

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

May 11, 1989

**Mr. Chairman:** — We have a couple of items before we get back to the Department of Tourism and Small Business, now the Department of Economic Development and Trade.

A couple of matters. One is the appointment of a vice-chairman. And we're all disappointed to hear that Mr. Muller will no longer be with us. Mr. Muller was the vice-chairman, and therefore it would be in order to entertain a motion that someone else be appointed vice-chairman, to accept nominations.

**Mr. Martin:** — I move that Mr. Hopfner, Mr. Michael Hopfner . . .

**Mr. Chairman:** — Mr. Hopfner be appointed vice-chairman?

**Mr. Martin:** — Yes, the MLA from Cut Knife-Lloydminster, formerly from Lake Lenore or some place.

**Mr. Chairman:** — Let's not get side-tracked here, you know, we have . . . Mr. Martin has nominated Mr. Hopfner. Are there any further nominations? Any further nominations? If there are no further nominations, I move that nominations cease. Would someone move that? Moved by Mr. Neudorf. All agreed?

Agreed

**Mr. Chairman:** — I declare Mr. Hopfner elected as vice chairman of the committee. Congratulations, Mr. Hopfner.

Secondly, we have a motion which has been drafted by the Clerk:

That this committee authorize under sections 53(k) and 54 of The Legislative Assembly and Executive Council Act, the attendance of two members of the committee and the committee Clerk at the 11th annual meeting of the Canadian Council of Public Accounts Committees to be held in Edmonton, Alberta, July 9 through 12, 1989.

It's customary that the Clerk and two sitting members of the Public Accounts Committee, one from each side of the table, attend the Public Accounts Committee meetings. And does anyone want to move that motion?

**Mr. Martin:** — Would you read the motion again?

**Mr. Chairman:** — Just:

That the committee authorize under section 53(k) and 54 of The Legislative Assembly and Executive Council Act the attendance of two members of the committee and the committee Clerk at the 11th annual meeting of the Canadian Council of Public Accounts Committees to be held in Edmonton, Alberta, July 9 through 12, 1989.

**Mr. Martens:** — Mr. Chairman, could I suggest that you and the vice-chairman discuss that and then come up

with a recommendation for next meeting, and then we can go from there.

**Mr. Chairman:** — Sure, yes, no problem.

### Public Hearing: Department of Tourism and Small Business

**Mr. Chairman:** — Okay, then we're back to Department of Tourism and Small Business. Before we do that, there is a question of the auditor, maybe we should clear that up. We've got the department officials back in. I believe, the question had to do with . . . Let me just check this . . .

**Mr. Anguish:** — . . . I ask the auditor: is there authority for departments to just up and pay out-of-court settlements? I'd like to know what the authorities for departments within government to be able to not go through the judicial process and just (outright) pay huge sums of money . . . for plaintiffs, and we cannot determine the information. What authority, and why isn't there a notation made on this in the auditor's report?

**Mr. Lutz:** — Mr. Chairman, we forwarded that response to the Clerk on April 24, hoping that the members would receive it before the next meeting. I can read it into the record.

Mr. Chairman, in response to that question which I believe was asked in April 20, according to the civil law branch of the Department of Justice, the authority for out-of-court settlements is contained in section 21 of The Proceedings against the Crown Act. Although I have not sought legal advice on this matter, section 21 of the Act gives the government authority to make expenditures incurred by or on behalf of the Crown which would appear to include payments for out-of-court settlements.

I did indeed consult with my solicitor, and he has confirmed that the opinion held by the Department of Justice is indeed the proper opinion. He has no dispute with that opinion. He says they may indeed settle out of court. But the response has come over to the Clerk's office some time ago.

**Mr. Kraus:** — Mr. Chairman, if I could just add to that too, you should be aware that a department, of course, doesn't decide to make a payment without first, of course, they'd have had some contact with the person who's making the claim, but then they do get together with their Crown solicitor in Justice, and we would not make the payment ourselves out of my office unless accompanying the request for payment is a letter from the civil law branch of Justice indicating that they in fact are recommending that a payment be made in such and such amount of money to a certain person. And the item here that's in question, this Northern Pines Enterprises payment, you know, followed that process.

**Mr. Rolfes:** — Mr. Chairman, I want to ask for clarification. How do . . . I mean, are these settlements, out-of-court settlements, are they . . . is that public information?

**Mr. Kraus:** — Well, I guess to the best of my knowledge, I mean, some would be and some wouldn't be. You'd probably be best to ask Department of Justice officials as to those that would be and those that aren't be and why — the reasons why.

**Mr. Rolfes:** — But see, the problem I have with these is that every department seems to have these out-of-court settlements, and when we ask questions about them in public accounts under those departments, the answer is — and I'm not being critical here — but the answer is, well it's not within the public interest. Then we've got to go back.

Now you're saying, but you've got to go back to Department of Justice and ask them. My question is: how do we know that the public interest is protected if we can't find out the details? I'm not concerned about Northern Pines. I'm just concerned about in principle. How do we know that the public's interest is protected if we can't get the details of the settlement or why the payment was made in the amount that it was made? How do we know as a committee? I mean, that's part of our responsibility, I would think, as a committee, as a Public Accounts Committee.

**Mr. Kraus:** — Well I'll only make this comment. I talked to one of the solicitors the other day from Justice and they just said that each of these situations can be different, and you have to know the circumstances behind them. And I couldn't answer your question. I suspect you'd want to talk to them about it.

**Mr. Rolfes:** — Yes, well I want to ask somebody, I want to ask somebody. I mean, for example, if I want to today go into Northern Pines Enterprises when Tourism is here, say, all right, why did you not settle for 50,000? Why 200,000? That's a lot of money. Why was it 200,000? There was no . . . I mean, Northern Pines, most of us are familiar with the situation. As far as I know, no work was done, physical work was done up there. The individual claimed that he had legal costs, and he was prevented from entering, what he thought, a very lucrative enterprise. And he made public statements, blaming the government for letting him on that he could proceed, and then pulling back.

I mean, how do I know that \$200,000 wasn't just — and please don't take this . . . and I'm just using an example— how do I know that this individual wasn't a friend of the government, and after, they paid him \$200,000 when they only should have been paying him 50,000? I don't know, maybe they should have paid him 300,000. I don't know. But how do we find this out? I'm directing the question, I guess, to somebody here, or . . .

I know we on this side had been rather frustrated with a number of these that have been coming up. And I will be asking questions from now on to the department, each department that comes up, how many out-of-court litigations were there that were settled, and for how much. Because it seems to me that there are more and more and more of them, and the public has a right to know why 200,000 was paid.

So I'm a little bit frustrated with the procedure, Mr.

Chairman, and I'm asking for some clarification.

**Mr. Neudorf:** — I think if we're going to get into those kinds of "why" questions and so on that the member opposite is alluding to, I think that he can only expect to continue to have mounting frustrations as he continues on . . . (inaudible) . . .

I guess, going back to the member from Battlefords' question to the auditor, the way I understand it, he was questioning the auditor as far as the legality or the legislative authority for the procedure that was being used in these out-of-court settlements. And I understood the auditor to answer that by saying there was legislative authority and that's why he had not flagged this as being an issue, or flagged this as being a problem, as far as legislative authority spending for these, and that is what this committee is all about. And I think the issue has been resolved with the answer that the auditor has given, so I suggest that we continue on with the business of the committee.

**Mr. Martens:** — I just was going to make an observation that the finding out where they are and which department has those kinds of incidences, I think is okay. Whether the Department of Justice would give you the answer or wouldn't give you the answer, I think should be determined by the Department of Justice.

So if you made a note of them and asked the Department of Justice when they come here, then you could probably get the answer. And I'm not just sure what the answer is to some of them. And so that's the process I think you should follow. The other process is that the minister could be asked in the House too.

