

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 12, 1995

The Assembly met at 1:30 p.m.

ownership.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Goohsen: — Thank you, Mr. Speaker. I'm happy today to present petitions on behalf of people from the Tompkins and Gull Lake area of Saskatchewan. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

And as in duty bound, your petitioners will ever pray.

I'm happy to table these on behalf of the people of Saskatchewan today, Mr. Speaker.

Mr. D'Autremont: — Thank you, Mr. Speaker. I also have petitions today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to support Bill 31, An Act to amend the Saskatchewan Human Rights Code (Property Rights), which will benefit all property owners in Saskatchewan, and specifically firearms owners, in order to halt the federal Liberal government from infringing upon the rights of Saskatchewan people.

And as in duty bound, your petitioners will ever pray.

These petitions, Mr. Speaker, come from the Indian Head, Sintaluta, Lipton, Qu'Appelle, Odessa areas of the province. I so submit.

READING AND RECEIVING PETITIONS

Clerk: — According to order, a petition regarding the proposed amendments to the firearms control legislation presented on April 11, 1995 has been reviewed pursuant to rule 11(7) and is found to be irregular and therefore cannot be read and received.

And according to order the following petitions have been reviewed and are found to be in order:

Of citizens of the province petitioning the Assembly to allocate adequate funding toward the double-laning of Highway No. 1.

And of petitioners petitioning the Assembly to oppose changes to federal legislation regarding firearm

NOTICES OF MOTIONS AND QUESTIONS

Mr. Goohsen: — Thank you, Mr. Speaker. I give notice that I shall on day 51 ask the government the following question:

Regarding the Department of Energy and Mines: (1) how many oil drilling licences were granted in 1994; (2) how many oil drilling licences were granted so far in 1995; (3) how many natural gas licences were granted in 1994; (4) how many natural gas licences have been granted so far in 1995; (5) what is the average length of time between application for a licence and the licences being granted; (6) what is the greatest length of time an oil or gas company can expect to wait before being granted a drilling licence; and (7) why are some companies experiencing much longer waits this year compared to previous years.

I so submit.

Mr. McPherson: — Thank you, Mr. Speaker. I give notice that I shall on day 51 ask the government the following question:

Regarding the Saskatchewan Power Corporation: the number of employees who have participated in the Queen's University national executive MBA (Master of Business Administration) program or are currently enrolled in this program; the names, positions, job descriptions, and salaries for those employees; the total cost to the corporation for this program; and the total cost to the employee for this program.

I so submit.

Mrs. Bergman: — Thank you, Mr. Speaker. I give notice that I shall on day 51 ask the government the following question:

Regarding the Department of Social Services: (1) the number of employees who have participated in the Queen's University national executive MBA program, or are currently enrolled in this program; (2) the names, positions, job descriptions, and salaries of those employees; (3) the total cost to the provincial government for this program; (4) the total cost to the employee for this program.

Thank you.

INTRODUCTION OF GUESTS

Ms. Bradley: — Thank you, Mr. Speaker. It's my pleasure to introduce a school group that's visiting here today in your gallery and introduce them to you and to the members of the legislature, a group from Lang which is a neighbouring town of Milestone, my own home town. It's 16 students are here from grade 4 to 6. They're accompanied by the their teachers,

argaret Rose and Jai Lyn Fleischaker, and chaperon, Tim Vanstone.

They've had a tour of the building and they'll be watching question period and we'll meet afterwards for juice and pictures, and I'm just very pleased to welcome them here today. And I want everyone to join me in a warm welcome.

Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. Members will recall that on April 3 this Assembly recognized the contribution of Saskatchewan peacekeepers who have served with the United Nations in many parts of the world and I think it was a very important event.

Well in, to some degree, conjunction with that, we have some special guests in the gallery who are doing a lot of work to recognize the 50th anniversary of the United Nations and I'd like to introduce them, Mr. Speaker, to you and through you to the members here.

There's first of all Mr. Douglas Roche, the Chair of the Canadian committee for the 50th anniversary of the United Nations. Please rise and be acknowledged.

Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — The Hon. Allan Blakeney, honorary Co-Chair of the Saskatchewan committee for the 50th anniversary of the United Nations.

Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — And Mr. Michael Hayden, Saskatchewan representative of the national committee. Mr. Hayden.

Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, we know the important role that the United Nations and our peacekeepers have played in the world in keeping the peace. We are honoured to have these three gentlemen here today for the contribution they're making in promoting the 50th anniversary of the United Nations. And I would like to ask all members together one more time to join in extending a warm welcome to them.

Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. On behalf of the official opposition, we too would like to welcome the special guests from the United Nations and the Saskatchewan peacekeepers as well to the Assembly this afternoon.

And special note is to welcome former premier Allan Blakeney to the legislature. A number of years ago I had the pleasure of meeting Mr. Blakeney in my home town of Eston,

Saskatchewan, when I was very young and impressionable. Fortunately my grandfather was with me that day. But we would certainly like to take the opportunity to welcome him to the Assembly this afternoon.

Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. I too, on behalf of the third party, would like to welcome the Hon. Allan Blakeney and Douglas Roche and Michael Hayden to our legislature this afternoon. And I want Mr. Hayden to know that, no, I have not forgotten the book that you've loaned me. It's just been a number of years since I've seen you. It was a pleasure having you here.

Hon. Members: Hear, hear!

Mrs. Bergman: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to the rest of the Assembly, a very special person. His name is Rodney Fayette. He is a work experience student, one of many in the Regina Catholic school district. He goes to O'Neill High School, and he is working in my office this month. I ask members of the Assembly to join in welcoming him here today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Passing of Margaret Brown, Mother of NDP Leader Audrey McLaughlin

Ms. Murray: — Thank you, Mr. Speaker. I would like to pay tribute today to an ardent supporter of universal health care from Saskatchewan whose life has been taken away by cancer.

Margaret Brown, mother of federal NDP (New Democratic Party) leader Audrey McLaughlin, died on Monday.

Margaret Brown was raised in the Indian Head region of Saskatchewan. She was diagnosed with cancer in the 1930s, but through her courage and strong will she beat this deadly disease.

It was through this fight and the time which was needed to pay off her medical bills that she became a strong supporter of universal health care — something which cannot be taken for granted, as we found out this week at a meeting of provincial Health ministers in Vancouver.

Margaret Brown, like her daughter, also served in public life. She was the first woman councillor in Essex, Ontario and served in this position from 1958 to 1969.

A memorial for Margaret Brown will be held at 3:30 tomorrow afternoon at the Regina Funeral Home. She displayed courage and determination throughout her life and will be missed by her family and the many friends who knew her. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Saskatchewan Prayer Breakfast

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, this morning I had the pleasure of joining some of my colleagues in the Assembly at a prayer breakfast sponsored by the Saskatchewan prayer breakfast committee. We had the distinct honour of welcoming a true Canadian sports hero to the breakfast table — Mr. Paul Henderson.

Mr. Speaker, the opposition caucus also had the unique pleasure of Mr. Henderson's attendance at our daily caucus meeting, which was certainly a welcome break from political discussions.

Paul's passion for the game of hockey was evident in his many fascinating stories and anecdotes, from the insufferable Harold Ballard to the dramatic and now historic game 8 of the 1972 Canada-Russia hockey series.

Mr. Speaker, one lesson he said he learned from the series should well be heeded by the government — never underestimate your opposition.

On behalf of the official opposition, I would like to thank Paul Henderson for attending the breakfast, our caucus, and for imparting his kind words and uplifting message, and most of all, for scoring the winning goal in 1972.

Some Hon. Members: Hear, hear!

Law Day

Mr. Cline: — Mr. Speaker, I'd like to report that today is Law Day, which is established by the Canadian Bar Association and the legal community to educate the public about our legal system.

The theme this year is, "Access To Justice." The goal is to inform the public of legal avenues available rather than going to court — avenues like mediation, Public Legal Education Association, the Ombudsman, victim services, and the Human Rights Commission, the Better Business Bureau, and the small claims court.

Several Law Day events are happening. A forum on euthanasia was held last week at the University of Regina. A poster and essay contest will be sponsored in schools, while lawyers and mediators will visit classrooms across the province. Today as well the Justice department has invited a number of people involved in small-claims disputes to attend a free mediation seminar.

Mr. Speaker, the purpose of the law in society is to establish rules and guidelines by which we all live. Our laws enable us to cooperate with each other and live in harmony. Law Day gives us an opportunity to appreciate and remember the legal system that we're fortunate to enjoy. Thank you.

Some Hon. Members: Hear, hear!

Defensive Driving Course

Ms. Stanger: — Thank you, Mr. Speaker. Mr. Speaker, lately this House has focused on the issue of safe driving. I noticed an article in the Wascana Energy newsletter about a constituent of mine who benefited from a defensive driving course. Ellen Mitchell, an accountant in Lloydminster, took the course as part of her training with Wascana Energy. Previously her method of defensive driving had been to avoid bad weather, and moving out to the Lloydminster area raised her fears of driving into a ditch. But thanks to a defensive driving course, she overcame her fears and prevented an accident.

In her course, Ellen practised driving into the ditch. Though, as she put it, her nerves were shot, with the help of another employee on the course she drove into a ditch several times.

It was just a few weeks later that Ellen was glad she had practised. While driving into Lloydminster she came over a gravel incline and found a vehicle heading right in her lane. She noticed that the other driver was going too fast to pull over safely and that the ditch on the other side was too dangerous to drive into. She reacted perfectly and drove into the ditch on her side. Both cars stopped and no one was hurt.

I wish to commend Ellen for her quick action and also for encouraging others to take a defensive driving course, and to Wascana Energy for their support.

Finally, Mr. Speaker, I sure hope the three Liberal members were paying attention just now. With the steering problems they had yesterday, they could also benefit from a defensive driving course.

Some Hon. Members: Hear, hear!

Museum Fund-raiser

Hon. Mr. Lingenfelter: — Mr. Speaker, I'd like to make a short comment about an important event that will be taking place this summer in my old constituency of Shaunavon, or as Mr. Eisler from the *Leader-Post* refers to it, my personal fiefdom.

Mr. Speaker, I still have more than a passing interest in what has become one of the most exciting and vibrant areas of the province. Mr. Speaker, the discovery of the T-Rex has something to do with that. And the people of south-west Saskatchewan know a good thing when they see it.

In order to provide a permanent home for Scotty, the T-Rex, and to build an appropriate facility for tourists to view this significant discovery, the Eastend Community Tourism Authority and friends of the museum have launched an interesting fund-raising event scheduled for this summer, July 21, in Eastend, in 1995.

Mr. Speaker, a fund-raiser that has attracted some very significant contributors. About 1,500 letters have been mailed out requesting personal items for an auction, and members will be interested and want to keep their calendar clear for that event.

For instance, members will be interested to know that Ringo Starr, the ex-Beatle, has donated an autographed tie for the event. And I might add, the former premier may want to give one of his string ties to see if he can't get on the same billing as Ringo Starr.

The fund-raising committee has also received autographed pictures from Vanna White and other Hollywood types; merchandise from a number of country stars — Rita MacNeil has given a CD (compact disc).

And I want to say, on behalf of all the members of the Assembly, to Elaine Stork, the chairperson of the friends of the museum, and her organization, a special congratulations. And I know all members will want to personally endorse and support this important community event.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Repeat Young Offenders

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, some time ago the Liberal leader promised to come up with an economic development project a week. Instead she's coming up with a newspaper retraction a week.

