from Melville, a couple of members from Saskatoon, and asked that they go and contact the chartered accountants.

So we did take the initiative on that to make sure. And the feedback that I got from those members was that the chartered accountants that were spread out around the community and around the province were quite well satisfied with the Act as presented. And of course the chartered accountants of the province have seen the Act, and in dealing with the institute and the president of the institute, they have been doing a lot of discussion within their association and feel that it's very, very well accepted.

Mr. Baker: — Thank you, Mr. Chairman. For the Assembly's information, yesterday morning I was having breakfast in Saskatoon, and Dean Burlingham, who we all know, raised probably the most concerns, came over to visit with me at the table and shook my hand, and congratulated us, and he said, I believe you have the fairest and best accountant's Act in Canada. And he said, I just want to let you know that we feel, and I feel, that it's probably the best Act in Canada, and he said thank you very much.

Hon. Mr. Morin: — Thank you very much. I appreciate the member's comments, and I'd like to thank that member for the work he did on the committee and later, on my behalf.

Mr. Koskie: — I just want to say to the minister, I appreciate him having done an inventory here of the recommendations, the Act and the status of the recommendations. It certainly facilitates dealing with the Bill.

I've gone through the Bill in some detail, Mr. Minister, and certainly the one area — and I don't want to overscore this one, but if you can allow me just to speak in respect to it, I think we can go through it much faster — and that was a major concern to the committee and to some members at the hearings. And that is:

Prescribing investigation and inspection of methods of practice and trust funds of members by members, including a program of practice inspection subject to the conditions prescribed in subsection (2).

That was of concern as to the procedure of having inspections. We felt that trying to raise the quality and the standard of the work of the accountants was a worthwhile objective, but we didn't want any intrusion of confidentiality, and we wanted to limit the extent of the inspection of methods of practice.

And I note, Mr. Minister, that in subsection (2) on section 13, following a list of all of the various by-laws that can be made, what you have done is incorporate in 13(2) those recommendations that we were able to put forward and which were agreed to by those that made presentations to the committee.

And I am pleased that all of the recommendations that were put forward by the committee are included. However, as we go through it, there's just one question that I'll be asking and that is in respect under Section 13(2) subsection (f). We had actually indicated that the member shall request the client to give his consent, and we had said in writing. I don't know whether that is hard and fast, but I notice that the written consent is deleted.

I think we can move through, and I have just a few questions because, as I said, I chaired this committee, and I look at the recommendations that have been incorporated in this Act in comparison to the white paper Act which we reviewed. And I think a great deal of work has gone into it, and I think a large number of the recommendations have been incorporated.

As my colleague from Biggar has indicated, he has had some communications indicating satisfactions with it. So I think we can move fairly fast. There may be some specific questions that I have with specific sections.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

Clause 8

Mr. Koskie: — On clause 8, I just want to make a comment there. In the composition of the council, one of the recommendations that was made was that a lay person would be a member of the council. And I think we commended the chartered accountants in making that

recommendation. And I note that a person can be appointed which is not a member of the profession, a lay person, and I think that's commendable. I have no objections to it. I just want to make that point.

Clause 8 agreed to.

Clauses 9 to 12 inclusive agreed to.

(1500)

Clause 13

Mr. Koskie: — Just in respect to clause 13, as I indicated before, this deals with the powers to make by-laws, allowing the profession to make by-laws. And this was the area that we spent a considerable amount of time reviewing during our hearings. And again I want to indicate that I think I'm satisfied with the modifications that have been made.

And I refer again, Mr. Minister, specifically to section 13(1) subsection (t), which I . . . "prescribing investigation and inspection of methods of practice . . ." And certainly our recommendations have been followed as to the procedure there.

I note also that we had requested the deletion in respect to reference to classification of specialists within the profession. And I believe, in checking this through, that that has also been eliminated.

I just want to ask, Mr. Minister, in respect to subsection (y), under section 13, and subsection (aa), what I ask you there is: subsection (y) is a new subsection, and I ask you, what does it cover off as opposed to what is perceived to be covered off under subsection (aa)? And why you have the:

creating and administering a special fund by special levy on members for the purpose of reimbursement in whole or part of persons sustaining pecuniary loss by reason of the misappropriation or conversion by any member of money or other property entrusted to or received by a member in his professional capacity;

So could you give me an explanation in respect to those two?

Hon. Mr. Morin: — Yes. To the minister, section (y) deals strictly with trust funds and section (aa) is regarding liability insurance. So if you, for example, ever found yourself in the position to have to sue your accountant, his liability insurance would protect him. The (aa) is dealing strictly with trust funds, and you know, should someone abscond or misappropriate the funds. That's the difference between them. The one is strictly trust funds and the other is liability insurance. Is that what you're looking for?

Mr. Koskie: — Other than 13(2) subsection (f). Mr. Minister, I refer to this, and it says:

A member may require the consent of a client for inspection of the file for that client and, for the

purposes of this clause, the member shall request the client to give his consent.

I think our recommendation was that it be in writing, so that in future there would be no dispute. The confidentiality of the client's file was highly regarded by members of the committee, and I think we convinced a number of those that were making presentations of the necessity of that. And we figured that if you are going to clear it up, you should get the consent of the client if they're going to do an evaluation of the work in a given file, and that it should be in writing on the file so that there can be no dispute in the future. And we're wondering why it has not included in there "in writing," as we recommended.

Hon. Mr. Morin: — To the member, I believe the original recommendation was that it should be in writing within 30 days. The intent of the Act is that it ought to be in writing, but we wanted to provide the flexibility to the practitioner to allow him to get it either when the engagement begins or whatever, that from time to time there may be practice inspection, and he may choose that file to be inspected. But the intent was clearly that it would be in writing.

Mr. Koskie: — I think what we were concerned with here is the protection of the client and the confidentiality. And I think you're on a . . . not solicitor-client basis, but equivalent — an accountant and client basis. And I think that there is a relationship there, that any information that he has in that file can only be released to the public, even for the examination purposes of determining the calibre of work, by the written consent of that person. And if you leave it without written consent, you leave it open to where the file of the client may, in fact, be inspected without his knowing it. It might either be through negligence of the individual accountant, or it may be . . . well, whatever other reason that it may be. But what we were trying to do is here say, if you're going to inspect a person's file, you better make sure you let that client know and that you have on your file his consent.

If you say, indeed, that the intent was to have it in writing, then why don't you put it into the Act that it should be in writing, because that was pretty strongly stressed in our hearings — the confidentiality of the individual's, client's file. And so I think you should consider, Mr. Minister, an amendment here just indicating that it shall be in writing.

Hon. Mr. Morin: — Well to the member, we'd be happy to entertain an amendment like that. You know that's been the intent all along. I'm advised that the chartered accountants would have no problem with that, and the intent in the drafting of the Bill was to leave it up to the individual practitioner to determine how the consent would be arrived at, and when it would be arrived at. And the problem as I understand it that we really had was the timing on it, that it had to be within 30 days. You certainly wouldn't want to be running back and forth to them getting consent forms signed over and over again. But if we were to simply say that we had the client sign a form authorizing from time to time that his file might be audited by the institute to insure that practices were of an appropriate standard and highly maintained, the institute, I don't believe, would have a difficulty with that, and we

would accept an amendment to put that in writing.

And in fact . . . (inaudible interjection) . . . Well, we'll do it. We'll do it. We'll handle it.