**Mr. Chairman:** — I'll just throw this out and . . . what, I wonder, is the general guide-line, whether the Department of Justice and any departments that do become involved in litigation and that opt for out-of-court settlements, whether the rule of thumb for the Department of Justice and government departments is that wherever possible we shall seek to divulge the details of that settlement, recognizing that there may be instances where the other litigant will want to keep the details of any settlement suppressed for whatever reason; but that because we deal with taxpayers' dollars, that our guiding rule is disclosure whenever and however possible. But I just throw that out as a comment.

We're now back to Tourism and Development . . . Tourism and . . . forgive me, it's Tourism and Small Business, now Economic Development and Trade. And I wonder if we could call the officials back in. I believe there is one outstanding matter.

**A Member:** — You want Parks, Culture and Rec?

**Mr. Chairman:** — No, Tourism and Small Business.

Good morning, Mr. Rothwell. Or Dr. Rothwell?

**Dr. Rothwell:** — David Rothwell is fine.

**Mr. Chairman:** — Okay. As I understand it, there is only one outstanding issue before the committee that was left unresolved. At the last committee hearing, members had questions of Mr. Volk . . .

**Dr. Rothwell:** — That's correct.

**Mr. Chairman:** — . . . about the northern Saskatchewan economic development revolving fund, and members were trying to obtain further details about these loans payments, and Mr. Volk undertook to come back to the committee and to see what information he might be able to provide. And I wonder if you can assist the committee at this time.

**Dr. Rothwell:** — I'd just first like to introduce my colleagues from the department. On my left is Mr. Ken McNabb, who is assistant deputy minister; Mr. Harvey Murchison, who's the director of administration; Linda Martin, who's our manager of financial services; and sitting behind me is Mr. Roy Hynd, who's the director of program management; Tom Young is my director of tourism development; and Leona Gorr is my director of corporate affairs.

In the matter of Mr. Volk, I understand from the minutes that we were asked to submit a policy, a written policy, to the committee regarding the release of our clients' names and the details of the loans, and I believe that's been presented to this committee. I have a document in front of me dated April 25, 1989.

**Mr. Chairman:** — It hasn't been circulated to the committee members. Are you in a position to run through this?

**Dr. Rothwell:** — Yes. Could I just read the document then? Regarding the northern Saskatchewan economic development revolving fund and the policy respecting the disclosure of names, corporate or otherwise, of loan recipients, the policy of the department is not to disclose the names of the loan recipients.

The reasons for this policy are: one, to ensure that client and commercial confidentiality is protected; and two, to ensure the government policy is consistent and maintained in jurisdictions which provide loans.

As a way of background, during the public accounts deliberations, April 20, 1989, opposition members requested disclosure of the names of loan recipients of revolving fund loan. The department response was that this disclosure would not be made because of commercial confidentiality. The chairman of the Public Accounts Committee requested that a departmental policy in writing be directed to the Clerk of the Public Accounts Committee. That's been done.

A review of the agencies which provide loans indicates the following: in the provincial government, the agricultural credit corporation does not disclose the names of loan recipients — I guess this was discussed in *Hansard* on February 3, '88, page 404 to 409 — the Department of Education student loan fund does not disclose the names of loan recipients, and SEDCO does not disclose the names of loan recipients, although it

maintains the right to publicize in a manner which serves the public interest.

In case of the federal government, the Federal Business Development Bank does not disclose the names of loans, and in the private sector, all banks, credit unions do not disclose the names of loan recipients. So our policy is that we do not disclose the names of loan recipients.

**Mr. Chairman:** — The question of client and commercial confidentiality, is that an item of any and all loan contracts that you enter into?

**Dr. Rothwell:** — Yes, it is. It's a covenant within the loan contract.

**Mr. Chairman:** — Do members want to comment?

Just as to the point of order then, and a point of order was raised on this, I would have to hold that after listening to your explanation that it's a satisfactory one, and you have an undertaking with the people to whom you provide the loans to not disclose certain information.

Your application of this seems to be consistent with other government departments, so therefore I would rule the point of order — and I think it was one of the members who was asking for this information who raised the point of order — I would rule it out of order, and that the officials have provided satisfactory information on this point.

**Mr. Rolfes:** — Mr. Chairman, I'd like to go back to Northern Pines Enterprises if I may. I'm not certain, I wasn't here when the question was . . . when this came up. I've been reading through it and I can't find whether the question was asked.

I know you don't want to give too many details on the case, but could you tell me what were the reasons that were given for paying out \$200,000 to Mr. Patrick?

**Dr. Rothwell:** — In regard to Northern Pines, we have since been in discussions with our solicitor, in this case which happens to be the Department of Justice, and we've been advised that the reasons for paying out are subject to client/solicitor privilege, and that we're not prepared to provide those reasons at this time except to say that we were advised by Justice to make the payment, and Justice is prepared to answer those questions. And I understand that they will be following our presentation. They know that that question may arise.

**Mr. Rolfes:** — Good enough. Could you tell me, were there any other out-of-court settlements in the year under review in your department?

**Dr. Rothwell:** — No there were no out-of-court settlements in that particular year under review.

**Mr. Rolfes:** — Okay. Thank you. I have no further questions.

**Mr. Chairman:** — Are there any further questions of the department? If not, I'd like to thank you very much for being here this morning . . .

**Dr. Rothwell:** — Thank you very much, Mr. Chairman.

**Mr. Chairman:** — . . . to tidy up some loose ends.

The motion that the hearing of the Department of Tourism and Small Business, and now Department of Economic Development and Tourism be concluded subject to recall if necessary for further questions, moved by Mr. Martens. Any discussion on the motion? Question? All agreed?

Agreed

### Public Hearing: Provincial Secretary

**Mr. Chairman:** — Okay. The next department is Provincial Secretary.

**Mr. Rolfes:** — Mr. Lutz, in your page 137 and 138, you refer to several instances of non-compliance with authorities. Can you tell me before the officials come in, on 28.05, 28.06 actually, has this been corrected? Actually I don't know if it could be corrected because it was retroactive, I guess. It pertains to The Members of the Legislative Assembly Superannuation Act.

**Mr. Lutz:** — Are you talking about, Mr. Chairman, are you referring to the tabling of the documents or . . .

**Mr. Rolfes:** — No, actually I should have . . . no, that's my mistake. I assume it has been tabled by now. I can't recall whether it has or not, but I assume it has been tabled.

I'm not so concerned about that one. I'm more concerned about 28.08. I should have asked on 28.08, where on 28.09, section 26.1 of The Members of the Legislative Assembly Superannuation Acts states, "where a person who was a member . . ." and so on, they did not comply with that legislative authority. Am I to believe from what you have said here that they've paid out 100 per cent rather than 60 per cent?

**Mr. Lutz:** — Yes.

**Mr. Rolfes:** — And did they give you any particular reason as to why?

**Mr. Lutz:** — I think they believe they are within their authority. We happen to have a difference of opinion here. The problem continues.

**Mr. Rolfes:** — Okay. I don't how there can be a difference of opinion on this. It says, you know, when a member:

dies leaving a spouse, 60 per cent of the supplementary monthly allowances that he was receiving or that he was or would have been entitled to pursuant to section 25, 25.1 and 26 shall be paid to his spouse for life.

If they paid out 100 per cent, someone was in error. That has not been clarified, you said.

**Mr. Wendel:** — If I could, Mr. Chairman. I think what this is saying here is, on the death of a member, the supplementary, or the allowance is reduced to 60 per

cent. That does happen. It's further allowances, when they're granted, are granted at 100 per cent, supplementary allowances. And that's where the difference is.

**Mr. Rolfes:** — Oh, I see. So what you're saying, any additional allowances that come that have been made subsequent to that, they're paying 100 per cent.

**Mr. Wendel:** — Rather than the 60 per cent.

**Mr. Rolfes:** — So they're saying that previous members are entitled, not just the members that are there when the legislative changes were made.