Mr. Speaker, I have a question on something the Regina police actually did say. On Tuesday there were two more dangerous, high-speed chases involving teenagers in stolen vehicles. The Regina police say many of these car thefts involve repeat offenders. Obviously the current corrections system isn't working.

To the Minister of Justice: Mr. Minister, you are responsible for the young offenders correctional system in this province. What reforms are you planning to make it more effective in discouraging repeat offenders like the car thieves we're seeing in Regina.

Hon. Mr. Mitchell: — Thank you, Mr. Speaker. As the member will know, the Young Offenders Act is a piece of federal legislation. It's a piece of legislation, however, in which we have a great interest for obvious reasons.

We've been working closely with the federal government, over the last couple of years anyway, with specific reference to this legislation. We are supporting the amendments to the Act that the federal minister has before parliament now and we are encouraging them in their review of the Young Offenders Act which is scheduled to take place this fall before the standing committee on legal affairs or justice affairs.

That will be ongoing and we have participated in the preparation for that work and will continue to support it.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, the current system of open custody simply isn't working. In fact two of the teenagers arrested yesterday were unlawfully at large after walking away from an open custody facility. The Regina police say open custody is not working for these offenders and punishment needs to be stiffer.

Mr. Minister, the opposition has proposed an alternative, an alternative which we understand is working well in Manitoba. We believe the province should develop a pilot project work camp for those sentenced to open custody. Will you support that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — This subject was debated in this Assembly, I think, yesterday afternoon. And it was pointed out to the House by one of the government members that the program in some of our facilities is really quite rigorous. And Echo Valley is the example — really quite a rigorous program that incorporates many of the ideas that were being put forward by one of your members.

We know that there are problems with the Young Offenders Act. The treatment or the handling of situations where very young people commit crimes has been a problem in society for decades, maybe even centuries. It's not new.

The Young Offenders Act was thought to be a better approach to it, and I think may well be, but clearly it has some shortcomings. And so the review that's scheduled to take place this fall . . . very important and we intend to be involved in it.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, Manitoba is dealing with the situation. Young offenders in Manitoba correction system are not immediately granted privileges; they must earn privileges. They have limited free time. Instead they spend their time taking classes, clearing bush, gardening, assembling mailings for non-profit groups. They participate in community service for organizations like UNICEF (United Nations Children's Fund) or the Multiple Sclerosis Society. They shovel snow for seniors.

Mr. Minister, these young offenders are learning to fill their time with constructive activities. They simply can't walk away during the day and go out and steal another car like the two teenagers arrested yesterday here in Regina.

Mr. Minister, why are you so opposed to this idea? And since the current system, since the current system clearly isn't working, what is your alternative?

Hon. Mr. Mitchell: — Well I don't know why the member would get the idea that we were opposed to any particular aspect of the closed-custody arrangements for young offenders. There's nothing in a name. You call a camp a boot camp, doesn't make it any different than a camp that provides a similar sort of program with a similar sort of rigorous routine and requirements, and we have had that. We have had that for some time.

I would, Mr. Speaker, invite the Leader of the Opposition, together with as many of his caucus members as are interested, to come and tour some of these facilities and see the kind of program that is being delivered and the requirements that are being placed upon the people who are inmates in those facilities.

Some Hon. Members: Hear, hear!

Rural Doctor Shortage

Mr. Toth: — Thank you very much, Mr. Speaker. Mr. Speaker, it is becoming more and more evident that the NDP government's health reforms are simply not working. Our office is inundated with calls and letters from concerned and frightened people regarding the future of health care in Saskatchewan. And this morning, Mr. Speaker, another doctor in rural Saskatchewan has called it quits. Dr. Rick Twanow recently decided to give up his Melfort practice and has accepted a job in the United States. That's the third specialist to leave Melfort in the past year.

Mr. Speaker, my question is to the Minister of Health. Mr. Minister, recent reports are saying that many doctors in rural Saskatchewan say they're overworked and getting close to burn-out because of the shortage of specialists; in fact in this province 88 specialists short to be exact. And in some cases, such as Dr. Twanow, what they've done is they're leaving this province.

Mr. Minister, very simply, what is your government doing to address this concern and to ensure that Saskatchewan people have adequate health care in rural Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I want to clarify for the member unless he . . . in case he's not aware, that the doctor he mentions in his comment today made that announcement some many months ago. It's not a new announcement today.

I want to assure the member that this minister and this government is conscious of the need to recruit and maintain specialists in our province. This, as he will know, is not a new problem. I know his government wrestled with it when they were in government.

And if I may say, Mr. Speaker, I believe we're having some more effect and some more success than has been had over the past number of years, and so I want to report to the House today

that the total number of doctors practising in Saskatchewan today as opposed to a year ago is considerably up.

In December, 1993 there were 1,177 practising; December of '94, 1,207. And that includes an increase, Mr. Speaker, in the number of specialists. In using those same two dates: December '93 there were 437 specialists at practice in Saskatchewan; by December of '94 there were 455.

Now, Mr. Speaker, we do not consider this to be a problem solved. And we continue to work with the College of Physicians and Surgeons, with the SMA (Saskatchewan Medical Association), with our district boards, to ensure that we have an adequate supply of physician services in Saskatchewan.

But if I may also say, Mr. Speaker, it's not only physicians who are working very hard these days. Nurses are working very hard; aides are working very hard; everyone in the system is working very hard.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Well, Mr. Minister, the fact that you continue to go back to statistics doesn't do anything to alleviate the fears and concerns of people in rural Saskatchewan. In fact you can deflect and excuse and blame all you want. The truth is, while we're spending more, Saskatchewan people are receiving less — and that's the sad truth.

Mr. Minister, who closed the 52 hospitals in rural Saskatchewan? And while you were closing this, did you save any money? What we have is actually the worst of both worlds. We're short 88 specialists, and doctors are telling us they are burning out; they're leaving this province. Nurses are stressed out and overworked, and patients are the ones to suffer. And it's these individuals who are bringing these concerns to my colleagues' attention and my attention.

North Battleford recently lost orthopedic surgeon Dr. Tom Evans due to burn-out. And all the statistics you can give us, Mr. Minister, do not address the concerns.

Mr. Minister, what do you tell the people in North Battleford or Melfort or any other community in Saskatchewan when they voice their concerns? Do you just brush them off by quoting statistics and more of your rhetoric?

Hon. Mr. Calvert: — Mr. Speaker, what I try to do at all times is not to concern the public with misleading kind of rhetoric that we sometimes get in the House from members opposite.

I repeat again, Mr. Speaker, that the issue of securing physician services, and particularly specialist services, in our province is not a new issue. Having just returned from a meeting with all provincial ministers, I can report to this House that this is a matter of concern for every province in Canada, Mr. Speaker. We're not alone in this. But I repeat again — and these are not just simply numbers; each of these numbers represents a real

physician at practice in Saskatchewan — that in fact the number of physicians practising in our province is growing, is growing, Mr. Speaker.

In fact we had fewer people, fewer physicians, leave our province in the last year than we have for the past seven years. Saskatchewan is a good place to practise medicine, Mr. Speaker. It's a good place to practise medicine.

Now again, I'd ask the member then if he believes that we should be adding resources to this field? How is it that he squares that with his leader's comment, Mr. Speaker, when he talks about cutting government spending across the board? Where would the member and where would his leader take that money, Mr. Speaker?

Some Hon. Members: Hear, hear!

Mr. Toth: — Well, Mr. Speaker, Mr. Minister, I find that interesting, your comments interesting. Well you tell us we've got a better system here in this province today. It wasn't all that long ago that you sat on this side of the House and you brought up statistics on a daily basis only to find out two days later that the information was incorrect.

What we have here . . . even doctors in this province are speaking out. And in the *Star-Phoenix*, April 12:

"Morale must be low and stress high if it allows (the) situation that occurred to my diabetic roommate," says Dr. John Bury.

He says about the nurses who looked after him, they:

. . . were always in a hurry.

They seemed stressed and rushed. As a patient in the mid-70s, in 1990 and last December, Bury believes "there has been a steady decline in compassion over the years."

That's in today's paper.

Mr. Minister, it appears to me that our so-called wellness is not working, that people in Saskatchewan have a right to be concerned. Will you admit today that your health care reforms have not been properly planned, have been improperly targeted, have not saved the taxpayers a dime, and have served to only raise the level of stress and anxiety at all levels in the health care industry? Will you admit that?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, the member will know — I mean I know why we go through this in question period — but the member will know, we've had long discussions during the process of estimates and Bills, not just in this session but in previous sessions, where we very carefully have shared with the members of the House the long-term plan for the restructuring

of health delivery in Saskatchewan.

Everyone in our province knows that change was required, change was necessary. We early on in the course of this government laid out a long-term plan which, I may say, Mr. Speaker, is being noted across the nation — indeed across the continent and the world. Now we're working on that plan. This transition time is difficult — there's no arguing that.

But I ask the member: does he support the plan therefore — if he doesn't like our plan — does he support the plan of his Tory colleagues in Alberta? Does he support the plan of Mr. Preston Manning and the Reform Party, which is a two-tiered plan *à la* medical care, *à la* American medical care, Mr. Speaker?

Is that the kind of plans that the members of the parties opposite would bring for the people of Saskatchewan and the people of Canada?

Well I can tell you, Mr. Speaker, we reject that plan. We've laid out a plan which we know can sustain publicly funded and publicly administered medicare into the 21st century.

Some Hon. Members: Hear, hear!

Effects of Health Reform

Ms. Haverstock: — Thank you, Mr. Speaker. I have been noting with interest the comments made by the Minister of Health. And I would like to table a report from the November *Medical Post*, and the subheading is: Saskatchewan's physician-to-patient ratio is worse than the national average in almost every speciality, Mr. Speaker.

Now some specialists are attributing their decisions to leave to the effects of overload and burn-out on their ability to perform. Very recently, I gave a stress workshop in Indian Head which was sponsored by the Saskatchewan Registered Nurses' Association. It's absolutely no secret to anyone, except perhaps the Minister of Health, that there are growing numbers of health care professionals who are ending up on stress leave and on workers' compensation.

My question to the minister today: how do you, sir, expect health care professionals to manage the stress of health reform when you and your government have consistently ignored their genuine concerns and their legitimate criticisms about the effect that health reform is having on hospitals, on patients, and on their ability to perform?

Hon. Mr. Calvert: — Mr. Speaker, from the outset of the structural changes in health care in our province and the movement towards a wellness model, we have worked very closely with health care providers, worked closely in terms of their leadership, worked closely in terms of their membership in the field.

Now the member from Regina shakes her head and says it's not so, Mr. Speaker. It is so because I have been there myself. Mr.

Speaker, does that mean it's been easy for health care providers? No, it has not. This has been a difficult time of transition. We have fewer resources to work with, and I think even the member opposite would admit that.

Now what, Mr. Speaker, does not help is when the Leader of the Liberal Party gets up in this House, on a variety of subjects, and brings all sorts of erroneous information into this House and then has to walk out two hours later and apologize: no, that wasn't correct. I think she does owe an apology to this House and to the people of Saskatchewan for the time and time again she brings into this legislature erroneous information. Would she do that today?

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. I will ensure that this copy of *Hansard* goes in particular to Dr. Sharma, chief of medicine at City Hospital, Mr. Speaker.

At a recent provincial health ministers' conference, this minister stated . . .

An Hon. Member: — Send the last one to the Regina police, too.

Ms. Haverstock: — Yes, and I did speak with him last night as well . . . Stated that health reform must not simply be about saving money, but about quality care.

Specialists and professionals from all Saskatoon hospitals contributed to an emergency working group, and they have reached a consensus, Mr. Minister. They reached a consensus that the district health board decision to close City Hospital emergency department would save no money and will undermine acute care capacity.