Mr. Baker: — The member from Quill Lakes is absolutely right. We've spent a lot of time on that particular area. We were concerned at the time that we may go to an accountant and we may get a signature at the time not knowing and fully explained that some day our file might be audited. And we did deal with the 30-day warning because they know when they are going to cover over and go at the file, and we specifically spent probably, oh, eight or nine hours on that trying to protect the public's interest. And we felt that the public's interest could only be protected so they weren't entering into a contractual arrangement that was slipped in when they were signing the contract to do a firm's tax forms. It was the unanimous consent of the committee . . . And not only that, I've talked with the president of the association, and they have no problem with that. My recommendations would be that we do amend it, and I'd be pleased if the Assembly see fit to do that.

Hon. Mr. Morin: — Mr. Chairman, we have a solicitor here now, and we will do that.

Mr. Chairman, I'd like to suggest to the committee, in the interest of expediency, that we leave this clause, go on to something else, and then come back to it when we have the amendment ready.

Mr. Chairman: — Is that acceptable? Okay. Then we'll go on to clause 14 and come back to clause 13 later.

Clauses 14 to 26 inclusive agreed to.

Clause 27

Mr. Koskie: — Clause 27; I just want to make a brief comment again. Here is another recommendation which we came forward with. And it says in essence, Mr. Chairman, that:

Subject to subsection (2), where a criminal charge is laid against a member, all related disciplinary proceedings against the member are stayed pending the disposition of the charge.

On application of the council, a judge of the court may direct that a member who is charged with the criminal offence be suspended pending the disposition of the criminal charges.

They had the reverse onus before; it was on the individual that had to apply to the court. Now it's stayed, and only on the application of the council can you reverse the stay of proceedings.

So I think that's a meaningful addition there. We agree with that.

Clause 27 agreed to.

Clauses 28 to 44 inclusive agreed to.

Mr. Chairman: — And now we will go back to clause 13.

Clause 13

Mr. Koskie: — Does this have to be seconded? Mr. Chairman, can you advise me whether a motion to amend has to be seconded?

Mr. Chairman: — No, it does not. We are now back with an amendment on clause 13(2)(f):

To amend clause 13(2)(f) of the printed Bill by adding the word "written" before "consent" in the first line.

(1515)

Mr. Koskie: — One moment. I want to talk to the amendment. I don't think it quite does what we're proposing. Because what it does, it doesn't make it mandatory to get written consent. It says, a member . . . "by adding the word 'written' before 'consent' in the first line."

So, "A member may require the written consent . . ." is what you have changed it to.

It was before, "A member may require the consent of a client . . ." A member may require. I guess the member shall require the written consent. What we're asking is that before the file is released for inspection, that there be the written consent of the client.

I suppose what you have done here really hasn't added much because it just puts it in the discretion again of the accountant. And what we were hoping for, and I think the member from Biggar was also, as we discussed it, is that a member shall require the written consent of a client for inspection of a file for that client. And for the purposes of this clause, the member shall request the client to give his written consent, I think would be the . . .

So all I'm saying here, Mr. Minister, I don't think it quite meets what we were asking, if you understand what I've said.

Hon. Mr. Morin: — I do, in fact. I think that the problem with . . . Going back to your committee, my understanding is that the question was that if consent wasn't given, then the practitioner may be liable for breach of privacy; and in order to overcome that, that the practitioner should have the approval of the client to make that file available for audit.

I suppose the problem with changing the "may" to "shall," which I gather is really the thrust of your comment, is this. If a practitioner takes on a client and doesn't get him to . . . Like if he just says, I don't want you to sign the firm, then that file could never be audited. And conceivable a file . . . You know, a practitioner could do that with all of his files and skirt around the entire practice inspection issue then.

So I suppose I see your point. I know that the institute are fairly strong on this, and I . . . Well I'll close there, and I'll let you comment on it.

Mr. Koskie: — Well under the recommendations in the report, and that dealt with the prescribing the investigation and inspection methods of practice, the specific recommendations that we made was:

Written consent of a client must be obtained not more than 30 days before inspection of that client's file.

Now that was the recommendation. And, as I said, I think that's right. I think that the confidentiality of the client should be respected, and it seems to me that by limiting . . . Well I just think that he should have the right to restrict, whether or not his file is going to be open.

And what you're saying is that the priorities of the profession is higher than the confidentiality of a particular client not wanting his file audited or inspected, in fact. And all we were doing, I guess, is looking at the individual client and saying his priority is greater than the priority of the inspection, be it all that certainly there will be . . . There should be no difficulty encountered by having, for instance, collusion. I don't expect that there would be collusion between an accountant and all of his clients, getting all his clients to say, well, I don't want my file open, I won't give you consent; and, therefore, he'll never be audited. I guess that's the conclusion that you're putting forward, that the chartered accountant or the institute is saying. But I just don't think that would happen.

My colleague from Biggar may want to say something on that, but I'm not going to debate it any further. Those are the rationale behind it. We spent a lot of time on it. I really think in most cases, certainly, written consent would be given for the basis of determining whether the work was being done properly, because that's the purpose of the inspection. But I'll leave it at that.

Mr. Baker: — Thank you, Mr. Chairman. I think this was probably one of my biggest concerns. I don't believe that anyone should be able to come in and look at my tax forms and my file without my knowledge and my approval.

Now I can see the dilemma that we're into here, and a possible solution may be to have the inspecting committee have some powers to actually go and get that consent from some of those files, if necessary. I really believe that the public's interest must be protected in this case, and that they just can't go ahead and inspect files without permission from the client. I think that's the whole . . . The committee hinged around this, and I believe it's imperative that as legislators we do protect the interests of the public and give the accounting profession all due credit — and they're professionals.

But we still must protect the interests of the public. Number one and foremost, that must be our first concern as legislators. So I believe that we could solve this. There's got to be a vehicle to solve it with, but I personally wouldn't want somebody auditing my files — certain types of businesses, not because I might have one of them, but there could be information in there that could help other firms. It's a very professional group, but there's

bad apples in every box. So I think we have to protect the public's interest here.

Hon. Mr. Morin: — I think really what we're doing is protecting the public interest. Every file wouldn't necessarily be audited. The inspection committee would come in and would audit files at random, and what they would do would be to select a series of files and then ask the member — the individuals, chartered accountant, for example; you're a chartered accountant — we would like to audit these files.

Then the onus would be on that member, because there is certainly client confidentiality and a special relationship between a client and his chartered accountant. The onus would be on that individual chartered accountant to go back to you and receive approval for that file to be audited, and I wouldn't expect that any professional chartered accountant would react in any other way.

I would concur with you; I would certainly not want my chartered accountant to show my file to anyone else without my approval, and I think that the way we have it now would ensure that that would happen. I think to get the "shall," I think, in fact, we're in danger of doing the exact opposite. I could envision where chartered accountants would have a form, and upon engaging them you'd sign that form, and it would be one of the conditions of engaging the chartered accountant, and down the road then everybody is authorized to . . . have given authority to show their file.

I think that really the chance for abuse if we put in "shall" is rather great in that if an unscrupulous chartered account — if there happened to be one — would be able to, say hand-pick his files for the inspection committee to audit. And I think that's the very thing that we want to get away from. And certainly that has the major element of public protection in it, that where the institute wants to maintain the integrity and a high level of practice, quality of practice from their members.

I hear both the member from Quill Lakes and the member from Biggar. I agree with you. I think, fundamentally, we're coming at this thing from the same direction. I believe that the way it is here we can accomplish that.

Mr. Baker: — Is there a vehicle there than an accountant that didn't want to be inspected could divert all his clients and say, no, don't; no, don't? Because we also have to have . . . The auditing committee must go in and choose files that have not been specially prepared and they're clean and everything else. They must have that room to work. So is there room in there to protect both sides as the way you see it at the moment?