**Mr. Wendel:** — I'm not just sure what they're leading to.

**Mr. Lutz:** — Let me try this again, Mr. Rolfes. A member, when he retires, receives the pension.

**Mr. Rolfes:** — Right.

**Mr. Lutz:** — On a periodic basis, there are supplementary allowances added to that pension. If that member dies, his surviving spouse receives 60 per cent of that pension. Now in subsequent years, if they provide an additional supplementary allowance, which is quite common, they allocate that to the surviving spouse at 100 per cent, not 60 per cent. This is our problem with this legislation and the way they're doing it. I believe this committee studied this matter a couple of years ago; actually 28.12 delineates that.

**Mr. Rolfes:** — Yes, I notice that.

**Mr. Lutz:** — The problem continues.

**Mr. Rolfes:** — Could you tell me — maybe you don't know this; maybe you're not the person I should direct this to — does similar circumstances occur, for example, with teachers? I mean, supplementary allowances are paid there. Do they get paid 100 per cent? They might, and if they do, then I have no argument. It doesn't make any difference to me.

**Mr. Lutz:** — To respond to your question, teachers, they get 60 per cent, Mr. Chairman. This document was tabled with the committee in 1986, I believe. We have the list.

**Mr. Rolfes:** — Well okay, I think we should be consistent throughout, so I don't know . . . That's the only thing that I had on the Provincial Secretary to ask. And I think if it's 60 per cent for others, then the MLAs should also have 60 per cent rather than 100 per cent. Or change it the other way around. I don't think we can do one thing for one and then something else for the other.

That's the only question I'll have with the Provincial Secretary, I think, when he comes in, or she comes in.

**Mr. Chairman:** — Good morning, Mr. Clarke. You are accompanied by Bill Hoover. Morning, Mr. Hoover.

Before we get into the questioning, I want to welcome you both here this morning, and I want to make you aware that when you are appearing as a witness before a

legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the minutes and verbatim report of this committee and therefore is freely available as a public document. And you are required to answer questions put to you by the committee. And where a member or the committee requests written information of your department, I ask that 20 copies be submitted to the committee Clerk on my right, who will distribute the document and record it as a tabled document. And please address all comments to the chair.

**Mr. Clarke:** — Thank you.

**Mr. Rolfes:** — Mr. Chairman, I have a few questions I would like to direct to Mr. Clarke. Mr. Clarke, number one, can you tell me was there any polling done in your department in the year under review?

**Mr. Clarke:** — No.

**Mr. Rolfes:** — Okay. Number two, was any out-of-province travel done by your department, and by whom if there was?

**Mr. Clarke:** — There was some nine trips. The minister was on nine trips out of the province. He was accompanied on a number of those trips by staff members. Do you want me to list the trips?

**Mr. Rolfes:** — Well I would like to have all those trips, the total cost of the trip, the destination of their trip, the number of days the trip took, and a brief explanation of the purpose of the trip, if you could provide that to the committee.

**Mr. Clarke:** — You don't want us to provide it this morning, but we can provide it . . .

**Mr. Rolfes:** — Provide it in writing; would that be fine?

**Mr. Clarke:** — No problem.

**Mr. Rolfes:** — Under the heading of contractual services could you . . . I notice you have about \$96,000 of contractual services, I believe. Could you provide me who the contract was with, the dollars involved in each contract, and a brief description of the services that were provided. And lastly, if you could provide for me, was this service previously was done in-house rather than by contract? You don't need to provide that this morning; if you can provide that to the committee, that's fair enough.

**Mr. Clarke:** — We again have no problem providing that.

**Mr. Rolfes:** — Okay. Could you tell me how much was spent in your department on advertising, in total.

**Mr. Clarke:** — My breakdown says \$11,112.32.

**Mr. Rolfes:** — Could you tell me who did the placement of your advertising.

**Mr. Clarke:** — In all cases but one they're Dome.

**Mr. Rolfes:** — Okay. Can you tell me briefly, what was the advertising for?

**Mr. Clarke:** — The major amount of advertising was for a "Meet your Minister" campaign associated with the Saskatoon cabinet office. There was some business associated with the Lieutenant Governor's office and the New Year's levee.

**Mr. Rolfes:** — Okay. Could you provide the committee with the breakdown of the advertising for the Premier's office in Saskatoon.

**Mr. Clarke:** — Yes we could.

**Mr. Rolfes:** — Okay. Could you provide me . . . Or first of all, under your department, do you have any permanent staff . . . No, forget that question; I'm not interested in it.

How much money have you paid in the year under review to either Supply and Services or to the Saskatchewan Property Management Corporation?

**Mr. Clarke:** — Nil.

**Mr. Rolfes:** — There was nothing paid?

**Mr. Clarke:** — Nothing to Saskatchewan Property Management. Now there may have been something for some supplies with Supply and Services, office supplies and things like that.

**Mr. Rolfes:** — Okay. Nothing as far as rent is concerned?

**Mr. Clarke:** — No.

**Mr. Rolfes:** — Where is your office located, the department?

**Mr. Clarke:** — The department office is currently located in the Ramada Inn.

**Mr. Rolfes:** — Where was it located in the year under review?

**Mr. Clarke:** — It was located in this building.

**Mr. Rolfes:** — Okay. Mr. Clarke, I want to refer very briefly to the auditor's report, and he indicated some non-compliance with authority, and there seems to be some difference of opinion as to payments to spouses of deceased MLAs. There's some difference of opinion as to the interpretation of the legislation. Could you tell me, did you seek advice from the Department of Justice as to the interpretation of the legislation? Or did you seek advice from anyone outside the department?

**Mr. Hoover:** — PEBA (Public Employees Benefits Agency) administers that plan on behalf of the Provincial Secretary.

**Mr. Rolfes:** — Who?

**Mr. Hoover:** — PEBA, the Public Employees Benefits Agency. They're part of the Department of Finance. They administer that plan for the Provincial Secretary, and that

issue was brought before a committee and, as far as we know, it's still before the committee.

**Mr. Rolfes:** — How do we deal with that then if it . . . You have no responsibility for the administration of that plan then?

**Mr. Clarke:** — Well, we don't do anything under the plan. The Public Employees Benefits Agency handles our administration of that plan.

**Mr. Rolfes:** — Okay. Let me just refer to Mr. Lutz then, if I may. Mr. Lutz, why is this then under the . . . why did you note that under the Provincial Secretary in your auditor's report if it's administered by the . . .

**Mr. Lutz:** — Because, Mr. Chairman, the minister responsible for the administration of this legislation is the Provincial Secretary, so we enter it up here. If you will look at 28.02 on page 137, we note that the fund is indeed administered by the public employees benefit, but the minister is responsible for the administration of this Act which governs the payment of superannuation allowances to members and retired members. So that's why we've put it in this section of the report.

**Mr. Rolfes:** — Well . . . (inaudible interjection) . . . Pardon me?

**Mr. Hopfner:** — This will come forward again, won't it?

**Mr. Rolfes:** — I don't know. Have we had that department before us? I don't think so.

**Mr. Kraus:** — They are part of the Department of Finance, so they were here before. You'll find that on a couple of occasions, that there's a minister responsible for a particular superannuation plan, but for the most part the administration is with the public employees benefit agency.

**Mr. Rolfes:** — Well I don't want to call the Department of Finance back just for this one question, but I am concerned about the . . .

**Mr. Chairman:** — Ask them next year.

**Mr. Rolfes:** — No, I don't like to ask them next year.

**Mr. Hopfner:** — So that maybe the committee could function and have the questions answered, maybe Mr. Rolfes would like to present the question to the committee, and maybe we could submit the question in writing to the department and have a written answer come back to the committee.

**Mr. Rolfes:** — Well all I am concerned about, that there should be consistency. I mean if we're going to pace one department 60 per cent and another department 100 per cent then, you know, it's got to be consistency one way or another. Well I'll pass for now. That's all the questions I have.

**Mr. Chairman:** — I just have one question, if I might. One of the other expenses that is listed is a payment of

\$27,109.55 to a Glenn Caleval. I wonder if you could outline for me the various duties and responsibilities that Mr. Caleval had for the office of the Provincial Secretary.