Instead of following the advice that they asked for, the district health board struck a new committee, Mr. Minister, to recommend that the emergency ward be closed. Now it's no wonder that specialists and doctors and nurses are exasperated with this kind of health reform process.

My question to you, sir, is this: if saving money is secondary to the delivery of quality care, why don't you do both and follow the recommendations made by this initial group of people, the professionals whose advice was actually requested?

Hon. Mr. Calvert: — Mr. Speaker, before I, or any member of this government, responds to new allegations by that member then I challenge her to stand in this House today and apologize for the allegations she made in here yesterday and then only half an hour or two hours later had to go out and retract. Will she do that, Mr. Speaker?

Now she makes new allegations today. I stand by my words of yesterday or the day before, Mr. Speaker. Health care reform significantly is to move us in the direction of preventative health. If she opposes that, please stand on her feet and say that.

And if she's on the question of the resources available, then will she please talk to her cousins and friends in Ottawa who are pulling not millions but billions out of health care across Canada, threatening the entire fabric of health care in our nation.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. It is indeed this government who needs to make apologies to the people of this province, not only for their health care reform but the kind of health problems they created by their gambling policies, Mr. Speaker.

Health care professionals invest years, they invest years in training to qualify them to care for the sick of this province. And specialists tie their entire careers to building a reputation, and a decision to leave their profession or reallocate is not one which is not arrived at without painstaking deliberation.

My question to the minister: money has not been what attracts or keeps specialists in the province of Saskatchewan. How do you explain why those who have practised here until now are deciding to leave this province? And you tell me, sir, what signal does that send to the specialists that you're trying to recruit?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I will explain to the member. But first I would ask her to explain what I read, when I return home from the Health ministers' conference, in the daily press in Saskatchewan. I read comments from local city police officers, saying, "I don't know where . . . (the Liberals) got that from." I read, "(They) have no correlation with break-ins to suggest they're related to VLTs."

Now, Mr. Speaker, if that's the kind of level of debate that the Leader of the Liberal Party wants to bring into this House, then I guess that's her choice. But I think for her credibility, the credibility of her caucus, and the credibility of this legislature, she should stand and apologize for that kind of statement.

Now, Mr. Speaker, I remind the member again of the facts. And I know she has difficulty relating to facts, she doesn't want to be confused by the facts, Mr. Speaker, but these are the facts. The numbers of specialists in our province have been growing; the numbers of active, practising physicians in our province have been growing.

Now I say again to the member, as I say to all members of the House, we don't count this success; we are yet concerned, as I'm sure she is. This is not a new problem. We will continue to work with the College of Physicians and Surgeons, the Saskatchewan Medical Association, the district health board, and members of this House, in finding new solutions.

Some Hon. Members: Hear, hear!

Crown Construction Tendering Agreement

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, two weeks ago Merit Contractors filed an unfair labour practice application against the government over its union-preference tendering policy.

Now they cited eight specific instances where the government has breached its own Trade Union Act. Many contractors and workers are anxiously awaiting the Labour Board's decision on this matter. But no decision has been made yet; in fact the Labour Relations Board hasn't even set a date for this hearing.

Mr. Minister, what is the hold-up? Why is the Labour Relations Board dragging its feet on this very important case?

Some Hon. Members: Hear, hear!

Hon. Mr. Anguish: — I'd like to thank the hon. member for his question. As the member would know, or at least should know, the Labour Relations Board is a quasi-judicial body. It's inappropriate for any politician or other individual to interfere with the workings of the Labour Relations Board. We view the Labour Relations Board as a professional organization.

And I would ask the hon. member, instead of trying to inflame the situation, which they have up until now, to just be a little bit calm about this and let the Labour Relations Board perform in the way that they're set up to function.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, I think the member knows full well that this board is appointed by the government.

Mr. Minister, the Saskatchewan Construction Association tells us the excuse that the Labour Relations Board is giving is that CIC (Crown Investments Corporation of Saskatchewan) hasn't picked a lawyer to represent them yet — not the Labour Relations Board; CIC. Sounds like a stalling tactic to me, Mr. Minister. Your government usually doesn't have any difficulty in finding lawyers. And if you're really stuck, I hear that Louise Simard is available.

Mr. Minister, will you get on with the job today. Will you appoint a lawyer and get a date set for this hearing? Or are you just going to sit around and wait until the next election is over before you take some action on this very important matter?

Some Hon. Members: Hear, hear!

Hon. Mr. Anguish: — Well I think it's a very revealing admission today in this House, Mr. Speaker, that a member would stand and say he would interfere politically in the Labour Relations Board. I think that speaks of why that particular party sits in opposition with a . . .

The Speaker: — Order, order. I think the member from Maple

Creek can't stand up and ask his question, then when the minister is trying to answer it, he's interfering. At least you should give him the respect and listen to his answer.

Hon. Mr. Anguish: — That's I think, because of admissions like the member has made here today, Mr. Speaker, that they sit in official opposition status and continue to climb in the public opinion polls of Saskatchewan.

No politician should be interfering in the quasi-judicial process of the Labour Relations Board. And if we get to a situation like that, the public should fear for democracy within the province. And if that's what the member's advocating — political interference — I think you'll find that you'll continue to slip in the opinion polls because people would be afraid of what type of government you'd run.

Some Hon. Members: Hear, hear!

Gaming Plebiscite

Mr. Neudorf: — Thank you very much, Mr. Speaker. I have a rather short question which I would like to direct to the Premier. Mr. Premier, today in the books, in the statutes of this province, legislation exists which allows for plebiscites or referendum questions to be put on a general election ballot.

Now yesterday you said in one of your . . . the only answer that you did give, let the court of public opinion apply. So very simply, Mr. Premier, do you have any intentions of asking questions on the upcoming ballot, and if so, what are they?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the government currently has no plans to ask any questions on a plebiscite under the legislation which the former administration introduced. But of course the election date is unknown and we have some time, some considerable time yet, in which to contemplate such things, and we haven't made that decision yet.

Mr. Neudorf: — Well, Mr. Premier, I would suggest to you to hurry up. June 12 is approaching quite rapidly, so you're going to have to make your mind up fairly quickly here.

But, Mr. Premier, I'm sure that even you recognize the benefits of direct democracy on the important issues that affect Saskatchewan people. For instance, the vast majority of people in this province would like to have a say on your gambling policy.

Even your own polling tells you that, Mr. Premier. In fact the growing numbers of organizations and concerned citizens against your ill-advised gambling policy are now getting up, to achieve by the only avenue possible for them now to get a question on, and that is through the petition route.

Why not save them that trouble, Mr. Premier? You can put the question on the ballot with one simple stroke of the pen, and

then the people will be able to tell you — as they did in Saskatoon — what they think of your ill-advised gambling policy.

Mr. Premier, why don't you have the courage to go the direct democracy route and let the people of Saskatchewan tell you what they are telling us — what they think of your gambling policy? Why don't you do that, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the member makes an argument, as I hear it in any event, for what I would describe as plebiscitarian democracy, which in effect says that on major issues the government of the day, or the legislators, members of this Assembly, in effect abdicate their responsibilities; that they no longer have the role of adjudicating competing values, competing pressures, competing considerations.

Representative democracy, which is what we're all about in the election — election of MLAs (Member of the Legislative Assembly), election of MPs (Member of Parliament) — imposes upon us, amongst other things, the responsibility to make those kinds of difficult choices.

At the end of the day the people of the province of Saskatchewan will have the right, the duty — and they'll exercise it responsibly I'm sure — to judge the overall record of this government and determine whether or not it should receive another four years.

I think that they will say yes, that this has been a very good four-year term, it isn't yet complete. We have made mistakes to be sure, but that on balance, on the major issues that the people elected us, we have addressed them, and there's a partnership for progress and there is a new day dawning. That's what I think they're going to decide in democracy.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 26

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 26 — An Act respecting Saskatchewan Assessment Appraisers and to enact certain Consequential Amendments to The Assessment Management Agency Act** be now read a second time.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, this is a piece of legislation that deals with the setting up of a

professional association to government assessment appraisers and this is a very worthwhile idea, Mr. Speaker. Many professional groups throughout the province have their body set up under provincial legislation.

The minister has stated that this Bill was initiated at the request of the Saskatchewan Assessment Appraisers' Association and that they have been involved in the drafting of the legislation. This Bill gives SAMA (Saskatchewan Assessment Management Agency) the authority to establish and maintain educational standards and professional competence for municipal assessors but not assessment appraisers.

Mr. Speaker, we are in the process of consulting with a broad range of associations and industries that may be affected by this legislation. There are many groups and individuals out there, Mr. Speaker, that have to deal with assessment appraisers, and they all have opinions as to how this piece of legislation may or may not affect them. And we look forward to the participation that they will present to us in dealing with this particular piece of legislation.

We will have some questions, Mr. Speaker, on this legislation that we will bring forward in committee. Therefore at this time, since we're still awaiting some of the responses that . . . we have got back some. But we're still awaiting others dealing with the people who deal with this in legislation. I would move at this time that we adjourn debate of this Bill.

Debate adjourned.

Bill No. 30

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 30 — An Act to amend The Assessment Management Agency Act** be now read a second time.

The Speaker: — Order, order, order. I think the two members that are offending the rules of the House right now know full well what the rules are, and they should not be yelling across the theatre here, or whatever you want to call it. It's a . . . you know, the people are just abusing the House rules here, and I wish they would abide by the rules.

Mr. D'Autremont: — Thank you, Mr. Speaker. Over the past year, the Saskatchewan Municipal Board has struggled to address assessment appeals with fairness and equity. SAMA has also struggled to do the same since there have been a number of appeals regarding assessments. Recently we saw the courts reverse a significant appeal decision, and confusion resulting from this decision.

In the debate about assessment over the past several months, it has become quite clear, apparent, that it's time to get on with the reassessment process. The minister stated in her second reading speech that SUMA (Saskatchewan Urban Municipalities Association), SARM (Saskatchewan Association of Rural Municipalities) and SAMA, city mayors as well as the

chambers of commerce, want reassessment in 1997 and that this is the purpose for this particular piece of legislation, Bill No. 30. It would require a comprehensive assessment to be done and to take effect at the beginning of 1997.

Bill 30 affects each and every one of us directly as landowners whether you own a home, whether you own a business, whether you own a farm or whether, as is the case in my constituency and a number across the province, pipelines. Pipelines will be very, very significantly affected by this reassessment.

The minister in her speech mentioned the fact that this legislation is going to basically eliminate the 10-year assessment process and cut it into a margin of three years. I think this is good and appropriate, yet why would a program be designed that would set out a standard for assessment process that would be an ongoing process, rather than always working through and having a board redesign an assessment process or assessment rules on an annual or biannual basis?

A long-term solution to this problem must be sought in order to avoid the long appeals, changing of reassessment dates, the way SAMA is funded, and the general confusion surrounding this issue. After all, people should have an idea of what they will be paying for their homes and business and property tax for many years in advance.

For instance, in Regina, if new home buyers are checking out the market in different neighbourhoods, it's important to know that their property tax could double within two years given the fact that they are buying in a new development in Regina.

As well, individuals starting a business need to know exactly what they can expect in costs and factor that into their business plans. Municipal governments have to know what to expect and how to plan for assessment costs. And the confusion over assessments recently has made these kind of decisions very, very difficult, if not impossible.