Hon. Mr. Morin: — Thank you. I believe there is. I guess I'll go over what I said before, only maybe I'll try make it more clear. The procedure would be that a practice inspection committee would come in and select a number of files, and then the particular chartered accountant in charge of those files would go back to his client and receive approval for the inspection committee to review the file.

I think to do otherwise, if the inspection committee came

in, it would open the door for the chartered accountant to do exactly what you're saying — to say, well, these people said you couldn't look at it. And it may very well be that he had never asked them for approval. And so you can look at any of these particular group of files that you want to look at, and it may be, as you've described them, that those are the clean, neat, tidy ones and you're only inspecting . . . You know, it takes away the randomness, I guess, and certainly I think that we wouldn't want to do that. We want to have that so that any file theoretically could be selected, and then it would be up to the individual at that time to say, no, we won't have the approval.

Mr. Baker: — Is there room for the auditing committee . . . Say they run into this problem; is there room for the auditing committee to select another group of files where they may, in fact, ask the client for permission? Is it covered off in the Act? Because that would solve the problem if that's the case.

Hon. Mr. Morin: — Further down in that clause (f), the onus really falls onto the member being audited. And further in clause (f), it says . . . Well I'll read the whole thing, as amended:

(f) a member may require the written consent of a client for inspection of a file for that client and, for the purposes of this clause, the member shall request . . .

So if the practice inspection committee come in and select your file as one they'd like to audit, your chartered accountant is obligated to ask you for permission. So I think that covers off your concern.

Mr. Koskie: — I just don't want to debate this any further other than to say that the argument that you put forward that what would become standard if you had "shall have written consent" is that as soon as you go in and engage the services of a chartered accountant, that he would automatically have the form giving the authorization.

What we had done is to cover that off in our recommendation, saying that the consent had to be within 30 days of the review or the inspection of the file. And that was done intentionally so you wouldn't get into that "automatic" when you engaged a chartered accountant. Because what would happen here is that they'd be notified that there's going to be an inspection of his files, and the consent could only be within 30 days. So you get away from that automatic, as soon as you've hired an accountant firm, that you'd automatically would give consent to the inspection of the files for auditing purposes. But I just point that out that we had thought our way through to get around that very problem that you pointed out.

(1530)

I don't want to say anything more on that. We'll go along with the amendment; I will go along with that amendment.

There's one concern that has been raised, and that is, in the old Act it required the chartered accountants to file

their membership lists as well as their by-laws, and the new Act does not include this provision for filing of membership lists. And what I'm asking is: is that an oversight or is it felt not necessary?

I think within the report I can check it out. The understanding that I have, Mr. Minister, is that only two of the 39 professional associations in the province are not required to file an updated membership list, those being teachers and nurses. And the question, I guess, is: why have we departed from this when it's a pretty established principle?

Hon. Mr. Morin: — Thank you, Mr. Chairman. There are really two reasons. One, the Act requires under section 16(2) that:

The register mentioned in subsection (1) (which is what the member is talking about) is to be kept open for inspection by all persons, without fee during normal office hours of the institute.

The minute that we would file the list of members with the department, the next day it would be out of date; it would be obsolete. So this provides for a continuous updating of the list, and it's available to anyone who wants it. And on page 25 of the committee report, the Report of the Special Committee on Regulations respecting the white paper on proposals for a new Chartered Accountants Act, the committee recommended as follows, under recommendations:

The Committee is of the view that the proposal of the Institute is a practical and simple approach and recommends deletion of sections 40 and 41 on the condition that section 16, as drafted, is retained.

So in fact what they've done is to accede to the recommendation of the committee.

Clause 13 as amended agreed to.

The committee agreed to report the Bill as amended.

Bill No. 1 — An Act respecting the Establishment and Operation of the Wascana Rehabilitation Centre for the Provision of Rehabilitation and Extended Care Services in Saskatchewan

Mr. Chairman: — The item of business before the House will be Bill No. 1. However, before we get into the Bill itself, I would request that the minister introduce his officials.

Hon. Mr. Taylor: — Thank you, Mr. Chairman. It's a pleasure to introduce the associate deputy minister of Health, George Loewen, seated beside me; behind him, the solicitor of the Department of Health, Gerry Tegart; and directly behind me, an administrative assistant in the Department of Health, to the deputy minister, Michael Littlewood.

Clause 1

Mr. Lingenfelter: — Mr. Chairman, I don't have many

questions to the minister, and I won't take very long here. But I would like to ask the minister: do you have a list of the board of directors that will be in place once this is operating? You had mentioned that you were in the process of selecting the board of directors. And I wonder if at this time you could just read those out to us; if you could give the name and little bit of background, if you have it there, for each of the people who will be on the board and running the ship once you get it up.

Hon. Mr. Taylor: — Yes, I could do that for you. The chairman of the board is Mrs. Elva Kyle; she's a business lady here in Regina. On the board is Dr. Morris Anderson, who is the principal of Luther College here in Regina. Murray Bedel from Lebret — and perhaps you'll remember Murray as the farmer out at Lebret that had the unfortunate incident of losing his arms in the round baler and has won skiing championships and so on since that time. Jack Bridges is from Regina, and he's a representative from the Legion; I think he's a secretary of the provincial command, or something of that nature. Mac Davies is a retired physician from Indian Head. George Elliott is a physician representing the workmen's compensation board here in Regina. Garnet Garven is also on the board. He's with the Workers' Compensation Board. Phil Leduc is another member representing the Workers' Compensation Board. Stan Malach is on the board; he's my director of community health services. Greg Petroski from Regina, he's also employed in government, I think in the Department of Social Services — oh, in Department of Health in psych services, excuse me. And he is the parent of a handicapped child and a member of one of the parents of groups for handicapped people.

Brenda Righetti is from the Department of Finance and she is the analyst in the Department of Finance, assigned to the Department of Health. And Joyce Thompson — Joyce Thompson is a nurse from Abbey, Saskatchewan. Rick Triffo; Rick Triffo is in Regina here, and I think his background is he is a hairdresser, but he has a handicapped child and belongs to one of the parent organizations.

Vera Wasiuta, who is also a nurse by training, and Vera has a consulting business dealing with the aged. Roger Welch; and Roger was with one of the government departments — I forget which one — but he's moved to the private sector. He was with Finance; he's moved to a private accounting firm. He represents the Kinsmen Foundation. And Pat Wellings; Pat Wellings is a mother of a boy with Down's syndrome in Regina here, and a very instrumental person in a parent-helping, parent-type of group. Her husband is a contractor in Regina.

So those are the members. I should point that Dr. Anderson is going on a sabbatical, and we will be replacing Dr. Morris Anderson. I haven't selected anyone at this time.

Mr. Lingenfelter: — The issue of the board of directors. As I understand it they will be appointed for a three-year term. Is there a mechanism so that they won't all change at the same time?

As I understand it they're on a three-year term; they can be

appointed for two three-year terms. But what I'm wondering, Mr. Minister, is there a mechanism whereby, after the first term, is there any mechanism that all of them can't be changed at one time, or is that possible under the legislation?

Hon. Mr. Taylor: — They were appointed under The Public Health Act, which was a different term than this Act will say. Under this Act they can be appointed for terms up to three years. So we will do it in a method that there will be continuity. And I look at the date of appointment and expiration of some of these people, and I see some of them were appointed in September '84, another one is in January '86, another one in March '85, November '85, another November '85. So I think built into it now there will be a continuity.

Certainly, as I say, the terms are up to three years. So we will make sure that continuity continues so that there isn't a whole scale change in the board at any one time. As well as that, I believe there's a couple of the members on there at pleasure.