**Mr. Clarke:** — Mr. Caleval was ministerial assistant during the year in question and worked for the minister, doing those functions that are performed by ministerial assistants, I guess.

**Mr. Chairman:** — That's for sure. I have no further questions.

**Mr. Rolfes:** — Now you have, yes, just drawn my attention to something that I also was concerned about. Don G. Richardson received 48,987. What was his function?

**Mr. Clarke:** — For most of that year — he wasn't with us by the end of the year — but he was the director of Saskatoon cabinet office.

**Mr. Rolfes:** — He was not with you for most of the year?

**Mr. Clarke:** — At the end of the year he had left, but for the most of the year he was the director of Saskatoon cabinet office.

**Mr. Rolfes:** — So what you're saying then, if I can assume then the 48,987 was not his total salary, that was just part of it?

**Mr. Clarke:** — No, that was the total for that fiscal year.

**Mr. Rolfes:** — That was the total, okay. Could you tell me, on SaskTel C.M.R. — I'm not familiar with C.M.R. What's C.M.R.?

**Mr. Chairman:** — Central mill remittance.

**Mr. Rolfes:** — What's that?

**Mr. Chairman:** — Where you send the bills.

**Mr. Rolfes:** — Okay, now I want to ask the next question then. What was the \$99,605 generally spent on?

**Mr. Clarke:** — It would be for the Provincial Inquiry Centre.

**Mr. Rolfes:** — Okay. That's fair enough. I have one further question. Under other travel, we have the Hon. Eric A. Berntson, 12,909.36. Can you tell me, why was that under the Provincial Secretary? Why was that expenditure . . . why did that occur there?

**Mr. Clarke:** — Well he would be taking trips on behalf of the Provincial Secretary, be responsible . . .

**Mr. Rolfes:** — Was he the minister responsible?

**Mr. Clarke:** — Yes.

**Mr. Rolfes:** — Oh, I see, okay. I couldn't recall that.

**Mr. Clarke:** — He was the Provincial Secretary and still is the Provincial Secretary.

**Mr. Rolfes:** — Okay. Can you tell me, or can you give me a detail of the trips taken by the Hon. Mr. Berntson during that year under review? Was that the same one as I asked before?

**Mr. Clarke:** — The same list you asked for before.

**Mr. Rolfes:** — Okay, same minister, nine trips.

**Mr. Clarke:** — Same minister, that's right.

**Mr. Rolfes:** — Thank you very much. But I thought there was . . .

**Mr. Clarke:** — You're talking strictly out of province.

**Mr. Rolfes:** — Yes, strictly out of province.

**Mr. Clarke:** — Well the difference between the out-of-province and the in-province might be the difference between the two figures.

**Mr. Rolfes:** — Okay. I believe that takes care of it. Thank you.

**Mr. Chairman:** — Any further questions? If not, I'd like to thank you very much, Mr. Clarke and Mr. Hoover, for being with us here today.

**Mr. Clarke:** — Mr. Chairman, it's our pleasure.

**Mr. Chairman:** — There is a possibility that we may want to call you back, but I don't see it as a likelihood.

**Mr. Clarke:** — Thank you very much.

**Mr. Chairman:** — Okay, the motion. Does someone want to try their hand at the motion on this one? Moved by Mr. Neudorf that the hearing of the office of the Provincial Secretary be concluded subject to recall, if necessary, for further questions. Any discussion on the motion? Question. All agreed?

Agreed

#### Public Hearing: Department of Justice

**A Member:** — What do we go to now?

**Mr. Chairman:** — Justice.

**Mr. Rolfes:** — I might have a few questions to direct at Mr. Lutz. I'll just have to . . . Mr. Lutz, if I may, on 15.08, again there seems to be non-compliance with procedures for collection and recording deposits of moneys. Can you tell me, have those things been corrected since? On 15.08, page 77.

**Mr. Lutz:** — Mr. Chairman, I have been advised that in '88-89 they have taken action to correct some of these problems.

**Mr. Rolfes:** — Did you note . . . I think you said there may be errors in collections; you didn't say there were errors in collections, if I read that correctly. Am I correct in

saying that, that there might be errors in collection, rather than there were errors?

**Mr. Lutz:** — Which section?

**Mr. Rolfes:** — It's been a few days since I've read this and I can't . . . (inaudible interjection) . . . yes I have. I've been doing other things also in the meantime. All right, 15.17.1 found it.

**Mr. Lutz:** — Mr. Chairman, on page 78, we list two instances.

**Mr. Rolfes:** — Okay. Thanks, Bill. I did have it marked here . . . so that actual moneys were lost.

**Mr. Lutz:** — No, no. No, no. We don't say moneys were lost. We are advising that moneys were not paid into the Consolidated Fund in a timely manner, but not lost.

**Mr. Rolfes:** — Okay, and not lost. Okay. Then interest. Was the interest received on the moneys that were not deposited in a timely manner? Is that the concern?

**Mr. Lutz:** — I think our concern is that the regulations require moneys to be paid in on a regular basis or at some set level, at some set time, and this regulation or legislation was not being complied with. It's a non-compliance thing.

**Mr. Rolfes:** — Okay. Well I can ask the officials. I don't think I have any further questions of Mr. Lutz. I have some questions of the officials when they come in.

**Mr. Chairman:** — There was a news report this morning of an official of the Department of Justice, my understanding where he had been dipping into some trust accounts set up for inmates, I believe. And it seems to me that you've raised that concern in previous years. I'm not quite sure whether you're raising it again this year.

**Mr. Wendel:** — That's what this was about.

**Mr. Chairman:** — That's what this is about. The question I have, the offence that took place and that was described in the news reports, does that arise out of activities during this year under review or subsequent to that?

**Mr. Lutz:** — I haven't seen that report; I can't speak to it. What we're talking about here is the fact that management should be monitoring their system on a regular basis to prevent, or at least help to prevent the non-payment money in, or whatever other irregularities can occur in the system if management is not exercising their prerogatives.

**Mr. Chairman:** — Right. And you reported that in '84, '85 and '86, and now in '87.

**Mr. Lutz:** — Yes.

**Mr. Chairman:** — I don't have any further questions at this point.

We'll call in the officials. Good morning, Mr. Benning. I wonder if you might introduce your officials to us.

**Mr. Benning:** — On my left is Terry Thompson, the assistant deputy minister of corrections and justice services. Next to me on the right is Twyla Meredith, the director of administration; on her right is Linda Hahn from our administration branch; and in the back is Darryl Bogdasavich, the director of civil law.

Mr. Chairman, I have to apologize. My deputy has a long-standing commitment, interprovincial meeting on some Justice matters in Toronto and he can't be here. He had hoped that it would work out for him to be here, but he can't be here today.

**Mr. Chairman:** — Thank you, Mr. Benning. I want to welcome you here today, you and your officials. I want to make you aware that when you're appearing as a witness before a legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the minutes and verbatim report of this committee and therefore is freely available as a public document. You are required to answer questions put to you by the committee.

Where written information is requested of you, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and record it as a table document. And I encourage you to address all comments to the chair.

Are there any questions of Mr. Benning and his officials?

**Mr. Rolfes:** — Thank you, Mr. Chairman. Mr. Benning, I was wondering, in the year under review, can you tell me if there was any polling done in your department, and if so, could you . . . well first of all, was there any polling done in your department in the year under review?

**Mr. Benning:** — In '86-87 we conducted no public opinion polls, Mr. Chairman.

**Mr. Rolfes:** — Okay. In the year under review, you have a fair number of . . . a fair expenditure, I believe, on travel. Can you tell me what portion of the travel was for out-of-province travel? Approximately — it doesn't have to be exact.

**Mr. Benning:** — We just have to get the right place, Mr. Chairman.

**Mr. Rolfes:** — Okay, if it's going to take . . .

**Mr. Benning:** — We have the numbers here.

**Mr. Rolfes:** — If it takes a fair length of time, you can provide that to the committee in writing. But I want to know, was the travel done by the minister, how much travel was done by the minister, who accompanied the minister. I would like to know the total cost of each trip, the destination of the trip, the number of days the trip took, and a brief explanation of the reason for the trip, the purpose of the trip.