So, Mr. Speaker, I hope a long-term solution can be found to this problem. Many people have not been pleased with the way the assessment process has worked to date. They have not been pleased with the way SAMA has operated. And I believe SARM and SUMA are correct in suggesting that it's time we got on with the process and implemented a full assessment form.

There has been confusion over how SAMA will be funded for the most part — by the provincial government or by municipalities. Rural municipalities have expressed a great deal of concern over bearing the costs of assessments and understandably so, since they have had their provincial funding slashed to the bone already.

The process that is being suggested, Mr. Speaker, is moving their assessment costs from 1 to \$2,000 a year to over \$10,000. And it's not a circumstance where they have the opportunity to say, I want to hire this assessor or I want to hire that assessor and we'll sit down and negotiate what it's going to cost to come

up with the assessment. The fees are all set and the government says this is who you're going to hire. You're going to take SAMA people and that's the end of it.

This issue, Mr. Speaker, must be dealt with to the satisfaction of all involved as well. The minister also mentioned that this legislation brings an appeal process that will be more expedient than the present system. I'm sure everyone will be in favour of a faster process for appeals, but in the long run, any formulas or standards set must be based upon fairness to all involved. It should also be accountable to taxpayers across the province.

Mr. Speaker, again in this particular case, we're doing a consultation with the various groups involved with SAMA, with SUMA, with SARM, with individual municipalities. We have responses coming back in; we anticipate more, Mr. Speaker.

Therefore I would move that we adjourn debate at the present time.

Debate adjourned.

Bill No. 36

The Assembly resumed the adjourned debate on the proposed motion by Hon. Ms. MacKinnon that **Bill No. 36 — An Act to amend The Municipal Employees' Superannuation Act** be now read a second time.

Mr. Martens: — Thank you very much, Mr. Speaker. I have a few comments within relation to this Bill that I want to provide for the Assembly here today.

This Bill begins by changing the name of the legislation from superannuation to pension. Mr. Speaker, that is a significant change, as it relates to the public's perception of the function of the Bill. And I think the government should be congratulated for this move because it clears up the language.

But we have question on that, Mr. Speaker, what the cost of this is going to be to the superannuation . . . or the people who look after the superannuation. Is it enough to justify changing everything from signs on the door to the letterhead to the thousands of forms and paperwork that bear the previous name of the plan.

That's one of the concerns that we have, and we're going to be asking the minister to give us some of that information and seeing whether it is going to be cost effective.

In addition, we will be guaranteeing ourselves busy work for the next session or so, going around and amending every other piece of legislation that refers to the municipal employees' superannuation plan. At some point we have to question whether this sort of legislative navel-gazing is really worth this Assembly's time. However, it's not enough of a pressing issue to hold up the Bill.

This Bill allows municipal employees of a lapse of up to two years without interruption of pension benefits. This would be used, for example, in the case of parental or educational leave.

We feel that this is a very positive change that encourages two very important values in our society, namely, Mr. Speaker, the family, and the other point being that education is considered as a good option for a leave of absence.

Not unlike MLAs, municipal employees have a new and an old pension plan formula. This Bill allows pension members under the old plan to switch to the new plan if they apply by December 31 of this year.

Mr. Speaker, it is ironic to see this issue of new and old pension plans arising in this context. Of course we would like it if the Premier and several of his cabinet ministers took the lead of municipal employees and opted into the new pension plan.

We're not sure why the time limit was put on this provision of being December 31 of this year, but we will be satisfied to examine that in the committee. In the meantime, if the Premier would like to opt into the new MLAs' pension plan by December 31, that will also be fine.

Mr. Speaker, the fourth point that we have dealing with this pension, or the change in this Act, allows pensioners under this plan who have a medical condition that is shortening their life to receive higher benefits than they ordinarily would. Mr. Speaker, we believe that this is a fair and compassionate change.

However, we should add that since pension members have to prove their condition to the commission, we hope that the bureaucratic regulations and run-around associated with this provision do not end up destroying the intent of it. Obviously, a terminally ill pensioner often cannot afford to wait two years for bureaucracy to grind out a decision.

We're going to be asking the minister to outline for us the details of those provisions and the regulations that are going to be ensued in the Act. This is something that we would like the minister to keep in mind when she not only sets the regulations up, but how she wants to administer them.

Number five allows pensioners without a spouse to be paid more than those who do have a spouse. We are not 100 per cent clear on the reasoning behind this provision, Mr. Speaker, nor did we find out from the minister's explanations why this is being considered. So we want to examine in close detail in the committee some of the impacts that this will have on the pension provisions.

The Bill enacts a number of changes that allow for quicker winding down of estates in relation to this pension. And, Mr. Speaker, we're going to take and ask questions relating to that.

In the principle, we have no objection to these obviously. These are questions of detail that are best left for committee. On the

whole, we regard this as a positive Bill.

As I have noted earlier, we have some questions of detail that we would like to straighten out later. We would also like to know a few things about the consultation process and about the changes that funding . . . that are inherent in this Bill. So it would be appropriate for this Bill, Mr. Speaker, to move to committee so that we can attend to these matters. Thank you.

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

(1430)

COMMITTEE OF THE WHOLE

Bill No. 21 — An Act to amend The Securities Act, 1988

The Chair: — I would ask the minister to please introduce the officials who have joined us here this afternoon.

Hon. Mr. Mitchell: — Thank you, Mr. Chairman. I have with me today Marcel de la Gorgendiere who is the chairman of the Saskatchewan Securities Commission. Behind Marcel is Barbara Shourounis, who is the director; and Dean Murrison, behind me, who is the deputy director of the commission.

Mr. Martens: — Thank you very much, Mr. Chairman. First of all, I want to thank the minister and his office for giving us the freedom to have the members who are joining you . . . or the individuals joining you here today in our offices and discussing the Bill and the implications and the ramifications. I want to thank you for that.

In order that the public have a little bit of a view of what this Bill does, I'd like to ask you this question. One of the main actions of this Bill is to enact a registration system for commodity traders. Could you describe how this system will work and compare it to the way the system works today; draw a comparison between what we're going to have and what we have today.

Hon. Mr. Mitchell: — Mr. Chairman, the amendments will provide, to all intents and purposes, the same regime for commodity traders and commodity trading as you now find in the Act applying to the traders that are covered by the Act and the trading in the matters that are included in the Act. So in effect, they are brought into the same regime.

Mr. Martens: — Would you tell me how they're going to be doing that? Would you tell me how traders today are going to be involved and the things that they have to do under the new regulations and this new Bill . . . what they're going to have to do in order to comply.

Hon. Mr. Mitchell: — Mr. Chairman, the firms that are registered as commodity traders will be required to meet the requirements of the Act, including the requirements for bonding and for insurance and for capital. They will be required to file returns and keep records. They will fall under the provisions of

the Act, having to do with the way in which they do business, the way in which they deal with their clients.

As well as the firms, the individual sales people will be registered, and they will be subject to background checks and the normal things that the commission does in licensing sales people: checking for criminal records and that sort of thing.

Mr. Martens: — With the establishment of the framework of a business that wants to become involved in trading . . . and I'll use ABC elevator company, or for that matter you could use Pool, Pioneer, whatever. When they set up an office that is going to be trading in the commodities in Regina, for example, will they have an overall bond for the traders in that group? And will it be based on a volume per trader or just one major bond for all of them? And will . . . then the question . . . well answer that one, and then I have another one.

Hon. Mr. Mitchell: — The bonding and insurance requirements apply to the whole firm. They're not done on an individual employee basis but cover all employees.

Mr. Martens: — So for a person who would want to set up a business in the commodity exchange, in dealing with the commodity exchange he would have to have the . . . or he would be levied with the same volume of bond requirements that Pioneer Grain who deal all the way across western Canada, or Sask Wheat Pool who only deal in Saskatchewan, or the Alberta Wheat Pool who only deal in Alberta . . . they all would be considered having the same bonding requirements and the same volumes of dollars that cover the trading implications that they have.

Hon. Mr. Mitchell: — There is one rate that applies regardless of the size of the firm, so far as the amount of the bond is concerned. The same bonding arrangements are required as a minimum. The commission has the power, in the case of a high-risk situation, to increase the bonding requirement.

The bonds are obtained . . . these bonding requirements are satisfied by contracting a bond with a bonding company. And the rates that those companies have to pay is in part dependent on the number of employees they have. And the risk, I guess, varies with the size of the operation. But so far as the commission is concerned, they have to be minimum requirements.

Mr. Martens: — On the issue of licensing, will each commodity trader have to have a separate licence, or will it be an overall coverage for Pioneer Grain or Cargill, or will they have one licence to operate, or will each of the traders have to have a licence to operate?

Hon. Mr. Mitchell: — Both the firm and the individuals are required to register under the Act. I think that's the answer to your question.

Mr. Martens: — Okay, the business has a licence. The individual has a licence. Will the licences be equal in their cost

for the companies and equal in cost for the individuals trading?

Hon. Mr. Mitchell: — The fee for firms now to become registered under the Act is \$500 and for individuals is \$250. Those compare favourably with other jurisdictions, I'm told.

Mr. Martens: — In describing the firm — I don't think it's difficult but I'd like to ask a couple of questions — what will qualify an individual firm to meet the requirements under the provisions to be licensed? Will you have a set of criteria that the firm has to deal under and . . . answer that, and I've got another one.

(1445)

Hon. Mr. Mitchell: — Mr. Chair, there are requirements with respect to insurance, bonding, capital, and the people who are running the firm. Their qualifications to do that and their competence to do it is checked out by the commission. Those requirements have to be satisfied along with the payment of the fee, in order for the firm to be registered. Then as the firm carries on its business, it is subject to ongoing operational requirements and the keeping of records and that sort of thing that are . . . The commission has to be satisfied that those are being required as the firm continues in operation.

Mr. Martens: — If a firm is licensed in Manitoba and in Saskatchewan, do they have to have a licence to do business in both jurisdictions?

Hon. Mr. Mitchell: — Yes.

Mr. Martens: — How many of these firms are you anticipating going to be in this or do we have on hand at this point in time? How many of these firms are we talking about?

Hon. Mr. Mitchell: — There are five or six that have given us notice that they are going to enter this field. We expect that that number may rise to 10.

Mr. Martens: — Do you have any anticipation of the volume of traders that you're going to have in these five to ten agencies or in the five? Can you give me an idea what you're anticipating having this evolve into, the dynamic that it has?

Hon. Mr. Mitchell: — Mr. Chair, in answer to the member's question, we would estimate that the number of individuals that will be registered would be between 30 and 50 initially. That has the capacity to grow depending upon events, depending upon the extent to which . . . well, depending on the future, you know.

Who can see what the future will bring? We could see it growing to as many as a hundred perhaps. Depending on how the firms handle it, how much they decentralize, it is possible that elevator companies may seek to register people in some of their outlying elevators, you know, and you could really find yourself up to a hundred without too much trouble. We can't see that very clearly.

Mr. Martens: — Just adjacent to my constituency office, Pioneer Grain has set up an office like this, and so my curiosity has been raised somewhat by this very fact. Will the individual traders have to have some form of training in order to qualify in order to market these commodities?

Hon. Mr. Mitchell: — Yes, there will be requirements as to courses that they have taken, and those requirements will be similar to the kinds that are now taken by other traders under the Act, perhaps somewhat different having regard to the somewhat different market that they're operating in. And we think it quite likely that the people who will be registered have already taken that kind of training in the past, perhaps in other jurisdictions.

But they're probably ready to go now, but the commission will have to examine each situation and determine whether or not the individual has met the minimum requirements that we'll be setting down here.