Mr. Lingenfelter: — I wonder if the minister — and I don't want you to read it all out now, or the detail — but could you give me the dates of expiry. The other thing that I wanted to know . . . As I understand it, the term is three years, and they can be appointed for two consecutive terms. Now is there provision, if they're off one term, that you could reappoint at a later date, or is it two terms and then out?

Hon. Mr. Taylor: — Yes, I'll be pleased to send this over to you. And my indication is, you can be appointed for two terms but then you'd have to be off for a period of time and then you could be reappointed again.

Mr. Lingenfelter: — If you could indicate to the members of the Assembly: what is the remuneration that people on the board will receive? They would get a certain amount a day plus expenses and maybe a per diem or a stipend annually. What is the mechanism to pay these individuals? And I know other people who do this kind of work receive pay, as well they should, and I wonder if you could just outline what that will be.

Hon. Mr. Taylor: — I'd have to check to be exactly sure, but I believe it's 110 for regular members and 140 or 150 for the chairman. And as I read out the list . . . And I think you realize a number of the names are government people; for example, Mr. Malach and Mr. Petroski, and so on. Of course government personnel receive no remuneration.

Mr. Lingenfelter: — And for expenses? For example, a person who lived outside of town — Joyce Thompson at Abbey, for example — would get expenses, automobile expenses to drive in, that sort of thing?

Hon. Mr. Taylor: — In that case she would get the going government rates of automobile expense, meals, and lodging, while attending meetings.

Mr. Lingenfelter: — The annual report . . . There will be, as I understand, an annual report from the hospital tabled in the Assembly each year. Can you tell me at this time

what the year means in terms of the hospital? When will the first annual report be tabled in the Assembly?

Hon. Mr. Taylor: — Yes, the hospital will be operating on a fiscal year. So the first report would come after March 31, '87. It'll be on the fiscal year.

Mr. Lingenfelter: — And in the area of funding, I know for the construction — I understand the funding and where that came from. But let's use the example of an individual who needs some therapy or needs to use the hospital facilities. Can you break down how that will work? I believe there's some level 4 beds and there are other people who may be even outpatients and get therapy, but can you run through the list of people who will be able to use it, the number of level 4 beds and the number of people who will be able to use the facility?

And also for a level 4 individual in this centre, will they pay a going flat rate the same as other level 4 patients, or will it be based on the fact of being 65 or under 65? And maybe once you outline that, then I'll have other questions that will come out of that, if you understand me, Mr. Minister.

(1545)

Hon. Mr. Taylor: — Yes, the payment would be for the rehab beds. Let me explain it to you first. It's funded through the Saskatchewan hospital services plan, the same as the Wascana Hospital is now, so there'd be no change there.

For rehab beds, of course, there'd be no charge at all. For level 4s it would be the same as in any other special care home. Then there'll be some people that are responsibilities of DVA (department of veterans affairs), and we would charge them for the amount for their individuals.

The number of beds would be 90 rehab beds, 160 level 4 beds, 66 DVA beds, coming to 316; and then 70 hospice beds, or that would be workers' compensation beds, for a total of 376.

As well, there will be some outreach services, similar . . . I suppose the easiest way for me to describe those are similar to the outreach services from the children's rehab centre, or formerly the Alvin Buckwold centre in Saskatoon, which will outreach to the southern part of the province here, where we haven't had that capability as well as perhaps around Saskatoon. And those services, of course, are provided free also.

Mr. Lingenfelter: — The outreach service, have you got any detail on how that will work? Will there be any offices, or not particularly the offices, but hospitals involved in the program as I would envisage? And I know what was discussed at one time is that the hospital here would act as the hub of a wheel, and then you would have other hospitals that would act as centres for rehab, and that we would put in training or facilities and people who would help them out with that kind of work. Can you give us a little explanation on how that outreach program will work?

Hon. Mr. Taylor: — Well we have funded a mobile pediatric unit which will be going around throughout the southern part of the province, and there'll be a very close working relationship with hospitals, for example, where there are rural therapists, things of this nature, or early childhood intervention programs. But if your question was, have we designated beds per se in certain rural hospitals, no, we haven't. But there will be a very close working relationship. As you understand, people may be in these hospitals that have to come in here for a while and then go back to those hospitals. Early intervention for children with disabilities will be in close consultation and co-operation with these chapters that are around the province. So I guess, in answer to your question, certainly there will be a very close liaison, but as far as designating certain beds — no, we haven't done that at this time.

Mr. Lingenfelter: — On the level 4 funding, I want to come back to that just for a moment on a point of clarification. As I understand it, a person over the age of 65 in a level 4 bed would pay 400-some-odd dollars, 470-some, if you would give me that number. But for somebody who's under the age of 65, what would they pay for a level 4 bed at the present time?

Hon. Mr. Taylor: — The figure's 495, and it would be the same regardless of age.

Clause 1 agreed to.

Clauses 2 to 15 inclusive agreed to.

Clause 16

Hon. Mr. Taylor: — I have an amendment to the Bill that I'd like to put forward at this time, and it comes from the Provincial Auditor . . . (inaudible interjection) . . . Yes. I can read it off to you and then give you my copy if you want, so you can have time to look it over. And it says:

Amend section 16 of the printed Bill:

(a) by striking out subsection (1) and substituting the following:

(1) On or before June 30 immediately following each fiscal year of the board, the board shall cause to be prepared a statement of the revenue and expenditures of the board for that fiscal year, and a statement respecting the assets and liabilities of the board as of March 31st of that fiscal year; (b) by striking out "and the auditor's report" in the second line of section 2; (c) by striking out "their" in the third line of section 2 and substituting "its"; and (d) by striking out "and report" in the third line of section 3.

And basically, I think, what this meant was that we had in the Bill the need for the auditor's report, and the auditor says that's not necessary because he'll do it routinely in any regard. But I would be pleased to give this to you and give you time to look it over.

Mr. Chairman: — Order. I must interrupt proceedings to bring to the attention of the House that the Minister of Health is piloting a Bill through the House and has his

officials present. I note that the Minister of Justice also has his officials present, and that is not in the tradition of the House. I would ask the Minister of Justice to remove his officials from the House until this Bill is completed.

Mr. Lingenfelter: — I just want to ask the minister: I understand him to say that he's contacted the auditor about this change and that he has agreed to it. And if he would just confirm that, then I think we can just move along with it.

Hon. Mr. Taylor: — I'll send you over the letter from the auditor. He contacted us about it, but certainly.

Clause 16 as amended agreed to.

Clauses 17 to 19 inclusive agreed to.

The committee agreed to report the Bill as amended.

Mr. Chairman: — The item of business before the House now is Bill No. 15. However, before I do that, I should just like to indicate to the Minister of Justice that I regret that I did not notice his officials in the House, and we could have avoided the interruption.

**Bill No. 15 — An Act respecting the Application in
Saskatchewan of the United Nations Convention on the
Recognition and Enforcement of Foreign Arbitral Awards**

Clause 1

Hon. Mr. Dutchak: — I would like to introduce the officials that have already been discussed in this Assembly. Lorelle Schoenfeld and Ron Hewitt are with me. They're both Crown solicitors. They'll be assisting me on this Bill.

Mr. Koskie: — I have some question, Mr. Chairman. I've got an important report here, a notice I had to . . .

Mr. Minister, you have indicated in your brief comments in introduction of second reading of the Bill that this was necessary because of the new economic development projects going on. I sort of challenge the merits or the veracity of that statement because there hasn't been very much economic activity going on under your regime.