**Mr. Benning:** — We can table that, Mr. Chairman, if you wish.

**Mr. Rolfes:** — If you'd submit the list to the committee, that would be fine.

**Mr. Benning:** — Fine.

**Mr. Rolfes:** — Okay. I noticed under contractual services, there is a fair amount expended on contractual services. Could you list for me the contracts that were undertaken? I'd like to know who the contracts were with, the amount spent on the contract, and a brief description of the services that were provided. And lastly, could you tell me which of those contracts were previously done in-house rather than on a contractual basis.

**Mr. Benning:** — Would you like that tabled as well?

**Mr. Rolfes:** — If you can table that with the committee, that will be fine. I don't want to take up too much time of the committee now.

**Mr. Benning:** — No problem, we can provide that.

**Mr. Rolfes:** — Thirdly, I'd like to know — advertising. A fair amount of advertising was done. Who was the advertising done . . . who did the advertising for you?

**Mr. Benning:** — We can table that as well.

**Mr. Rolfes:** — Well could you tell me, was it done basically with Dome Advertising?

**Mr. Benning:** — Correct.

**Mr. Rolfes:** — Okay. If you could then provide us with the amount of each advertising contract and the purpose of the advertising.

**Mr. Benning:** — Would you like the list, sir?

**Mr. Rolfes:** — Yes, if you could provide that for us.

**Mr. Benning:** — No problem.

**Mr. Rolfes:** — Okay, good enough. The year under review, could you provide me with the names and the resumes, job titles and job descriptions and salaries of the permanent people that were working in the minister's office.

**Mr. Benning:** — Yes. We can provide the job descriptions, but we don't have resumes, sir.

**Mr. Rolfes:** — Oh, okay.

**Mr. Benning:** — We have the list of the people and the salaries, the job descriptions, but not resumes.

**Mr. Rolfes:** — Okay, good enough. In the year under review, did you pay any moneys to Sask Property Management Corporation?

**Mr. Benning:** — No.

**Mr. Rolfes:** — Supply and Services?



**Mr. Benning:** — Supply and Services? Yes.

**Mr. Rolfes:** — Can you tell me the amount that was paid to Supply and Services?

**Mr. Benning:** — Okay, \$901,294.58. Oh sorry, I missed a million. It's \$1,901,294. It was more than I could comprehend.

**Mr. Rolfes:** — Nowadays, what's a million?

**Mr. Benning:** — That's not true, sir.

**Mr. Rolfes:** — Oh, okay, good enough. Somebody would say, what's a billion. Another guy I was thinking of is a lawyer, too.

I'd like to go to the auditor's report, Mr. Benning. On page 77 on the auditor's report he does make reference to . . . well let me read what he says:

During the course of the examination it was observed that management had not established a system to monitor compliance with its prescribed procedures for the collection, recording and deposit of moneys for services provided. This weakness allows the possibility of: (and he says) (i) services being provided without collection of moneys . . . (and so on).

And then his report later on verified that very fact, that that weakness does permit this to happen. Can you tell me, have you taken action to correct this weakness that was noted by the auditor?

**Mr. Benning:** — Yes, Mr. Chairman, we have put an internal audit function in place in the department.

**Mr. Rolfes:** — All right. Further question. And so what you're saying to me now, that there is a better way of making sure that the collections of money is done on time or expedited more efficiently than it was in the past, or more . . .

**Mr. Benning:** — I think the Provincial Auditor's point was that we were not doing an internal audit. And beginning the last fiscal year we were able to put an internal auditor into place and to get a proper process, proper internal audit process, we believe. It was last year when we began that. We understand Mr. Lutz's point on that and we've taken steps.

**Mr. Rolfes:** — All right. There are two further observations on page 78 — 15.17 and 15.19. Any explanation on those — 216,161 was retained in trust accounts rather than having them transferred to the Consolidated Fund. Was that an oversight?

**Mr. Benning:** — Well, Mr. Chairman, what we've done is we've put in place an amendment to the rules of court, and that was done in December of '86. And that amendment provides that the actual interest earned from the day the money deposited, unless the amount is less than \$1,000, is held for less than 30 days. And that should ensure that excessive amounts of unallocated interest do not accumulate in the trust fund. It was by an amendment

to the rules.

**Mr. Rolfes:** — 15.19 is a little different, I believe, than 15.17 in that the fee revenue was not forwarded. Was there any particular reason why that money was not forwarded by the individual or by . . .

**Mr. Benning:** — Well we believe it was a calculation error in the court official in Battleford. It was a calculation error.

What we've done is we're reviewing the design of the reporting form, the revenue reporting form, to try and simplify it so that the people in the field don't run into this problem.

**Mr. Rolfes:** — Okay, one last question on the auditor's report, 15.26. The auditor notes that \$2 million from the Saskatchewan Liquor Board was not transferred or taken in as revenue to the Consolidated Fund until 1987. Why was that, when the revenues were taken in in '86?

**Mr. Benning:** — Well it was, I believe, an oversight. And what we've done is tried to put procedural steps in place to ensure that the claims are put in on a timely basis. It was simply not done procedurally. We did get the money but it was late. When it was drawn to our attention, we took the steps.

**Mr. Rolfes:** — So corrective action has been taken also to . . .

**Mr. Benning:** — I believe so, yes. It's an administrative thing primarily to see that the money is paid timely.

**Mr. Rolfes:** — All right. I have one further question I want to ask on the . . . Before I forget, can you tell me, in the year under review, how many out-of-court settlements were there, not just in the Department of Justice, but in the government?

**Mr. Benning:** — I'll have to consult with the lawyer on that.

**Mr. Rolfes:** — While you're consulting with him also, I would like to know who the plaintiffs were and the amount paid in each case.

**Mr. Benning:** — Out-of-court settlements and amounts paid.

**Mr. Rolfes:** — In the year under review, yes.

**Mr. Benning:** — Mr. Chairman, the problem is, the lawyers in the department provide legal advice to all the departments in government. If there are settlements, and there are a number each year, we don't make those payments. The payments are made by the individual departments. And I understand that in order to bring that sort of information up you would have to go to the individual departments. We don't make those payments. They're not our payments.

**Mr. Rolfes:** — I know you don't make the payments, but you do advise departments. And generally speaking, departments that have come before us have indicated that

on the advice of the Department of Justice an out-of-court settlement was made. Therefore I would expect that you'd keep track of or have a listing of the number of departments, or the number of cases that you have advised where out-of-court settlement should be made.

And we had Northern Pines, for example, in front of us this morning.

**Mr. Benning:** — We can deal with that one, sir.

**Mr. Rolfes:** — That's a specific one that I want to refer to, but that's not my question. My question is. I'd like to know how many out-of-court settlements there were in the government for all of the departments combined. It's very difficult for me, unless I spend hours and hours and ask on each name.

You see, if we had not known Northern Pines' Bill Patrick — some of us happen to be personally familiar with that — we would not have known that that was an out-of-court settlement. What I am asking of the Department of Justice: how many cases are you aware of that out-of-court settlements have been made in the government?

**Mr. Benning:** — Mr. Chairman, we can provide a list of settlements that our lawyers would draw up. I have to say that it wouldn't be a list from an accounting point of view, because the cases are handled as legal cases, not as accounting cases, and because of that we don't deal with it in an accounting manner. We can provide that sort of list; we can't guarantee that it is 100 per cent complete.

**Mr. Rolfes:** — Okay, I can understand that because in some instances you may have not been consulted, therefore you would not be aware of them. I can understand that. What I am asking is for the cases where you have been involved, the Department of Justice has been involved, and would they have advised the department for out-of-court settlements. I would like to know the plaintiffs involved, the case involved, the company, and the amounts of the settlement.