Mr. Martens: — If I have this assessed correctly, I would say that in an office situation, it'll work similar to a broker in real estate, and then he'll have salesmen underneath that deal with the commodities and typical of that.

I asked the question earlier about the company doing business. Will they have to have an individual in that company doing business that will have qualified . . . to do business as a trader in order to have that business? A business can come and go, and it can hire and excuse people from responsibility. But some place there has to be a basis for that company to be required to hold the person responsible for a licence as well as a trader. And so that's why I wonder if the licence to qualify for the business will be contingent upon licences qualifying in the area of traders within that company that's doing business.

Hon. Mr. Mitchell: — Well the member is quite right. There has to be an individual within that firm that is trained to a standard that . . . or has experience, a combination of training and experience to a standard to run the affairs of that firm in the province.

And that is a higher standard than the people who are the traders, the individual traders. And the level of training is different, and the kind of training is different. But the member is perfectly right; there has to be that person present.

Mr. Martens: — Is the licence contingent upon that individual being there to give the information accurately for the traders in that business?

Hon. Mr. Mitchell: — In order to get registered, the firm has to have a person in charge, supervising the operations, that meets the standards we were discussing just a moment ago. And that person has to continue to be there, continue in that position, in order for the company to continue to operate.

If that person were to vanish, no longer be employed by the company, then that would threaten the registration of the firm.

And if that problem persisted and wasn't remedied in short order, in due course, then the commission would consider cancelling the registration.

I'm told the person doesn't necessarily have to be resident in Saskatchewan but they have to be here enough to be able to show the commission that they are in fact performing the supervisory responsibilities that are a requirement of the commission.

They could, for example in the case of smaller firms, be somewhere else. We would expect that a firm of any size, though, would have someone in Saskatchewan who was performing this function.

Mr. Martens: — Okay. So I get an idea of what we're talking about; let's take James Richardson's securities for example. Well they deal in commodities. Would they have a commodity representative, in your mind, in Winnipeg and then deal with salesmen in Saskatchewan? And you could use the example of Pioneer Grain as well doing that sort of thing.

Will they be required to have an in-house person doing that? I just want to use as an example — and I raise it as a concern that I have — my family was involved in a business that sold animal health products to customers through the south-west part of the province.

We had competition from major companies across western Canada. And the requirement under the Saskatchewan Veterinary Medicine Association is that you have to have a veterinarian on staff in order to do it. And what they said is, well these companies — we had a local vet who was involved in the business — but these other companies, they had a veterinarian in Alberta or in Vancouver or in Toronto, giving them the opportunity to market in Saskatchewan.

Now I don't think that that's entirely good because what you have is a . . . Well there's lots of distance and I know what communication can be today; that still is a long distance for something that is marketable on a regular basis as commodities.

And because commodities are — if I compare this to this animal health business — commodities are a far higher risk in the business that I was involved in, because I knew a little bit about it, but the majority of people or a lot of people in the commodity business rely on these traders in order to give them accurate information.

And that would raise a concern for me if James Richardson had a trader, the head firm in Winnipeg giving an arm's-length kind of advice through the traders here, and not having someone who is directly responsible to your Securities Commission dealing with it, who has jurisdiction given to him by another province.

(1500)

Hon. Mr. Mitchell: — I'm glad the member asked the question.

I was probably a bit vague with my previous answer. We would expect that with respect to firms in the business of trading commodities, for them to have a resident person in Saskatchewan.

If a small firm came with a case indicating that they couldn't, but they would be able to service it from, say, Winnipeg, the commission would listen to that argument, would listen to that case, would consider it, and has the jurisdiction if it . . . in a proper case to allow that to happen. But they do it from the point of view that the starting point, the starting point of view that the person will be resident here.

The reason is of course that it is the kind of a thing that requires close supervision and close assistance of the actual traders. In the two examples, Dominion Securities and the Pioneer Grain Company, they will certainly have resident people here. There's no question about that. There of a size that they would have people here.

Mr. Toth: — Mr. Minister, my colleague has been dealing with some questions regarding the commodity exchange and I'm wondering . . . I'd like to pick up where he left off. Can you describe what, if any, consultations you had with the Winnipeg Commodity Exchange and with other securities legislatures before drafting these changes in the Bill?

Hon. Mr. Mitchell: — Mr. Chairman, the . . . and to the member, the Winnipeg Commodity Exchange were actually the requesting party, the organization that requested that we introduce these requirements into the Saskatchewan Act, as they had with other provinces. And what they had in mind was to facilitate their own operations. It would assist them if these regimes were in effect in the other provinces.

We have, in preparing this legislation, followed the lead of British Columbia and Alberta which acted faster than we did in Saskatchewan; and Ontario have similar legislation; and we expect that Manitoba will shortly have the same kind of legislation too because the request from the commodity exchange has been made to all of these provinces and it is in all of our interest to do this thing.

Mr. Toth: — Thank you, Mr. Minister. So I can take it from your comments then that the implementation of the changes have come from, initially from the commodity exchange to bring the Act. I gather that they're asking for the Act to address a number of concerns that they saw within the securities and within their own area of expertise and how they would operate as a commodity, and then therefore they came forward with the changes.

I had another question that was basically dealing with . . . I understand Alberta has already passed a Bill similar to this one. I think you indicated as well that this Bill basically follows that example, and that in fact the changes that are being implemented by The Securities Act, Bill No. 21 in front of us, deal with a number of the concerns, a number of the issues having been raised by the commodities exchange, and that a

number of provinces have actually completed that and have introduced and brought forward Bills, passed Bills; some others are doing the same thing.

Do I understand as well, Mr. Minister, that all provinces would basically be, at the end of the day, be looking at following suit in bringing forward legislation that would make their securities commission follow the same guidelines; is that what you're telling us?

Hon. Mr. Mitchell: — As both the member and I have said, Mr. Chairman, B.C. (British Columbia) and Alberta already have this legislation, as does Ontario. And Manitoba will, we understand, be doing it in the near future. Quebec has similar provisions in a separate Act from this legislation, but none the less in their legislation. We are not certain what the situation is in the maritime provinces.

Mr. Toth: — Mr. Minister, I may have missed it, but what specifically does this Act address that the commodities exchange would have been bringing forward to this legislature and asking for the introduction of this Bill to the legislature; and the reasons for the changes that we're implementing today or that are being brought forward in this piece of legislation?

Hon. Mr. Mitchell: — The legislation provides for the registration of the firms and of the individual salespersons, and that is common to all legislation. The regulations respecting the way in which the business is carried on will be developed pursuant to the statutory framework, and there will be a great deal of consultation among the provinces to ensure that those requirements are uniform.

That is what is so facilitative about this so far as the commodity exchange is concerned, and is a sensible way of dealing with a situation that really doesn't pay much attention to provincial boundaries.

Mr. Toth: — Based on that comment then, just a thought in the back of my mind. Does this Act have any implications or have anything to do with the organizations throughout the province that come to the Securities Commission to get the ability to gather funds under the community bond program? Does this address that, or does this address any of those concerns or have anything to do with that aspect of the community bonds program, Mr. Minister?

Hon. Mr. Mitchell: — None of the amendments affect the community bond program at all.

Mr. Toth: — I understand, Mr. Minister, that the Bill also expands investigative reciprocity for investigating potential securities fraud. And I'm wondering if you could give us some examples of how this will allow you, through this Act, to better protect the people of the province of Saskatchewan.

Hon. Mr. Mitchell: — The problem arises in a number of ways, and I can give you an example. Let's say that a particular salesman had committed frauds in Saskatchewan, securities

frauds, and the commission was on to it and investigating it, and the person in question moved to British Columbia. Under the present law, the commission has no capacity, no way, in which to force that person to come back to Saskatchewan, or to go to B.C. in order to take the evidence from that person, to require that person to appear and give evidence.

This would permit the commission to go to court and to obtain a document that would enable the commission to go to British Columbia, have a representative there question the person who was alleged to have committed the fraud. Similarly, if someone who had committed a fraud comes to Saskatchewan, it will enable us to be reciprocal in the way in which we deal with those cases.

Mr. Toth: — So if I understand you correctly then, Mr. Minister, at the present time we really don't have anything that allows . . . now are we talking specifically the Saskatchewan Securities Commission? If a case of fraud should happen to appear, they really have no opportunity to proceed beyond the boundaries of this province. If someone happens to, as you indicated, leave the province, they're at the mercy of another jurisdiction basically giving them a hand.

And I guess you use the word reciprocal. That was the question I was coming to. Does this basically work out, if you will, reciprocal agreements between other provinces now that allows that interaction between provinces to treat these cases and indeed make sure that individuals or groups do not shirk their responsibility or get away with incidents of fraud that may have been committed in a specific province.

Hon. Mr. Mitchell: — Mr. Chair, the member is perfectly right.

Mr. Toth: — Mr. Minister, I believe the Bill as well, if I understand correctly, gives the government the power to remove from the boards of companies any directors who have any sort of previous record of fraud. The individuals then have to prove that they are not involved in fraud. And I guess, is that true?

And if it is, if — say — an individual comes from another part of the country and sets up a business dealing with securities and/or a group sets up a board of directors and an individual may have committed a criminal offence in another's jurisdiction, does the province have any ability in the establishment of that board? Does the province then have also the ability to determine whether or not that individual should be allowed on that board or removed from the board? Is that covered under this Bill, or do I understand it correctly?

(1515)

Hon. Mr. Mitchell: — Mr. Chair, there is no reverse onus here. There's no presumption that operates in favour of the commission. The commission staff must produce evidence to indicate to the commission that indeed the person is . . . I'll use the term, unfit; that's not the technical term. But to satisfy the

commission that it is not in the public interest for that person to be a director; then the commission has the jurisdiction to make that finding.

It has . . . The member is correct in your example; it's most usually someone coming in from the outside with a history of fraud and starts to operate in Saskatchewan. And then the experience around the country is that the mere service of the notice that the commission is going to have a hearing on this is enough to drive them out of this jurisdiction, or out of that jurisdiction, I should say, to go somewhere else. That's been the experience around the country.

Mr. Toth: — Thank you, Mr. Minister. So basically what you're saying, the legislation is fairly consistent with the other jurisdictions in Canada, in their legislation, so that we have an equal understanding between provinces of how the Securities Commission operates. And I take it from the nodding of your officials that that is the case.

I understand the Bill also provides for fines for persons involved in securities fraud. And first of all, the fines are limited to, I believe . . . is it \$1 million? And second, they are paid into the General Revenue Fund.

Would this level of \$1 million be considered low? Or is it considered consistent within the industry? It would seem to me that with the amount of dollars that an individual or a group may be dealing with when you're looking at commodities, \$1 million may be low.

And I'm just wondering . . . I suppose what we're looking at is consistency in the legislation. But I'm wondering if any other jurisdictions have questioned the limit and whether this low limit would indeed rob innocent people of millions of dollars.

Hon. Mr. Mitchell: — I want to say two things in response, Mr. Chair. The first is that these provisions are consistent with the provisions in other jurisdictions.

The other thing I want to mention is that the fine, as the member observed, can be \$1 million, or it can be an amount equal to triple the profit made or loss avoided by the person by reason of the contravention.

So there are those two options that present themselves when the penalty or fine is being assessed.

Mr. Toth: — Now I believe it mentions about . . . that fines are paid into a general revenue fund. Is that a fund within the Securities Commission? Or what fund are we specifically related to . . . talking of here?

Hon. Mr. Mitchell: — The provisions are the same as all fines under the provincial statute. They're paid into the general revenue of the province.

Mr. Toth: — So it actually comes into the Department of Finance then, the general revenue.