(1600)

But I may say to you, Mr. Minister, that in view of the fact that we are heading for an election as soon as you have the nerve, or the Deputy Premier or the Premier has the nerve to call an election, I do think that we will be needing this Bill, because once again Saskatchewan will have economic growth and development. I want to also extend my sympathy to the members of your staff for your impropriety of inviting them to the House . . .

Mr. Chairman: — Order, order. I don't believe that it's up to the member from Quill Lakes to comment on the presence or lack of presence of the officials of the Minister of Justice. I believe that that topic is closed, and let it remain that way.

Mr. Koskie: — I want to extend to the members of the staff our sympathies . . .

Mr. Chairman: — It isn't necessary for the member from Quill Lakes to clarify anything to the minister's staff. It has nothing to do with Bill 15, and I instruct him to remain exactly on Bill 15.

Mr. Koskie: — As I was saying, Mr. Minister . . . As I indicated, I have some sympathies for the staff, but I'll get on to the main purpose of the Bill.

You indicate, Mr. Minister, that Uniform Law Conference of Canada draft a uniform Bill to serve as a model Act, and what I want to ask you is: to your knowledge, is the Act which we have here presented to the Assembly similar to any and all details with other Acts that have, in fact, been passed in other provinces?

Hon. Mr. Dutchak: — Yes. It's primarily the same as what other provinces have either passed or are presently looking at, and the member should avail himself of the opportunity to read the Bill.

Mr. Koskie: — Well I'll tell you, I have read the Bill, and I will make it perfectly clear that I think I have a better understanding than the minister, who doesn't know whether he can have his staff in when the other minister's in or not . . .

Mr. Chairman: — Order, order. I have already indicated to the member from Quill Lakes that any references to the presence of the minister's staff are not permitted in the discussion of this Bill, and I would like him to remain within the bounds of the debate.

Mr. Koskie: — As I was saying, you indicate that several provinces already enacted the legislation. Could you indicate what provinces indeed have similar legislations?

Hon. Mr. Dutchak: — Mr. Chairman, perhaps I'll clarify my earlier comment about the necessity of the member looking at the Bill. He'll see if he opens to page 2 that the clauses are actually taken from the convention, which has been acceded to. The other provinces are in the process of passing, or have already passed, the required legislation similar to what we have before us.

British Columbia has passed theirs; Ontario is just in the process of passing theirs; Nova Scotia, I believe, has already passed their legislation. It's very similar to ours.

Mr. Koskie: — Is it necessary for all the provinces to have passed first, in respect, before Canada signs the accord?

Hon. Mr. Dutchak: — The provinces themselves have to join and sign in order to make this type of legislation effective, because any particular arbitration award affects a particular provincial jurisdiction. So as a result, it will be necessary for the provinces to agree and pass the required legislation.

Mr. Koskie: — Under the Act you have the definition of "contracting state." Is each individual province detailed as a contracting state, or is it done on behalf of the individual provinces by the federal government?

Hon. Mr. Dutchak: — For the purposes of the effect of the Act, or enforcement proceedings, the contracting state would be the individual province — in this case, Saskatchewan.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

Schedule agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 27 — An Act respecting The Institute of Chartered Accountants of Saskatchewan and to repeal The Chartered Accountants Act and The Certified Public Accountants Act

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

Motion agreed to.

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

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

Bill No. 15 — An Act respecting the Application in Saskatchewan of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards

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

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

Bill No. 1 — An Act respecting the Establishment and Operation of the Wascana Rehabilitation Centre for the Provision of Rehabilitation and Extended Care Services in Saskatchewan

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

Motion agreed to.

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

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

(1615)

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Tourism and Small Business Ordinary Expenditure — Vote 45

Item 1 (continued)

Mr. Engel: — Mr. Minister, the last couple of sessions in your department we've been talking about the provincial climate, the business climate that's out in the province. And you've been reluctant to admit your government's failure.

I think what we need to get from you . . . And you were talking about 3,000-and-some business starts and you gave me the stack of press clippings that you've kept since you formed the government back in '82. And I looked at those press clippings, Mr. Minister. And there's something that struck me quite unique, and that was that likely for every new business that opened, it really was a change of name, or at the expense of another one.

And I suppose in some areas the down-town business people complain about a shopping mall, and the shopping mall, how it distracts — when you get to that size of business — how the shopping mall distracts from the main street. And consequently what a main street business will do is, he'll close down and he'll move out to a shopping mall type of an attitude. That's one example of it.

But have you any stats or numbers in the area over and above, the bankruptcies? You know, the bankruptcies, you felt, wasn't a severe problem. You felt you could cope with it. You thought that the increase from an average of 80, doing our 11 years in office, to an average of 300 during your years in office wasn't bad, that you could live with 300 because of the 3,000-and-some new ones.

But can your staff pull out the stats and give me some numbers on how many have closed? How many businesses have decided to shut down, that were in operation, and now all of a sudden aren't there? Have you numbers that would indicate those that didn't necessarily wait till they were bankrupt but decided to just shut their doors and make a sale?

I was driving down Albert Street today, and I saw a Cat with a bit ball knocking down a former business place that we used to enjoy eating at in. There's a number of those happening across the province.

And one of the reasons that's happened . . . And I thought you'd be interested in sharing half of a napkin with me. And a proprietor from a restaurant sat down at our table and he told me why people are having trouble operating in businesses under your government, under the terms where you say that things are so great. And I'm going to have a little trouble deciphering this. I should have taken time to write this out on a foolscap and do a little better job.

But right off the top, he pays \$500 for his licence to sell liquor. I think that's pretty standard; that hasn't change. He has that one there. That's about the same. The next one, though, is twice what it was just two years ago; \$2,400 for his insurance — that's double.

Forty-eight hundred dollars is another line. I'll tell you, these are the taxes he pays. He pays a \$4,600 property tax; and \$2,400 insurance on his business. And then the only one that stayed constant — the only one that stayed constant. His taxes on a small premise, with about a 100 and some seats — I didn't count them. I should have looked at the licence when you come in the door, but I'll look next time I go back there some time next week.

But he paid \$16,800 this year to the government to stay in business — \$16,800. And he's saying that just four years ago he got those same services in the same premise — in the same premise — for less than \$8,000. How do you explain that you're creating a climate for the small-business man? How do you create a climate for the small-business man when you've doubled the amount he's paying to you in taxes and insurance?

I think that tells you who those business failures are out there. And I just thought you'd be interested in this half of the napkin. It's not in my own writing. I started writing them down. I wasn't getting the numbers right, so he took it and wrote them on there for me. And he's very concerned, and he said, can you turn this around? He says, can you make it possible for an average, small, ordinary entrepreneur to make a buck like we used to be able to?

When I was in business I made a buck, was able to turn a profit. And I got into politics because a right-wing government like you guys made it impossible for me to survive between '64 and '71. It was impossible to make a buck. You had to be a friend of the government's to survive.

I know what making a buck's all about. We only had about 40 guys working for us; I had a payroll of about that. It wasn't a big business. It was a small business.

But I want to tell you that it's tough to survive under this open-for-big-business government because the little guy feels you're slamming the door in his face with these hefty tax increases, and it's a tough time to operate. So I'd like you to do two things: tell me how you expect these guys to survive under this severe tax load, plus the fact that they are now bearing an additional debt of more than \$9,000 each person in their household for this big deficit you've created in the province? They feel responsible; they're going to have to pay that debt back besides. So there's a real complicated problem there, and I'm trying to bring this thing to a head and bring it together so we can see your estimates wound up here so we can get on to some other areas.