**Mr. Benning:** — We don't have it here, but we certainly can prepare it.

**Mr. Rolfes:** — No, provide that to the committee. Okay?

**Mr. Benning:** — We can prepare it and have it filed if you wish.

**Mr. Rolfes:** — I would like to specifically go to Northern Pines. A settlement of \$200,000 was made to the plaintiff, Bill Patrick. My question simply is, if you can answer these, and it may be out of — what's the word I want? — not under the jurisdiction of this committee; fine. But on what basis did we pay \$200,000 to Mr. Patrick? My understanding is that there was absolutely no physical work done in Northern . . . McPhee Lake, I guess it was. And on what grounds did we suggest \$200,000 settlement?

**Mr. Bogdasavich:** — Perhaps, Mr. Chairman, a little bit of background. In 1984 it was a plaintiff corporation. Northern Pines Enterprises Ltd. commenced a lawsuit

against the Government of Saskatchewan claiming \$9 million in damages resulting from the alleged breach of an agreement with the government. Now pleadings were completed; examinations for discovery were held. They were about 10 days in length. That's where each party gets to examine the other party under oath before a court reporter. The evidence is transcribed. There are about 10 days of such hearings.

The Department of Justice then assessed the risk of liability and the total damages claimed and recommended a settlement of the matter. And after extensive negotiations, a sum of \$200,000 was accepted by the plaintiff corporation. So it was based on an assessment of the facts and the applicable law to those facts.

**Mr. Rolfes:** — I have further questions but I can't ask them of you. I'm going to have to ask them of the minister or these guys would rule me out of order here, and rightly so. But I think you've given me enough that we will go to the minister on that in his estimates. Thank you.

All right. I have a few other questions. On page 310, could you tell me what the 444,000 that was paid to First City Capital Ltd. was for.

**Mr. Benning:** — We have a rental agreement with First City Capital for computer equipment. It's a financing method for rental of computer equipment.

**Mr. Rolfes:** — Are they located here in Regina?

**Mr. Benning:** — They're in Saskatoon and Vancouver. They have an office in Saskatoon; their headquarters is Vancouver.

**Mr. Rolfes:** — Okay. Most of the . . . I assume, like Empire Meat Packers and Palm Dairies, that has to do with corrections, does it?

**Mr. Benning:** — Corrections' supplies for the institutions.

**Mr. Rolfes:** — Okay, fair enough.

H & H Holdings, you tell me, 13,800. What was that for?

**Mr. Benning:** — It's rental of a community training residence.

**Mr. Rolfes:** — Where's that?

**Mr. Benning:** — Saskatoon.

**Mr. Rolfes:** — Who are the owners of H & H Holdings? I'm not familiar with it at all.

**Mr. Thompson:** — A single-party owner.

**Mr. Rolfes:** — Could you provide that to the committee?

**Mr. Thompson:** — Yes, we can. I can't pick it off the top of my head.

**Mr. Rolfes:** — Okay, that's fair enough. What service did Dr. C. M. Green provide for \$20,504?

**Mr. Benning:** — Psychiatric assessments.

**Mr. Rolfes:** — Where is Dr. Green located?

**Mr. Thompson:** — He's located at the regional psychiatric centre in Saskatoon, the federal facility, and works out of there, or works in there, and does out-patient work.

**Mr. Rolfes:** — Okay. One further question. Thunderbird Travel, of 11,932 — what was that expenditure for?

**Mr. Benning:** — It was in relation to witness travel in a particular . . .

**Mr. Rolfes:** — Would you say that again?

**Mr. Benning:** — Sorry, witness travel for a particular criminal prosecution.

**Mr. Rolfes:** — Explain.

**Mr. Benning:** — Sorry, the prosecution witnesses that we have to bring in on criminal prosecutions uses Thunderbird Travel to . . . (inaudible) . . .

**Mr. Rolfes:** — Oh, okay. That's okay. Good enough.

I have one further question: Shumiatcher-Fox, for \$21,302. What was that for?

**Mr. Benning:** — What was the number, please.

**Mr. Rolfes:** — No, Shumiatcher Fox.

**Mr. Benning:** — It was payment on behalf of a plaintiff in a civil lawsuit.

**Mr. Rolfes:** — Was that another out of court?

**Mr. Benning:** — Yes, it would have been an out-of-court settlement.

**Mr. Rolfes:** — But this one . . . Okay, this one you were directly involved in this one, the Department of Justice?

**Mr. Benning:** — Yes.

**Mr. Rolfes:** — All right. Can you tell me, the Total Office Systems Ltd., \$101,575. What was that for?

**Mr. Benning:** — Total Office Systems? You're on page 311 again. That's office supplies.

**Mr. Rolfes:** — Oh, I see. Okay. And University of Regina, 291,000, and University of Saskatchewan, 39,000. Why the difference, the large difference between those two?

**Mr. Benning:** — University of Regina, we have the provincial police college there and it's rent of facilities and so on. Now the University of Saskatchewan relates to post-mortem exams ordered by coroners. It's the medical facility there.

**Mr. Rolfes:** — Okay. And Wascana Institute, I assume that those are for classes.

**Mr. Benning:** — That's for courses and classes primarily for inmates within the correctional institutes.

**Mr. Rolfes:** — Okay. I don't have any further questions.

**Mr. Chairman:** — Let me just ask one, maybe one. There's a payment to the Law Society of Saskatchewan, \$161,000. What is that payment in respect of?

**Mr. Benning:** — That's memberships in the law society for the lawyers employed by the department. It's a prerequisite of their employment that they all be members. So it's both the criminal prosecutors and the lawyers in the civil side of the department.

**Mr. Chairman:** — Okay. I have no further questions. Does anyone else have any questions? If not, thank you very much for being here with us this morning.

**Mr. Benning:** — We have one item I believe to return, that we'll send — two? — sorry, two.

**Mr. Chairman:** — May I suggest to the committee that we take a five minute break at this point. Does anybody have any questions of the auditor in this regard?

#### **Public Hearing: Employment Development Agency and Department of Labour**

**Mr. Chairman:** — The Employment Development Agency and the next one, Department of Labour, are now all part of the Human Resources, Labour and Employment department. So if there's any questions on Labour, of the auditor, maybe we should deal with those now. You evince some concerns about expenditures, charging appropriations, not having control procedure. Are those matters resolved?

**Mr. Lutz:** — Mr. Chairman, I am advised that these matters have now been corrected, and they are indeed monitoring the input-output as far as their expenditures out of their appropriation goes.

**Mr. Chairman:** — They are monitoring . . .

**Mr. Lutz:** — They are now monitoring . . .

**Mr. Chairman:** — Okay.

**Mr. Lutz:** — . . . what's being charged to their appropriation.

**Mr. Chairman:** — And revenue, ensuring that revenue collection was in compliance with statutes?

**Mr. Lutz:** — I have no comment on my report that those things . . . (inaudible interjection) . . . I have? I do?

**Mr. Wendel:** — If I could, Mr. Chairman — 16.12 to 16.16, we're advised that they now have a written contract for those revenues.

**Mr. Rolfes:** — 16.11 — you indicate there is no specific legislative authority for the collection of other revenues from the Workers' Compensation Board. Accordingly, it

appears that the entire amount of 2,461,877 was collected without proper authority. Has that been corrected?

**Mr. Lutz:** — Mr. Chairman, 16.10 and 11 is a case of non-compliance, and I'm not aware that . . . Well I don't know how you do correct that except you get your OC (order in council) in time, and then it's automatically corrected.

**A Member:** — Oh, yes. Yes.

**Mr. Lutz:** — It isn't a case of necessarily correcting something; it's a timeliness of getting documentation in place.

**Mr. Rolfes:** — Oh, okay. Has it . . . Okay. May I ask you, did it again occur in '87-88?

**A Member:** — Mr. Heffernan will . . . (inaudible) . . .

**Mr. Heffernan:** — Okay. We've since audited labour again, and for The Workers' Compensation Act review committee, I understand that it's no longer applicable, so that's no longer a problem. The industrial safety program, they're getting the OC in time now, so they've taken steps to equate that.