And what is the purpose for the fine? Is the purpose . . . Does that . . . When I say that, if it comes into the general revenue, is that just basically seen as an income? Or if a person has been defrauded of a certain amount of money at the end of the day and it is proven that fraud has been committed — a person has lost a substantial amount of money — is this then used to help repay or reimburse? Or what happens if a person loses or a group loses money through fraud in a circumstance such as this?

Hon. Mr. Mitchell: — The answer is no to the last part of the question. Where someone has lost money, they have to go to the ordinary common law, to the civil law of the province, to recover their loss in the normal way. They have to try and recover it through the civil courts.

The fine is intended to be a sanction for the performance of the obligations set out in the statute. And if they convene . . . if they contravene those provisions, then they are liable to the penalty. And the penalty can be quite stiff and it's meant to act as a deterrent to contravention.

It's like a speeding fine which is set at a high enough level to deter people from speeding down the highway, and in that sense is analogous to the way in which I think all of our provincial statutes are set up.

Mr. Toth: — Well I'm not sure, Mr. Minister, if we can call speeding fines as deterrent or not another source of revenue for the province of Saskatchewan, but that's neither here nor there.

The concern I have, Mr. Minister, though is you mention about an individual who has lost funds through fraud could go through the common law process. And I guess the concern I have is, okay, you've lost, you've dealt with a broker, if you will, you trusted that individual, and then all of a sudden find yourself short a substantial sum of money.

And who knows what that sum can vary. I'm sure it can vary quite significantly to a lot of individuals. Some cases, it may not be all that significant. But by the time you go through the common law process, it seems to me, as I've observed legal cases in this . . . and not just in this province, but in general, when you go to court to try to recover a loss, and I bring the example of the discussion we had regarding young offenders and stolen gas. The police actually finally said to the individual: by the time we go through the court system, the reality is we may or may not get a conviction; we may or may not get a penalty — but you are not going to recover your loss.

And it would seem to me that probably what most people will find, okay, if they're going to look at the court of law to try and recover their loss, by the time they go through the process, their cost to try and recover that loss may end up being higher than their loss.

Wouldn't it be better to have had something within the Act that would basically set up a fund, if you will, that would help for recover and repay for loss versus saying to an individual, well

you trusted the person, they unfortunately abused their privilege of trust. You lost, so you take the court system or else having . . . we've got fines, substantial fines, that instead of just going into general revenue putting it into a trust account that would be used to reimburse individuals for the loss they incurred. Wouldn't that be appropriate, Mr. Minister?

Hon. Mr. Mitchell: — This is an interesting subject. The whole purpose of The Securities Act and the Securities Commission is to try, to the extent that it's possible to do so, to ensure that everything is on the up and up in the trading of securities.

And the problem cases don't involve the registered brokers because they're not fraudulent. I mean they're doing business in a very competitive market, and they're providing high-quality service to their clients for which they're paid well. And if any problems did occur, they are bonded and insured, and they're good for the loss. And in the event that such a firm were to go bankrupt, there is a kind of funding arrangement in the industry that the people who have losses could have access to.

The problem arises with the shady operator, the fly-by-night manipulator that comes slipping into Saskatchewan and organizes some kind of project, doesn't get registered under the Act, tries to fleece a little money out of the economy, and then get out of town before the sheriff rides in.

Those are tough situations. You know it's supposed to be regulated by the law. Chances are they have broken the law, but by the time you reach into the situation, some people have been fleeced. Some people have turned over their money to these predators, and it's gone, and they're gone so that . . .

I was just asking my officials about the situation, and they told me that they can't remember a fine that's been paid in their days with the commission. There have been fines levied but not necessarily paid.

The real deterrent is jail, and that is the penalty that I believe is sought in most of these prosecutions, rather than the payment of a fine. Chances are these birds I'm talking about don't have deep pockets and are not able to pay fines, and they wind up, if they're convicted, serving jail time rather than paying the money over. But my staff can't remember a fine having been paid.

Mr. Toth: — I'm not sure if the reason it hasn't been paid is because of the laxity in the bankruptcy laws or not; I don't know.

But on the other hand, Mr. Minister, you made the comment about the fact that indeed most individuals who are licensed, very seldom, if any, have these individuals really run into a problem with the way they have held their licence and the way they've conducted the work. It's the individuals who would come in who . . .

And if I gather correctly, I'm gathering from your comments

that there indeed have been cases where individuals have come in and set up a practice without actually getting a licence. Is that what I'm understanding you to indicate, Mr. Minister?

Hon. Mr. Mitchell: — Mr. Chair, these operators will not normally set up a business or set up a firm, but what they will do is come in and push a project.

My officials were telling me about a recent situation in Bethune — the member knows where Bethune is, a very small town on the way to Saskatoon. And the scam was that they had a process for extracting gold from the groundwater, and they sold an interest in this process and cleaned a lot of money out of the community of Bethune. And they're in and out and gone before you can get a grip on them, you know, and away they go.

So just to repeat myself, it's that kind of operator that excites the interest of the Securities Commission with respect to those fraud requirements. It is not the mainstream companies.

(1530)

Mr. Toth: — I guess the suggestion would be, Mr. Minister, then that, and if there's a message that we could certainly send from this Assembly, is that people in Saskatchewan before they start getting involved with any group or any organization, whether it's in investing funds, is that they ask for and require of them a bit of information as to who they operate with, how they operate.

I believe on the news the other evening there was just a news blurb telling the people of Saskatchewan about a group that had come in and I believe they were offering you — I think maybe that was the one with the gold; I'm not sure — offering you, if you send so many thousand dollars to this certain . . . Oh, it was another function then. Send so many thousand dollars to this certain address, you would be sent a form as to receive, and I just don't remember all the details, but some kind of contraption that would help you in making money for yourself.

The unfortunate part is once the money left your hands, left the province, that was the last you heard of organizations like that. I know it's not dealing specifically with this piece of legislation, but it sounds to me like we have it whether we're dealing with securities, whether we're talking about people trading in commodities, or just individuals selling a product — it would be buyer beware. And the general public should really take note as to who they're dealing with because a lot of these operators are very smooth operators in being able to sell their product.

I also noticed, Mr. Minister, that the administrative penalty is set out at \$100,000. Is this penalty set in line with the \$1 million? Or here again, is this penalty considered high enough, or would you consider that penalty as being somewhat low for this type of an offence?

Hon. Mr. Mitchell: — There is no question that people who receive one of these offers that seem too good to be true . . . In other words, an offer you can't refuse should require the

production of a licence from the Securities Commission. But it's just amazing how many people there are around who don't think of that; they just see an opportunity to get rich quick and they grab for it.

We were talking about the fines a moment ago, and the member will know that those fines are in the hands of the courts and the court levies that fine. The commission however does have the power under this legislation to levy an administrative penalty in some circumstances and to specify that that money will be used to produce material to promote knowledge of the participants in the capital markets of investment and regulatory matters.

So I mention that to the member to underline the fact that it is a function of the commission to educate the public or see that the public is educated to the extent possible with respect to these matters.

Mr. Toth: — Mr. Minister, I notice that we have a section that deals . . . detailing extensively with misrepresentation, defining misrepresentation of securities. And I'm wondering, Mr. Minister, is this a new section? Are we bringing some new ideas into this Act and from what the previous Act would have had? And I wonder if you could explain how it differs and what the real intent and purpose of this section of the Act is — I believe it's sections 138 to 138.2.

Hon. Mr. Mitchell: — I'll deal with the sections one at a time. Section 138 in the Bill expands the rights of action for misrepresentation in offering memoranda — the member will know what I mean by that — which parallels the rights for misrepresentation in a prospectus.

And just for the record, of course, the offering memoranda is an alternative to a prospectus.

Section 138.1 contains provisions regarding misrepresentation in advertising, but those provisions were already in the preceding section, so that they're not new. And again it expands the rights of action for misrepresentation in advertising to parallel the rights for misrepresentation in a prospectus.

And with respect to section 138.2, there is a new provision which gives a right of action for verbal misrepresentation made in connection with the sale of a security.

Mr. Toth: — Mr. Minister, if a person comes to the commission and feels that they haven't really been given the true bill of goods, and have actually had misrepresentation of the sales pitch that was given to them and what they understood, what guidelines would the commission then follow in dealing with a broker or a firm that an individual may feel may not have been up front and open with them regarding the sale of the commodity that they were handling?

Hon. Mr. Mitchell: — In the circumstance that the member has put to the Assembly, the commission would . . . a member of the staff of the commission would meet with the person who came in with the complaint; he would take particulars of the

complaint; they would then try to document it in whatever way they could; and then it could take different routes depending upon the nature of the complaint.

The first possibility is that the commission would . . . the staff of the commission would investigate the complaint. And that may lead to either some proceeding before the commission or one of the other two options that I'm about to mention.

The second option is that the complaint would be turned over to the self-regulator, the industry's regulation process, if it's an appropriate case. It may, for example, be turned over to the investment dealers association for investigation and perhaps disciplinary action. It may be turned over to the Toronto Stock Exchange for the same kind of investigation and disciplinary action.

Or the third option may be a prosecution under section 131, where the complaint discloses the commission of an offence. And either the second or third option could flow from the commission's investigation or it could be an apparent case that would be immediately turned over without any great amount of investigation by the commission staff.

Mr. Toth: — Mr. Minister, I noticed also we have a section dealing with regulations, and talking about the Lieutenant Governor in Council may make regulations, and it's a fairly extensive section. I'm wondering exactly what is the purpose of this specific section? What are you addressing with it through this section, Mr. Minister? And is this also in line with the other pieces of legislation in other jurisdictions?

Hon. Mr. Mitchell: — There always has been a power to make regulations under the Act, and considering the nature of the industry, it's advisable to do that because the industry has been constantly changing for a long time. There are new . . . changing in the sense that there are new instruments being thought up and being marketed and that requires some, you know, an ability to respond. And so the response by regulation has long been the technique that this Assembly has authorized.

These provisions closely parallel the Ontario Act, which has for decades been the leading Act in the country and the Act to which the other provinces look to for leadership. A number of new areas are covered in the Act that weren't covered before. I cite, for example, the situation respecting mutual funds. It's an attempt to try and keep up with recent developments in the industry.

(1545)

Mr. Toth: — I also note, Mr. Minister, that we have section that deals with the commission and allows the commission to be exempt from certain fees; and fees regarding registrants for the Land Titles Office, registrar of personal property, any department of the Government of Saskatchewan.

Now it seems to me when any other group would have to go to the Land Titles Office to get documentation, they would have to

pay a fee in order to get that information. And yet under section 71, it seems that we've exempted the commission from that. And I'm wondering why we would be exempting the commission from having to pay for some of the evidence that they may be looking for when . . . and an average person on the street may have to pay for it. Is there any specific reason for these exemptions?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, this exemption has been around for a long, long time so far as land titles and the court system is concerned. And I suspect the reason why was that it would just come out of one account into another account of the government system. It is being expanded here to include the personal property registry and any department of the government, but these things have been going on for years.

The commission doesn't charge any of these departments for any documents and photocopying and the like that is requested of them, and they don't pay any fees in return, so not intended to get any special advantage but simply to reduce unnecessary bookkeeping within the government system.

Mr. Toth: — Mr. Minister, I understand as well, that through this Bill we have exempted this Bill from The Saskatchewan Evidence Act. Is that true?

Hon. Mr. Mitchell: — Mr. Chair, it took me a while to get briefed on this because it's very technical. I think I have it straight now.