But how do you account for, number one, the amount of business failures over and above the bankruptcies? Those guys that said, like this: let's get a cat in here with a ball and chain; let's knock the thing down and do something else; it's not paying; we can't survive under your government — how many of those were there around that did it because they didn't like this tax load? They said, I'm working for the government. I'm a slave to the government.

And you have press releases that I shared with you the

other day that put this red tape and this big tax right at the top of the list. But first of all, give us how many have decided to call it quits because they can't afford to operate under your administration.

Hon. Mr. Schoenhals: — Mr. Chairman, obviously the member has attempted to make a number of points. I'll try to respond to them, and I'll try to respond to them briefly. First of all, I want to emphasize that that tremendous sheaf of clippings that I sent you is only a portion of the clippings that we have available to indicate material on the number of new businesses that have formed in the province.

I emphasize again the doom and gloom rhetoric of the party opposite. Less than 1 per cent of the businesses in the province experience bankruptcy on an annual basis, less than 1 per cent; one of the best levels in Canada today.

I cannot give the member opposite the number of people who have closed their businesses without declaring bankruptcy. The Department of Consumer and Corporate Affairs may have that detailed information; I rather doubt it. I can tell him that there are today in excess of 4,000 more businesses in the province of Saskatchewan than there was when we came to government in 1982. I emphasize that again: there has been a net increase, net increase of 4,000 businesses in the last four years.

So while I can't provide him information on the reasons and the changes, as some businesses simply change names, there are numerous reasons why certain businesses exist in different locations or under different titles . . . But the meaningful fact is that there has been a net increase of 4,000 jobs.

In terms of the taxation question, I'm rather amazed that he'd raise it. First of all I should point out — I don't think the committee needs to have it indicated — but insurance can hardly be classed as a tax, and it's certainly not something that's paid to government. However, if the member chooses to indicate that, that's certainly his right.

Every tax that he mentioned was either in place or put in place by the NDP government. It's only in the last four years that business people have seen any type of reduction or elimination of taxes, and I'll mention some of those in a moment.

The prime question, I think, in the minds of business men, falls within the business tax as a second level of property taxation and, of course, the members opposite again will know full well that it was their administration, the NDP administration, that changed the assessment formula in order to put the majority or a more significant level of taxation on the back of businesses. It was clearly the objective, and any man in business in this province now understands that. The method of phrasing that in was a direct attempt to make sure that the heat built in different areas of the province at once.

I'm sure that members know that in Moose Jaw there was considerable problems in early, because they were one of the first. We have, since being here, completed that assessment. We will look this term, I'm sure, at

legislation, to put in place an independent assessment authority which my colleague, the Minister of Finance, talked about in his budget. That will give that assessment authority to the level of government where it, in fact, belongs — the local community government that is most closely aligned to the people.

And so I think that, while we inherited a tremendous problem, the people of the province understand the rationale under which that assessment was introduced. They understand what has happened, and they understand the solution that we are starting to put in place. But for a member of the NDP to raise the issue of taxes, and particularly business tax assessment, takes some small degree of nerve.

Just on the basis of taxes, there have been several steps taken to reduce the tax burden, or there have been targeted measures. I would indicate the initial venture capital program and recent expansions to that program which we have talked about; the elimination of small-business manufacturing processing deductions; the elimination of sales tax on research equipment; elimination of provincial income tax on new businesses; and the provincial sales tax changes. And I emphasize that word “elimination,” because in the lexicon of the NDP, when taxes were discussed, the word elimination I don’t think was ever heard in this province.

That is totally a new concept in a . . . I’m sure that business people across the province understand that, and I think that the net increase of 4,000 businesses that we talked about is clear evidence that there is an air of optimism that is completely different than the gloom and doom mentality that is being forward. And I venture to say that the business community in this province will never forgive the NDP for the devious taxation practices and the assessment introduction that they saw fit to introduce into this province.

Mr. Engel: — Well, Mr. Minister, I would like to tell you, that you show me one survey during ’71 to ’81 that had headlines like this, and this is a recent one; this is this year:

Tax burdens worries small business most. The tax burden on small business is the primary concern of Saskatchewan business people for the second consecutive quarter, says respondents to a national survey.

And Saskatchewan — that’s Saskatchewan — the number one problem by 58 per cent of the respondents was the tax burden. And the number two problem was the government regulation and red tape.

(1630)

You talk a fine line. You talk a beautiful story. If I could hear the same message in my riding as I do from you, everything would be rosy. But right across the piece business men are telling me, come on over and see me. And I’m going around from door to door. Car dealers in Assiniboia are calling me over and I come and visit them. And you know what they’re doing? They’re giving me a little donation for my election platform. And the number

one question they’re asking is, when’s the election? We’ve got to get rid of these guys. We can’t afford them. The number one tax concern, the number one concern that worries the business men.

If you’d be a business man and would listen to them and could link and communicate with the business men that are out there, you would hear that message loud and clear. Like the entrepreneur that runs his little restaurant told me on the side of his . . . and wrote down the side of my napkin when I was having dinner, those guys are coming around and saying, taxes are the issue. You’ve got them on the ropes on the estimates, let them know how bad our taxes are. Surely they can do something about it. That’s what the business men are telling me right across the piece, Mr. Minister, and that’s the number one concern of the business men.

You have no interest of helping the average entrepreneur. What the heck! We’re going to give our money to Peter Pocklington. We’re going to give our money to Peter Pocklington. We’re going to give Weyerhaeuser a \$234 million deal, but we don’t have a break for the small-business men; we don’t have break for the car dealer; we don’t have a break for the restaurant owner, we don’t have a break for the small contractor; but we’ve got lots of bucks. If you’re from Alberta or Ontario or United States or wherever, you come in and we’ll give you bucks for a megaproject. Don’t do anything that anybody else is doing. Come in and compete with the guys that are there. Take over the business that’s there. Create not one new job, not one new job in P.A. But you give them \$235 million worth . . . Or you gave it to them for \$235 million, when you know it’s worth a third more than that. Give them a discount on it — not a dollar down, not a dollar down — and yet you say that you’re helping them. You’re not helping the small entrepreneur, I want to tell you. They’re coming to us in droves; in droves.

I want to say, it’s great. Keep up the good work, my friend, because we appreciate that kind of political support and that kind of political encouragement.

I got a message to pop into a car dealer’s place and it sounded urgent. And I got over there and I got into the office and I thought, I’m going to get this big lecture on some deal. And he had a cheque. He says, here, we want you to know that we’re behind you this time; never voted NDP before . . .

Mr. Chairman: — Order. Order. The member is introducing topics that have nothing to do with the estimates of Small Business. The donations, political contributions you get from your constituents, has nothing to do with the estimates of Tourism and Small Business, and I would like you to refrain from introducing anything to do with elections. Carry on.

Mr. Engel: — Well my friend, Mr. Chairman, if that’s the way you want to run the rules and use your arrogant majority, I’ll stay away from it. But how can I show the minister that the business men are unhappy? How do they show that they’re unhappy? Tell me. There’s only one way to determine if a business man is happy with his programs, or isn’t happy. I’m going to get into the details of the budget. But I’m telling you this budget that is geared

... And we talked about it in question period today — \$2.25 million last year on advertising. This year, this year that number is jumping away up, an increase to almost over 4 million bucks on communications in that one department alone.

Business men don't want to hear your garbage. They don't want to hear your bragging about what you are saying. They want to see the facts. And the only way I can show the minister in real terms of how happy the business men are is their relationship to one party or the other.

The people that you thought ... I can see why you're sensitive and don't want me to bring up that other aspect of it. I can see why you're sensitive. But I want to tell you that when you look at the communication budget for this year, instead of being 2.25 million like we said, it's up to 4.25 million — \$4.25 million on communications.