And the workers' advocate expense recovery, we're satisfied with that now because the authority exists in the Workers' Compensation Board to pay that. I think we've been convinced that they have the authority to pay it. The Legislative Assembly has given the department the right to receive it, so we haven't reported that again.

**Mr. Chairman:** — I just have one on the question of data security, and that is the . . . You've raised this in the case of some other departments as well. It seems to me that . . . And it's a question of monitoring the performance of, I guess, at that point, SaskCOMP on an ongoing basis. And you, you know, indicate that there is a concern that there may be a possibility, and it's all pretty iffy, that departmental data files and programs may be compromised. Is this . . . like in this particular instance, has this been satisfied?

**Mr. Lutz:** — Mr. Chairman, action has been taken on this matter. I now have a report, duly audited, from the data security end of it, but we have not had time yet to assess that report. But they have taken some action and we will be reporting subsequently if we are indeed satisfied.

**Mr. Martin:** — Harry, where's that . . . (inaudible) . . .

**Mr. Chairman:** — Page 84 in the auditor's report.

**Mr. Martin:** — 84, eh? Oh, here it is here, yes.

**Mr. Chairman:** — Are there any further questions of the auditor at this point? If not, then we should call the Department of Human Resources, Labour and Employment.

Good morning, Mr. Meier. I wonder if you would introduce your officials to us.

**Mr. Meier:** — Thank you, Mr. Chairman. On my immediate right, Judy Moore, assistant deputy minister, labour division; and on her right, Ron Kruzeniski, assistant deputy minister, human resources and employment division. On my left, Pat More, director, administrative services. On his left, Rick Pawliw, manager of the youth services unit; and to our rear, with her foot up, is Anne McFarlane, executive director, employment opportunities branch.

**Mr. Chairman:** — Thank you very much. I would like to welcome you here this morning.

I want to make you aware that when you are appearing as a witness before a legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the minutes and verbatim report of this committee and therefore is freely available as a public document.

You are required to answer the questions put to you by the committee, and where written information is requested of your department, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and record it as a tabled document. And please address all comments to the chair.

There are a couple of departments or agencies that we have that are now all part of the new Department of Human Resources, Labour and Employment, and the first is the Employment Development Agency. And I wonder if you might turn to page 147 of the *Public Accounts* document.

Under the industrial incentive program, you have a payment \$142,500 to the committee of the Imperial Bank of Commerce. I wonder if you might explain that for us. What was the . . .

**Mr. Meier:** — Mr. Chairman, my understanding is that the Employment Development Agency had the responsibility for directly administering four of the programs encompassed by the employment development fund, and that the remaining programs, including the one to which the question was directed, was not in fact part of the agency's direct responsibility.

And if you will give me a moment, Mr. Chairman, I'll just clarify who has that present responsibility. I'm advised, Mr. Chairman, that at the time it was the responsibility of the Department of Economic Development and Trade, and that in fact, given that no further applications were accepted after March 31, 1987, there is no ongoing responsibility for the program.

**Mr. Chairman:** — Well someone's got to be responsible. But it's Economic Development and Trade, you say?

**Mr. Meier:** — Yes, Mr. Chairman, if it would be helpful, I believe it is outlined in *Public Accounts* in terms of which departments have responsibility, or had, at that time, responsibility for the various program elements.

My apologies, Mr. Chairman. I'm told that it appears in *Estimates*. We have excerpted that and could provide the

committee with that information if it were helpful.

**Mr. Chairman:** — Yes, you know, I don't want to put questions to you if you're not in a position to answer them, and we can always call Economic Development and Trade back again and . . .

**Mr. Meier:** — I have that information with me, Mr. Chairman, in terms of the breakdown I described, as to which departments were responsible at that time.

**Mr. Chairman:** — Okay, sure, yes, if you can provide us that it would be helpful. All the questions I had pertain to the industrial incentive program, so I guess we'll have to put them to a different department at some future time. And none of those pertain to this department. The department that's in a position to answer any questions on that was Economic Development and Trade who were here at 8:30 this morning, but . . .

**Mr. Hopfner:** — . . . (inaudible) . . . have the minister in the House. We can do that . . .

**Mr. Chairman:** — But we can always call them back.

Now as to the Department of Labour, does anyone have any questions on Department of Labour or, for that matter, any other agencies, programs and departments that may come under the purview of this particular department and its officials that are here before us today?

**Mr. Rolfes:** — Yes, Mr. Meier, I have some questions I want to ask in relation to the Department of Labour and all the agencies related to it.

Could you tell me, under the year under review, was there any polling done in your department? And if there was, I'd like to know the name of the company which conducted the poll, the cost of each of the polls, the purpose of each of the polls, and a copy of the . . . (inaudible) . . . instrument administered and print-out out of the final results. If you don't have those with you, I can understand that. You could provide that to the committee, if you wish, in writing.

**Mr. Meier:** — I'm advised, Mr. Chairman, that there were no polls conducted by the Department of Labour in the year under review.

**Mr. Rolfes:** — For any of the agencies?

**Mr. Meier:** — Any of the agencies. We can undertake to provide that information if you'd like. We do have it with us. It will just take some time to gather together, Mr. Chairman.

**Mr. Rolfes:** — But no polling done by you people?

**Mr. Meier:** — Not by the Department of Labour as such.

**Mr. Rolfes:** — But was there polling done for you people?

**Mr. Meier:** — No, sir. If I understand the question correctly, Mr. Chairman, no polling done by or for the Department of Labour.

**Mr. Rolfes:** — No questions submitted by you or any of your agencies to the government in general for polling purposes?

**Mr. Meier:** — I should take that under advisement, Mr. Chairman, just to be sure that I do understand the question correctly and provide the appropriate answer.

**Mr. Rolfes:** — Yes, you may not have done the polling directly yourself, but you may have tagged on with some other polling that was done, and therefore I would like to know the costs and the purpose and so on, okay?

Number two, can you list for me all the out-of-province travel done by the minister, including who accompanied the minister on the trip, the total cost of the trip, the destination of the trip, and the number of days the trip took and a brief explanation of the purpose of that trip?

**Mr. Meier:** — Mr. Chairman, I'm advised that that information was provided as part of a motion for return answered.

**Mr. Rolfes:** — On the year under review?

**Mr. Meier:** — For the year under review, yes, Mr. Chairman.

**Mr. Rolfes:** — What return was that?

**Mr. Meier:** — I'm advised that it is contained in return no. 261, Mr. Chairman.

**Mr. Rolfes:** — Two-six-one. Okay, that's good enough. Contractual services. Can you provide to me the contractual services that was done by the department and agencies in the year under review, including who the contractual services was with, the dollar amounts of the contract, and a brief description of the services that were provided under that contract, each of the contracts, and whether or not these were previously done in-house, rather than on contract.

**Mr. Meier:** — Understood, Mr. Chairman. We can undertake to provide that.

**Mr. Rolfes:** — Advertising. Who did most of your advertising, the placement of your advertising, and did your advertising in the year under review? Was it Dome advertising?

**Mr. Meier:** — Yes, Mr. Chairman.

**Mr. Rolfes:** — Could you provide me with a breakdown of the advertising, the amount of each of the advertising contracts that were signed, and the purpose of the advertising and who the contract was with? Or did you provide that in a return, and if you did, give me the number of the return?

**Mr. Meier:** — I'm advised that there were no signed contracts as such, Mr. Chairman, but that in fact such work was done.

**Mr. Rolfes:** — Can you provide me whatever those . . . whatever answer you can give me for any of those

questions, all right? If some do not apply, fine, then simply say, not applicable, okay?

**Mr. Meier:** — I will, Mr. Chairman.

**Mr. Rolfes:** — All right. The next one, I would like to know the names and the job titles, job description, and salary levels of all the staff employed in each of the minister's offices. I believe in this particular case it was just one minister, or were there two? There may have been a change.

**Mr. Meier:** — Just to clarify, Mr. Chairman, that was all staff, not merely non-clerical staff, for which that information that was provided, I understand, in a return for that year.