Under the Act as it now exists, the officers of a bank had to give evidence to the Securities Commission in respect of an investigation. And they could not claim to be exempt by virtue of anything in The Saskatchewan Evidence Act from giving evidence on investigations.

This provision broadens the provision so that now the banks and the credit unions cannot claim that The Saskatchewan Evidence Act exempts them from the whole of this Act. They have to do what everybody else has to do so far as the Securities Commission is concerned. Of course the commission still has to operate within its jurisdiction. But that being the case, they can't rely on any provision of The Saskatchewan Evidence Act to exempt them from the operation of this Act.

Mr. Toth: — Can I ask you to explain that again, Mr. Minister? Mr. Minister, does this in any way infringe upon individual rights by having this exemption in here? Mr. Minister, does that come into play?

Hon. Mr. Mitchell: — No, it does not. It means that banks and credit unions are treated like everybody else.

Mrs. Bergman: — Thank you, Mr. Chair. Mr. Minister, and welcome to your officials. I just have a few questions and just to confirm that I understand the intent of the Bill.

As I understand it, the proposed legislation in Bill 21 contains

many amendments that have one or more of the following purposes: (1) to allow the Act to exchange contracts and broaden the concept of an exchange; (2) to provide equal treatment for credit unions and Credit Union Central to that of banks and trust companies; (3) to be consistent with Ontario securities legislation; (4) to allow certain provisions to apply to unincorporated entities as well as business corporations; and (5) to clean up drafting errors and ensure that parallel provisions are consistent and to keep topical areas within the same part or section of the Act.

I'm assuming that this ... and you can correct if my understanding is wrong. So I'll just have a couple of questions to ask. In providing equal treatment for credit unions and Credit Union Central to banks and trust companies, can you make a relatively brief comparison of the situation, the inequality that now exists, and how it will be different with the application of this amendment.

Hon. Mr. Mitchell: — The thrust of these amendments are to give the credit unions the same kinds of powers and abilities as the chartered banks have. For some time the banks have been able to do things without becoming registered as brokers under the Act. And they were ... Unsolicited sales or purchases of shares for their members, for example, is a convenience in rural areas where you can go in and buy a hundred shares of Bell, of the Bell Telephone Company, and the bank can make that happen for you without being registered as a broker under the Act.

I'm told that that is the position of the chartered banks. This will allow the credit unions to do the same thing, and that only makes sense. The bank exemption was based on the fact that they've got pretty deep pockets, you know, and they're good for that sort of transaction. Well the credit unions have deep pockets, you know, and they're good for that sort of transaction. Well the credit unions have deep pockets too, and they should be entitled to the same exemptions and the same consideration as the chartered banks.

Mrs. Bergman: — Mr. Minister, could you please give me perhaps some other examples? And did the credit unions lobby for these changes?

Hon. Mr. Mitchell: — I've got a couple more examples to give to the member. The credit unions, under this amendment, will be exempt from the requirement to register an adviser. The banks can now advise with respect to these matters without being registered; the credit unions will then have a similar power to the bank.

Another example is with respect to their trading in their own account; they will be exempt. Let me put it this way, the legislation will exempt to trade from the registration and prospectus requirements where the purchaser is a credit union or Credit Union Central. That is already available for banks; it will now be available for credit unions.

And the member is correct with respect to the last part of your

question. The credit unions requested that the legislation be amended to put them in the same position as the chartered banks.

Mrs. Bergman: — Thank you, Minister. When credit unions were founded, why was there such a big difference between the banks? As you say, deep pockets, but was that the only reason that there was a big difference for the necessity of an adviser and these other changes?

(1600)

Hon. Mr. Mitchell: — The banks of course are set up pursuant to federal laws, the Bank Act, and they have a review every 10 years of that Act and usually is followed by major amendments to the Bank Act. And the credit unions are set up pursuant to legislation of this Assembly, and I think were born in the 1930s.

I believe that the credit unions were ... is not active in this field ... were not interested. They weren't getting that sort of demand from their customers. But in recent years of course the credit unions have become very sophisticated financial institutions and are clearly in competition with the banks in a number of areas and are trying to level the playing-field between themselves and the banks in a number of areas. And so I believe that that's the genesis of this request.

For the history I must admit I'm just supposing. I'm not personally familiar with what the thinking was, but I believe that I've captured it.

Mrs. Bergman: — Thank you, Minister. If you're doing this for the credit unions, is there some sort of customer protection for the customers of the credit unions that parallels that of the federally mandated banks?

Hon. Mr. Mitchell: — Mr. Chair, the unsolicited trading is a situation where the customer comes in and says, I'd like to buy 25 shares of Imperial Oil, and the financial institution facilitates that transaction. So they're small, and they're unsolicited. The institution is not in the business of doing that. It doesn't advertise itself as in that business.

With respect to the advisory provisions that I just told you about, that is a technical kind of protection so that the institution doesn't inadvertently get itself into difficulty with The Securities Act because the customer is told something that could technically be considered to be advising with respect to the purchase of securities.

And it simply allows the bank manager or bank officer to do what bank officers do, you know. You're in a position to consider that kind of investment, or, yes, I hear it's a good company or whatever.

Just in connection with the fulfilling the role of a banker, such statements are I think often made and such advice just casually given, and we don't want that construed as being activity that is

caught by The Securities Act because they're not in that business of advising. Now the exemption for the credit union has just put them on the same basis as for the banks.

Mrs. Bergman: — I guess I'm just a little bit confused about the adviser and the advice of what they're . . . in removing the adviser, they're still able to give advice. Are the banks in the business of selling securities and so forth? And do they advertise at this point?

Hon. Mr. Mitchell: — This advisory function is limited in The Securities Act. I refer the member to section 38(1)(a), and I'll quote it because the words are important:

Registration as an adviser is not required to be obtained by:

(a) the following persons or companies where the performance of the service as an adviser is solely incidental to the person's or company's principal business or occupation:

(i) a bank to which the Bank Act (Canada) applies

. . .

And so on. We are amending that by giving the same . . . making the provision applicable in the same way to credit unions.

So the adviser capacity is solely incidental to the company's principal business of banking. And if they're in the business, though, of advising with respect to the purchase of securities, then they are caught by the Act. It's not incidental to their main business, and incidental means incidental. It's not a licence to enter the field without being subject to the requirements of the Act.

Mr. D'Autremont: — I thank you, Mr. Chairman. Mr. Minister, would you please table the document that you just read from.

Hon. Mr. Mitchell: — I just read from a copy of The Securities Act. It's available right there.

Mrs. Bergman: — Mr. Minister, section 52(b) talks about . . . you've spoken about the consistency with the Ontario securities legislation. Is this common across the country that security commissions are putting their regulations in line with Ontario legislation?

Hon. Mr. Mitchell: — There is a great deal of consultation between jurisdictions with respect to a vast array of issues in this field. I don't think there's another part of the government operation that I can think of where there is more consultation and more joint effort to deal with some of the common problems because what is a problem in Ontario is a problem in Saskatchewan.

There will be somebody with the same kind of a scheme or the same sort of instrument that they're trying to sell, and the

problems are similar. They tend to happen in Ontario earlier and on a grander scale than in Winnipeg or in Regina or even in Vancouver. So for decades the Toronto Stock Exchange and the Ontario Securities Commission has led the country with respect to this kind of legislation and the regulation of this industry. So that because the problems tend to happen earlier and on a grander scale in Ontario, they tend to attack the problems before the other jurisdictions are in a position to tackle them or feel any particular need to tackle them.

We tend to look at Ontario because of that and because of the fact that they in that province for decades have really focused hard on trading in securities and the activities of their Securities Commission and of course the dominant position of the Toronto Stock Exchange in the markets in Canada.

Mrs. Bergman: — Thank you, Minister. To go back to the credit unions, can you tell me how this legislation will affect the small insurance brokers who also deal in some of these things?

Hon. Mr. Mitchell: — Not at all, not at all.

Mrs. Bergman: — In talking about equal treatment for credit unions and banks, trust companies are also included. Is there any specific thing applying to trust companies that is different from banks?

Hon. Mr. Mitchell: — I just called again for a copy of The Securities Act as it presently is, and one of the exemptions from the advisory provisions is a trust corporation licence pursuant to The Trust and Loan Corporations Act. So in that respect, the provisions are parallel.

Mrs. Bergman: — I have a question about section 152.1 of the old Act, section 66 of the amendment. I have some information that that may run into some future constitutional or charter problems. The confidentiality of information provided by this section might be subject to more complete or full disclosure than the Act contemplates.

Currently there is more complete disclosure in both civil actions and criminal matters, and it is expected that the consequences of a hearing or review decision by the commission could be as severe as either the civil or criminal matter. Do you have any comments on the charter implications?

Hon. Mr. Mitchell: — Mr. Chair, and to the member, that's a new thought for us. We've consulted quite broadly with respect to this confidentiality provision. And the main part of it is a carry-over from the old Act, and it's almost identical to confidentiality provisions in other Acts.

We're not aware of any charter challenges having occurred anywhere with respect to these provisions. But the charter is a fairly elastic instrument and is being tested in all kinds of ways. And I suppose that this may be one of the areas where it's tested.

But the investment community doesn't seem to be concerned about it up to this point because it had not been raised with us, and we don't know what to make of it. And so I can't respond in any very informed ways to the issues that are contained in your question.

Mrs. Bergman: — Minister, who is being protected by this confidentiality provision: the consumer, the bank, the credit union, the Securities Commission? Who is being protected by it?

(1615)

Hon. Mr. Mitchell: — The people being protected, Mr. Chair, are the people who provide information or who give up information to the commission. You'll notice that the information that is held in confidence includes internal reports and records of the commission and specifically includes information and evidence and witness names obtained in most circumstances, so long as the commission considers that it is in the public interest to protect that information.

The concern of course is that if people think that the information that they're providing to the commission can be made public, they may not provide it as willingly or as fully as they may otherwise do. And there can be some pretty hairy circumstances arise in this area of the government's operations. You investigate some pretty hairy situations.

As I was talking earlier, there can be some shady operators who move into a community and set about gathering up the loose money, sopping up the loose money in the community in pursuance of some fly-by-night get-rich-quick scheme. And those people are badly hurt by it. And we want the flow of information by them to the commission to be as free and unfettered and protected as possible so that the operators can't . . . these fly-by-night operators can't go in to the commission and demand to see the statements for example and the information that was given to them and who gave the information and who turned us in, who squealed on us, that sort of thing. So that's who's being protected.

Mrs. Bergman: — Thank you, Minister. This is a rather esoteric subject for someone who has fairly safe investments but not a whole lot of them. Could you explain more about the kind of commodities and securities that might be traded in Saskatchewan that this would apply to, especially with the banks and the credit unions?

Hon. Mr. Mitchell: — I think I was clear from the member's question that you want to know all the . . . a number of the . . .

An Hon. Member: — Well a general picture.

Hon. Mr. Mitchell: — Okay. A representative sample of the sorts of things that are covered by the Act . . . I'm looking again at a copy of the existing Act and the definition of security covers any document, instrument, or writing commonly known as a security. It will be a stock or a share in a company; any

document constituting evidence of title to or interest in the capital, assets, property, profits, earning, or royalties of any person or company; any document constituting evidence of an option, subscription, or other interest in or to a security; any bond, debenture, note, share, stock, unit, unit certificate, participation certificate, and so on. So that's the definition of a security.

So far as commodities are concerned, which is part of your question, the principal commodities that will be traded in Saskatchewan will be agricultural futures, and that will constitute the lion's share of the commodity market in Saskatchewan.

Mrs. Bergman: — Mr. Minister, could you tell me how this affects the on-farm produce of incorporated farms? Would that be a security in these definitions?