Tell them what a good job we're doing. That's what you want to do; talk about doing a good job in business. You don't want to say the results of that talk. Well I'm going to tell you what the results are. I mentioned them before. That isn't the only place that happened, Mr. Deputy Speaker. That's not the only place that happened.

And you look at page 97 in your book. Look at page 97, number 8, under communications: what is it? What is the number? — \$4.25 million for communication for one department. That's half as much as we spent in the entire government on advertising prior to you taking office. That was enough to run 25 departments. You're spending that on one.

And you know, the sad part is, Dome Advertising is getting the bulk of that money. The advertising firm that's doing the advertising for the Tory party is getting half of this money — half of it — the same firm that's running your election. Now I know why you don't want me to talk about politics. Now I know why you don't want me to talk about politics when there's \$4.25 million in communication, and Dome Advertising is getting it.

And who did the ad for the former minister? Who did the little pamphlet? I wish I had brought it with me. I don't know if some of my colleagues have the former minister of Tourism's little pamphlet that was done by Dome and we got it. And it was done by Dome Advertising, the same people that got \$1.5 million last year for communications.

In there any conflict of interest? Is there anything there that smells like Sinc Stevens in Ottawa? Is there any conflict at all? Does Dome Advertising have a blind trust when they do the political advertising for yours?

I would like the little minister to go and get that little paper and show me where Dome did it. It's a slick little piece of advertising. But they're the same ones — they're the same ones that are getting half of this money.

No wonder you don't want to talk about politics. No wonder you don't want me to say what the small-business men are doing and how they're going to vote. I know why you're getting noisy over on the other side. And I know why you don't care about how much noise you're making

over there. You never seem to worry about that ...

An Hon. Member: Can't hear you.

Mr. Engel: — I guess you can't hear me. You don't want to hear. The member from Saskatoon — where's Glauser running out there? — the member for Mayfair isn't running again. He's got your guys' number. He knows where you're coming from and he knows what's going to happen.

And you know, you can tell me all you want that this isn't the platform to talk about politics. You can stand up in your chair and say, don't talk about politics in here. Well I'll tell you, we talk about it when we get out of here. We'll talk about it when we get out of here.

And the business men are happy, the business men are happy that there's going to be an election in June. They're excited about it and this here shows why they should be. This shows why they should be. In the year we talked about, the communications budget was estimated at 3 million. By '84-85, \$3 million; '85-86, 3.3; and '86-87, 4.25 — \$4.25 million for communication.

And the minister wants to stand in his seat and say that this isn't blatantly political — blatantly political to hire Dome Advertising to do, when it was 3 million, \$1.5 million to half of that at 4.25. You're going to get quite a few pamphlets printed for that, my dear friend. I don't like that. I don't like that inference at all. I think when a department that spends that kind of money on communication hires the firm Dome Advertising to do their communication and their advertising for them and placing their ads, when that same firm is doing their political advertising, that is blatantly wrong. That is blatantly wrong because there's a conflict of interest there.

There's a conflict of interest there and I think that the minister has some responsibility — has some responsibility — and that's why the care dealers and the restaurant owners are writing out their little pieces of paper. That's why they're coming to us and telling us, we can't afford to operate under these guys. They're raising the price of our operations. Insurance from Saskatchewan Government Insurance has doubled. Their municipal taxes have doubled; their property taxes have doubled; their business taxes have more than doubled. And to expect a small restaurant owner to pay \$16,800 off the top to the government ... And he doesn't like that being called government; it's all government agencies, every one of them, every one of them. That red tape is what's frustrating business men across Saskatchewan. That's where you're not providing a climate.

I worked in a number of towns across Saskatchewan in my day, and that has to do with, there was opportunity for business men around. There was opportunity in those days. And all of a sudden we got a right-wing government elected and those opportunities are gone — they were gone. There were no more jobs around. Contractors went out of business. They didn't show up on a bankruptcy list. They didn't show up on the bankruptcy numbers. And the minister doesn't even keep track of how many businesses

closed their doors in his term of office — doesn't even keep track of that number to decide why would these guys close.

Surveys are done and published in the papers. National surveys are done that indicate that tax burden's the number one problem. And he doesn't even understand that that's a problem — doesn't understand that that's a problem, doesn't understand that that's a barrier to your operation.

Well, Mr. Minister, that is in answer to your question on how many businesses have started since you're around. Well I suppose when you call business starts the little operation where now we're teaching young people about business practices, and they get in and they call it a business when they're shovelling snow off somebody's driveway or mowing somebody's lawn — that's another new business that's open. It's great; the young people learn some business tricks.

But the area I wanted to talk about, and the numbers I wanted you to compare, Mr. Minister, are as they relate to the budget — and if I'll lay my fingers on that paper — as they relate to the budget and the sheets that came from public accounts. And I had some numbers. I wanted you to explain to me why the discrepancy in those two numbers.

I don't know. My friend, Mr. Glauser, I'm not . . .

Mr. Chairman: — Order. The member knows that he is not to use the name of members in the House.

Mr. Engel: — Did I use a name?

Mr. Chairman: — Yes, you did.

Hon. Mr. Schoenhals: — Mr. Chairman, maybe while the member is looking for whatever piece of paper there is, I will try to respond to some of what we just heard. I'm sure there are a large number of business men in Saskatchewan who are very interested in the comments of the member opposite, and I hope there's still some paint left on the wall after that session.

First of all, if I remember the order in which the supposed points were made, the first was a question of . . . wanted to be shown some survey results from their period in government. I would point out, of course, that during their period in government the Canadian Federation of Independent Business didn't operate in Saskatchewan.

When we came to government we were of the assumption that they had shredded all the information they had on business. Since then I have had the opportunity to travel around the province and talk to rather large turn-outs of business people in 30 different areas, and they told me that it wasn't that they shredded the information; they never had any.

The NDP was not prone to discuss matters with business people. We have been told that we have spent more time in the short four or five months that I've been the minister of this portfolio talking to business than they did in the 11 years. And that's not to say anything about the time my

colleague, the member from Regina North, spent discussing many issues with business men when he was here.

So I think the reason there are no survey results from your period in office is that nobody in government ever spoke to business in those days.

(1645)

Business men told us in those meetings that it was something . . . quite a change in the last four years to have members of government, members of cabinet, come and speak to them in their own communities, to solicit their input, to ask for advice, to ask . . . share their problems with them, and to work collectively together to see if there were some solutions. And I think that's significantly different than what we heard from the member opposite.

When his colleague, the member from Quill Lakes, stands up and suggests that the women in business conference is in fact a waste of money, I think that that would indicate the level of sophistication and understand that that party has as far as business is concerned.

And once again, once again in that extended comment that we heard from the member from Assiniboia-Gravelbourg, he very clearly — very clearly — stated that his party was against the project that will lead to significant jobs and opportunities in Prince Albert, and of course I refer to the paper-mill that is being built up there and is part of the sale of the present facility to Weyerhaeuser.

It seems to me that there's a responsibility on the part of the party opposite to get their story together. The leader of the party goes to Prince Albert and indicates — and I could fish out the press release; I won't bother — that in fact it is an excellent project and his party is totally behind it.

The very day that he's making that statement, the member from Quill Lakes is standing in his place and suggesting that their party is against every major project that's going on.

And then today, in fact two days later — two days later — the member from Assiniboia-Gravelbourg just now got up and suggested that he was against that project, that it was somehow bad. It was bad for the people of the province; bad for Prince Albert; bad for the trees. I mean, sooner or later that party has to get together and make a clear statement.