Hon. Mr. Mitchell: — I'm going to answer in two ways because I'm not quite sure what the full breadth of the member's question was. But first of all, the produce of farms are not covered in any way. They don't become a commodity until they're delivered and in the hands of the grain company. So that's one way to answer the question.

The second way is with respect to farm corporations. Family farm corporations are not covered by this Act. You could become covered if you . . .

An Hon. Member: — That's all we want to know.

Hon. Mr. Mitchell: — You could become covered if you . . . yes, well then, the member's indicated I've answered the question. I'm going to sit down.

Mrs. Bergman: — Thank you, Mr. Minister, and thank you to your officials.

Mr. Goohsen: — Thank you, Mr. Chairman. Minister, I am glad that I'm able to get a chance to ask you a question because you were alluding to something near and dear to my heart which of course is the agricultural commodities market. And as everyone in agriculture knows, we are heading into these diversification programs where we have to get into products that are not necessarily controlled by the Canadian Wheat Board.

As a result of that, we have considerable education to do ourselves to find out how to market these new products and how to not get taken — I guess is the only word I can think of — not to undersell our product or that sort of thing or have somebody take advantage of us as farmers.

In the commodities market, when I sell a carload of canola, I phone up last April, several of the grain companies, and I say I have a carload of canola for sale. And they told me, well you can't sell it on the June contract because I've heard on the radio and the TV that the June contract was going up really quite significantly. And they said, oh no, the price is there, but you

can't sell yours for that price. And I said, well why not? And they said, well we don't really know. It's just that there doesn't seem to be any buyers at that price. So I said is this fair? You know, is there something wrong with that? And eventually I was able to sell on a July contract at a considerable less value to me. So I lost a significant amount of money on that carload of canola.

Having done that, as time went by last year, we discovered that there was some kind of an investigation going on to see if everything was above board or not, or what was wrong.

Now does this Act protect farmers from that sort of thing? And if it does, how would it protect us? And if it doesn't, how would farmers get protection from that sort of situation happening? Because it was an advertised price that we could not, as farmers, access.

Hon. Mr. Mitchell: — That July canola price was the subject of an extensive investigation by the Winnipeg Commodity Exchange. And we don't have a copy of that report or a summary of it here, but the member is quite right. It was looked into by the Winnipeg Commodity Exchange.

This Act provides some significant protection for farmers because the contracts, the futures contracts — the commodity trading, in other words — will be subject to regulation by the commission. And the contracts will be looked at and will be approved by this commission.

And the exchange contracts are dealt with in part VIII of the Bill, sections 40 and the subsequent section. And there are some significant powers that the commission has in order to be certain that the contracts that are being offered, are being sold to farmers, are on the level, meet the requirements of the Act. And we won't take the risk out of it, the gamble out of it — that's still a business of buying and selling contracts and trying to predict what the future will be — but the regulation will provide a good deal of protection for Saskatchewan.

Mr. Goohsen: — Well yes, Minister, there is a lot of risk involved in dealing in the commodities markets. But your risk is eliminated as a farmer when you produce a product and you physically have it and you go to the market and you sell it, and somebody gives you a contract saying they are willing to pay a certain price and buy it.

And if contracts are worth a nickel in this province or in this country, then we should have some legal protection that we actually will get that price. At the same time, we also should be protected that when a price is offered, that there is a willing buyer at that price in order so that we can prevent things like steaming up the market in order to encourage people to plant too many acres of a certain crop in anticipation of a market that is never really there.

And that of course is what may have happened here, is that people who wanted lots of acres of a crop seeded, developed a market that really wasn't available. It made it appear that we

could get, say, \$10 a bushel for canola when in fact we could only get \$9.20. And of course because those farmers that didn't grow canola before didn't know that this market was not available to them, they thought that was the real price of what you could get in the springtime if you held your grain over, so they went out and planted a whole lot of acres into canola. Not knowing of course that you never were going to get that price, even though it was advertised on the radio and TV. And that's why they had the investigation I suspect and as well they should.

So I guess my question as a follow-up is, having been affected by this and having lost money personally, I think I would have to ask on behalf of all of producers of canola: is there any way that we could find out what the results of that investigation were; and in fact was anybody ever found guilty of doing anything wrong or is it just swept under the rug and forgotten about; or was our legislation not tough enough to make the system work; or is this an argument to have canola under the Canadian Wheat Board, if you want to take it a stretch further?

(1630)

Hon. Mr. Mitchell: — We have access to the information about this investigation and we'll provide as much as we can for the member.

Mr. Goohsen: — Thank you, Minister. So in this legislation you say that we are alluding to this type of contract, so I guess my next question naturally should be then: are we now protected against this sort of thing happening again?

Hon. Mr. Mitchell: — The protection is limited; I should make that perfectly clear to the member. What the Saskatchewan Securities Commission will be doing will be registering the people who are marketing these instruments, these futures — to use that term. If the originating entity is in Winnipeg, then they will be the instruments themselves. The contracts will be governed by the exchange from which the instrument comes.

But we will ensure, in Saskatchewan, that they're sold by registered firms, by registered, reputable dealers who don't have any fraud background or anything like that. If it should happen that there is difficulty with an exchange which is . . . from which contracts are originating and people are being hurt by them, we have the capacity under the Act to deal with the situation under section 40 and section 41.

But I want to correct an impression I may have left earlier that we review the provisions of the exchange contracts. We don't do that. We accept them from the originating exchange and we govern the people who sell them here. We ensure that they are being traded by reputable people. That's the extent of the coverage.

Mr. Goohsen: — Well thanks, Minister, that's clearing things up a little. As farmers though, we find ourselves in a bit of a catch-22 situation with these markets. We have to sell through a dealer in order to access cars in order to get grain to market.

And at the same time, if you went to your broker and you sold a carload through a broker, and he offered it on the exchange and somebody supposedly bought it there, then we as farmers could access that price but we have no vehicle to get the grain then into the system — other than to go through a dealership, or these dealers.

And it almost seems to me like somehow farmers should be protected in that they should be able to access both the ability to sell a contract and also to be able to deliver against that contract without having to have a middleman; because it seems like last year it was the middlemen that must have caused the problem; they must have been playing the market with farmers' grain or something to that effect.

Now do you understand what went wrong there?

Hon. Mr. Mitchell: — No, we don't know that today. But as I said earlier, we'll gather together all the information we can and provide it to you.

Mr. Goohsen: — Thank you, Minister, we definitely are looking forward to that because we want to research that. There's an awful lot of farmers that are of course facing these problems, as I've said earlier, with the transition in the types of crops that we're starting to grow.

How many investigations would you have ongoing in the province as a result of this piece of legislation and the kind of things that it covers? I heard you alluding to people like trying to get gold out of water here a little while ago, and that sort of thing. And I guess there was one of those kind of pyramid selling sort of things that went on in our community as well here a while ago.

And it's kind of scary to think how folks come in with these ideas out of the United States in this pyramid selling sort of an idea, and they try to sell it to local people who actually think they're legitimately buying something. And the only protection we really have is the Securities Commission standing between them and some perhaps fraudulent idea; but most of them I suppose are legitimate, and yet we do need that.

So how many investigations would you be carrying on at one time in the province?

Hon. Mr. Mitchell: — There are 42 investigations currently under way in the province. This figure is lower than it has been normally. Normally the number of investigations would be in the 50's. But whether it's as a result of the good work of the commission or whatever, it's now down to 42.

Mr. Goohsen: — Well, Minister, that tells me that you're going to have a pretty significant requirement of staff in order to be able to do the job right.

Because it looks to me like this is a really complicated area to be able to do, you know, the proper kind of research — to find out if a particular system that is being offered to people or a

particular idea is being sold through some kind of a security. It looked to me like it would be massive man-hours or woman-hours of work in order to track this all down.

So you now have then the potential for a variance of say, you know to go on the low side, you say 40 now, maybe it would drop to 30. On another day, though, it might be 70. So how do you cover up the need for staff in such a varying range of necessity here for people to work on it? Or can you second people from the tax department or some other place?

Hon. Mr. Mitchell: — Mr. Chairman, and to the member: my chairman and his staff like your line of thinking here — as is the case everywhere, where you're trying to do more and more with less people and trying to make government as efficient as possible.

What the commission does when it gets into an overload situation is hire a contract person, a retired RCMP (Royal Canadian Mounted Police) officer who has background in this area and brought onto the commission staff on a temporary basis to take care of the overload.

Mr. Goohsen: — Well it would seem though that a lot of times you might end up being understaffed and this could cause some serious problems for people. Obviously it's good that you draw on resources that are available — the retired folks and that sort of thing.

But it just sort of crossed my mind as we were thinking about this and talking about it that at some times you must be hard-pressed to get things done. And I suppose that might explain why we had letters from some individuals in our area saying that it was taking a long time to get things through the Securities Commission done and they were anxious of course because they wanted to sell their particular stocks or whatever it was they were selling. And so I guess that's a reasonable explanation for why it sometimes takes longer.

I want to talk a little bit about the credit unions though, Minister, as well — you can allude to that a little more if you want to — but the credit union system seems to be alluded to in the Act here. And it crosses my mind here that maybe . . .

The Chair: — Order, order. Order. I'm having some difficulty hearing the member, as are other people that are involved in the committee, so I ask for the indulgence and respect of the members for this process.

Mr. Goohsen: — Thank you, Mr. Chairman. You see there's days when it's an advantage to be handicapped. I just shut my hearing-aid off and couldn't hear them anyway.

But I did want to ask the minister seriously about the involvement of the credit union system in this Bill and how it's going to affect the credit union movement in our province. Will this Bill allow them to go into the sale of mutual funds or in that sort of thing, or what exactly freedom is allowed for the credit unions by this Bill?

Hon. Mr. Mitchell: — Mr. Chair, there isn't much in this Act of any great interest to the credit unions. They have been active in the securities field through subsidiaries for years and there's nothing in this Act of any great consequence.

It does provide them with some of the specific exemptions that are given to the chartered banks, as I was telling the Assembly a bit earlier. For example, if you go in to your bank now you can arrange, through your bank manager, to buy a hundred shares of Bell Telephone. You'll be able to do that with the credit union under this Act.

And you can go in to your bank manager and say, well do you think I should buy 20 shares of Imperial Oil? And the bank manager can say, yes, it looks like a good buy. And you'd be able to do that with your credit union manager now and they'll enjoy the same exemption as the bank. But it's not any substantial concession so far as the credit unions are concerned; anything that they are now able to do, they have been able to do generally with respect to the sale of securities.

Mr. Goohsen: — Yes, what we need to know then, Minister, is . . . now you've alluded to the chartered banks and we all know that chartered banks of course are regulated by the federal government, and historically they have been allowed to do a lot more things than the credit union has been allowed to do under the legislation of the province that set the credit union system up.

Credit unions have been lobbying, as you well know, for a long time to be allowed to do the same things that chartered banks do in all areas including the brokerages of insurance and that sort of thing, if I've used the right term. And now you say that they will be able to handle stock options and those kinds of things. Does that now also put them on a level playing-field in the area of, as being able to sell the insurance that they were lobbying for earlier this year and those kinds of things?

(1645)

Hon. Mr. Mitchell: — This Act doesn't touch the question of insurance. That lobbying has of course been done, with respect to government members, by both the credit unions and by the brokers and it continues. The government's made no decision on that. And there's certainly nothing in this Bill that will affect that debate or that lobbying effort at all.

The committee reported progress.

The Assembly adjourned at 4:47 p.m.