Mr. Chairman: — Order, order. The minister is attempting to make a statement but from all the yelling from opposition benches to my left, I have difficulty hearing what he's saying. Order, order, order! Are you challenging the ruling of the Speaker?

Hon. Mr. Schoenhals: — Mr. Chairman, as I was saying — and I'll leave the issue — but I really think it is time that the statements that are made in this House begin to bear some resemblance to the statements that are made outside this House. I think that it's time that the statements

that are made in North Battleford were the same as the statements that are made in Estevan when they discuss the various projects. And I will leave that issue for the time being.

The question was asked why in fact we spend money on advertising. I'd like the member from Assiniboia-Gravelbourg to listen to this. We advertise tourism advertising to protect the investment in 2,000 small businesses in this province — 2,000 small businesses who directly depend on those tourism dollars that flow into the province as a result of advertising.

Just for the record — and I think it's important to clarify this — the member has tossed out the number \$4.2 million. I would indicate again that that is the entire communications budget. I wish it were, Mr. Chairman; I wish we had that kind of money to spend. The advertising budget is in fact \$2.3 million. It is the third lowest of any province in Canada in terms of tourism advertising, but it is a vast change since what happened when the previous administration was there.

The department of tourism was tucked away in the Department of Parks. Tourism . . . Their biggest job was to make sure that the family members of the member from Quill Lakes got a job on the park gates in the summer-time. But there was no understanding of the commercial impact of tourism on the economy of the province. And I think that the simple fact that tourism is now part of the Department of Small Business indicates the emphasis that we place on that aspect.

And we've talked about advertising. I will give you one very simple number. Maybe it can bring some meaning to the thing, if the members opposite would try to control themselves so we could carry on here. For every dollar, Mr. Chairman, for every dollar that is spent on tourism advertising, the province gets \$12.40 in direct expenditures by tourists coming to the province.

I'll repeat that number once more for the member for Assiniboia. For every dollars of advertising that the province spends, we realize \$12.40 in direct expenditures by tourists coming to the province.

And I want to make one more point about advertising the . . . (inaudible interjection) . . . Again the political grandstanding with the comments about Dome Advertising.

Just to clarify for the member of Assiniboia-Gravelbourg, Dome Advertising is the agent of record. We pay Dome; Dome then places all the ads. And the money goes to *Reader's Digest* and I indicate the full-page ad in *Reader's Digest* that was paid by Dome; *Saturday Night*, again a very attractive and very popular ad on Saskatchewan in *Saturday Night* paid out of that money; *Skyword*, *The Fisherman* . . . I could go through the large list of publications.

And that does not involve the electronic media advertising which is proving very popular. And as I indicated in question period, that electronic advertising will be put on display here in the province tomorrow in

both Saskatoon and Regina, so the people of the province will see and understand exactly what is happening in that area.

But, Mr. Chairman, I think it's very clear that we have come a significant distance in terms of the emphasis we're placing on tourism and the results that we are getting from tourism. We have a long way to go; we are still the third lowest province in terms of advertising. We hope over time to continue to improve that because, as I indicated again in question period, the potential for returns to the economy from tourism are probably as great as in any industry we have. By the year 2000, tourism will be the single largest industry in the world. It will be the single largest employer in North America.

We have seen a constant increase in tourism jobs — between 2 and 3,000 every year of the last four — and we expect that trend to continue through good and bad times. So I would suggest that the money that is spent on advertising of tourism is some of the best spent dollars that are spent by this government or any other. And once again that simple fact: for every dollar that is spent on advertising, \$12.40 is spent in this province by the tourists that come here. And I think that number, as much as anything, explains the rationale behind it.

Mr. Engel: — One short explanation: how did you arrive at that number, that \$1 reaps you 12.40? What did you use for a basis of that?

Hon. Mr. Schoenhals: — Well, Mr. Chairman, every year we do studies. If the member will check — well we can get into that later — the number of studies that I presented him we have done; we do studies every year tracking the results of what we have done. It's a simple process. Anyone can do it.

We could talk about results from the tourism industry. U.S. automobile entries into Saskatchewan for one or more nights — and a significant factor — increased by 4 per cent over 1984; a continued increase.

Visitations to national and provincial historic sites increased by 21.3 per cent — one-fifth increase in visitations.

Convention activity in Saskatchewan increased significantly over 1984. This is important. Regina hosted 47,047 convention delegates in 1985 — a 22 per cent increase over the previous year. And convention expenditures in Regina during 1985 — convention expenditures alone — totalled \$18.6 million, an increase of a whopping 34 per cent. Convention activity in Saskatoon was up 14 per cent as well.

Most hotel-motel operators reported increased occupancy rates in their establishments during the summer season by at least a minimum of 5 per cent.

Northern Saskatchewan drive-in and fly-in outfitter camps experienced, on average, an increased demand of 15 per cent.

Departmental advertising had a major impact in 1985. The programs generated a response of 16,125 business

replies, an increase of 213 per cent, an increase of 213 per cent in inquiries to the department about tourism opportunities in Saskatchewan.

Telephone inquiries from Canadian provinces were up 133 per cent — I'm sure the members will be interested in this — 133 per cent; while telephone inquiries from the U.S. were up by 145 per cent. All those numbers, direct increases of the advertising programs that the members opposite seem to be so very much against.

And Mr. Chairman, I think that when the member asks where we get these numbers, these standard collection procedures that we've been going through since this tourism section was rolled in with small business, now I can understand why the member has some difficulty understanding it. Because when tourism was closeted in the Department of Parks, worrying about manning a park gate, not advertising this province, not encouraging people to come to this province, doing nothing on the economic side of tourism, that type of information gathering would not have taken place. And I think it's important that the committee understand that these results demonstrate very clearly that the numbers in the blue book are very much justified.

As I indicated a couple of times today, I wish that there were money to make that budget larger. Hopefully over time there will be, but we are definitely moving in the right direction, and tourism opportunities in this province are increasing by a very, very significant number.

Mr. Engel: — It's really interesting that, ask you a question — where do you get \$1 equals \$12.40? — and you get this big tirade of all these other numbers. Did you pull that one out of your hat, or what?

But just in closing, I'd like to go through the former blue book. In communications, you estimated you're going to spend 3.092 million. You spent 3.229 million — an increase. But all the others: in subvote 9 you estimated you'd spent 326,000; you spent 264,000. In employment and development you estimated you spent 1.4 million. Guess what? Fifty-six thousand dollars was spent instead of 1.4 million on employment and development.

I'm supposed to trust this blue book. I'm supposed to trust this blue book when last year you estimated employment and development . . . How many thousand are there on welfare that could be working? Sixty-five thousand people looking for work, Mr. Chairman. And in employment and development they had a budget in there of 1.4 million last year. We said, great; spend the 1.4 million; let's find some jobs. How much did they spend? Fifty-six thousand dollars out of 1.4 million. You can't even think of a fraction because it's so little — \$56,000 of 1.4 million.

Saskatchewan small industry development. Let's get some business going. Let's develop industry and keep business alive. That was the area that I was really concerned with. On an \$81,000 estimate, what did you spend, Mr. Minister? Eight thousand dollars — 10 per cent of what he estimated, Mr. Chairman. I think if I go through this . . . Industrial technical assistance, \$175,000 budget in last year's blue book — spent 70,000, less than a third.

I think we have information here, Mr. Chairman. I want to talk about Dun's bulletin, the bulletin about Dun and Bradstreet, and

what it really said about Saskatchewan's small business. I've got some issues here I've got to talk about tomorrow. I think, Mr. Chairman, that being it's this close to 5 o'clock, I move we rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 5 p.m.