**Mr. Rolfes:** — Do you know the return number?

**Mr. Meier:** — Five-two-five, Mr. Chairman.

**Mr. Rolfes:** — Okay, thank you.

Under the year under review, did your department or any of your agencies pay any money to Saskatchewan Property Management Corporation?

**Mr. Meier:** — No, Mr. Chairman. I'm advised that Sask Property Management Corporation was not in fact incorporated until 1987-88.

**Mr. Rolfes:** — Well not quite correct; some of the departments did pay in the year under review, but that's fair enough.

The next question then is: how much money, in the year under review, did you pay to the Department of Supply and Services? How much moneys were paid by your department and your agencies, and I would like to have a breakdown of what was paid by each agency and by the department to the Department of Supply and Services?

**Mr. Meier:** — We can provide that information, Mr. Chairman.

**Mr. Rolfes:** — Okay, that's all the questions I have under that.

Mr. Meier, in the auditor's report — and I don't want to be too specific — I don't want to use the word "allegations," but there seems to be some reference to not having the authority to do certain things; for example, your contract with the federal government under the inspection services. Can you tell me, has that been corrected now, or are we still charging, making the surcharges from the federal government on inspection purposes, but we really don't have the authority to do so? Or has that been corrected?

**Mr. Meier:** — I can't tell you for certain that it's been corrected, Mr. Chairman. That responsibility was relinquished to the Department of Environment and Public Safety as of December 1, 1986, and the concerns set out in Mr. Lutz's letter were in fact referred to them, and I understand an answer was provided.

**Mr. Rolfes:** — To this committee?

**Mr. Meier:** — No, to Mr. Lutz.

**Mr. Rolfes:** — Oh. Could I ask Mr. Lutz whether or not that has been taken care of or . . .

**Mr. Lutz:** — We were advised that for '89 they had a written agreement which hopefully will correct it.

**Mr. Chairman:** — I just have a question — Public Accounts, page 316 — and I note there is payment for travel expenses for one Brian John Keple. What was Mr. Keple's responsibility? What did he do for the department?

**Mr. Meier:** — At that time, Mr. Chairman, he was and still is a member of the Labour Relations Board.

**Mr. Rolfes:** — Mr. Meier, on page 317 of the Public Accounts there's a payment made to Mercury Graphics Corporation. I assume that that is the company that is now part of WESTBRIDGE. What was that payment for?

**Mr. Meier:** — There were, in fact, two pieces of work done, Mr. Chairman, by Mercury Graphics, one being the printing of Students in the Work Place brochures and the second being the printing of occupational health minutes forms.

As well, Mr. Chairman, there were expenditures incurred on behalf of technical safety services which, as I indicated earlier, is now part of Environment and Public Safety.

**Mr. Rolfes:** — All right. An expenditure of 15,500 to Southern Alberta Institute of Technology. Can you tell me what . . . I assume they were for classes that were offered, or courses that were offered. Can you tell me what those . . . Well first of all, tell me what the expenditure was for. I'm . . . (inaudible) . . . and I'm going to ask another question.

**Mr. Meier:** — Mr. Chairman, that expenditure was for the purchase of building operators' course books for, again, technical safety services.

**Mr. Rolfes:** — Okay, was the course . . . I mean . . . Okay. My next question, I guess, is: was the course offered in Calgary and people attended, or how did you conduct these courses?

**Mr. Meier:** — I'm advised, Mr. Chairman, that we actually purchased those books, which were actually codes, and in turn provided them to tradesmen here in Saskatchewan.

**Mr. Rolfes:** — Oh, I see. Okay.

**Mr. Chairman:** — Can I just ask a question here? This brochure that was printed by Mercury Graphics Corporation — now I don't need the answer today — but I wonder if you can tell me if any of the billing by Dome Advertising Ltd. in the amount of \$49,017 also included any amounts for any work that they may have done with respect to that brochure, and how they justify their billing in that respect.

**Mr. Meier:** — Yes, I will undertake to provide that, Mr. Chairman.

**Mr. Chairman:** — Thank you. I have no further questions.

**Mr. Rolfes:** — Yes. I've just one further question, I believe, and that is on page 316, a person by the name of Phil Richards. What was his position with the department? Was he the deputy?

**Mr. Meier:** — I'm not certain that he was only the deputy for that period of time. There was a promotion from assistant deputy minister, Labour division, to deputy minister, the exact date of which I would need to clarify, Mr. Chairman. But I believe he was the deputy for that period of time.

**Mr. Rolfes:** — Well, yes, I would assume, because I'm looking for anybody else paid higher than he was, and I don't find anybody else, so I assume he was the deputy. Is he that . . . he's no longer with you. Is that the same Phil Richards that's now in Saskatoon?

**Mr. Meier:** — That's correct, Mr. Chairman.

**Mr. Rolfes:** — Okay. Excellent man. I don't have any further questions.

**Mr. Chairman:** — Any further questions? If not, thank you very much for coming out today. I regret the confusion about the industrial incentives grants or program, but we'll get that straightened out somewhere along the line.

**Mr. Martin:** — Mr. Chairman, I just want to comment. Mr. Rolfes' golf game must have improved dramatically in the last few days; I can't believe what a joyful mood he's in these days. It's almost a pleasure to work with him.

**Mr. Chairman:** — There's still a motion, Department of Justice. Does someone want to move that one? Moved by Mr. Wolfe. Any discussion? Question. All in favour?

Agreed

**Mr. Chairman:** — Then we have another one on the Employment Development Agency and also Department of Labour. We should be . . .

**A Member:** — Well let's just do them as agency and we'll go on to Labour later.

**Mr. Chairman:** — We didn't do the Employment Development Agency, as it turned out, or changes on the Department of Labour. And can I have a motion that we conclude the hearing on the Department of Labour? Moved by Mr. Hopfner. Okay. Ready for the question on that?

Agreed

**Mr. Chairman:** — Now, in terms of the next day . . .

**Mr. Rolfes:** — Mr. Chairman, before we go on to that, I'd like to just . . . I guess it . . . I suppose it's a legitimate question to ask the departments, from now on, a general

question: did they have any out-of-court settlements? I guess we just have to ask that general question of each department if we want answers to it, because it seems to me, the Department of Justice, only those that they've advised will they know. I guess from now on we'll just ask that question from each department.

I'm a little disappointed because I was led to believe from the one department that I could ask Justice and they'd give them to me, and then Justice says no, they don't have it.

**A Member:** — You should call them.

**Mr. Rolfes:** — Yes, but I wanted to know that for the total for the year, and the only way we can get it now if I call each department back again. And that, I think, is just a waste of officials' time, you know.

**Mr. Neudorf:** — Why don't you just write a letter to them on behalf of the committee or whatever, and then get it down.

**Mr. Rolfes:** — Well that's fair enough. We can do that.

**Mr. Chairman:** — Can I just ask with respect to future departments, there's a number left here and I sense that members want to proceed as expeditiously as possible on hearings on any departments for the year under review, that this be left in the hands of the Clerk and myself to get as many departments before us as we can, or we feel that we might reasonably be able to accommodate for the next day and the day after that.

**Mr. Rolfes:** — Mr. Chairman, I would agree with that. I would not spend very much time on '86-87 if — and I say this with all sincerity you guys — if I knew the auditor's report for the '87-88 would be tabled very shortly so that we could get on with the next year's examination. Because otherwise, you know, I . . . there lots of detailed questions that one can ask in '86-87, but if we can go on with the '87-88 . . . but it's not been tabled, I don't think.

**Mr. Lutz:** — No it hasn't.

**Mr. Rolfes:** — May I ask when is this . . . is it a legitimate question to ask when can we expect it to be tabled?

**Mr. Lutz:** — I think, Mr. Chairman, my answer will be: soon.

**Mr. Rolfes:** — A month, two months, a week?

**Mr. Lutz:** — Oh I think before a month. It's at the printers. Once it goes to the printers, it's difficult to say when it will be available because I don't know how a printer operates. I would think, soon. I would hope, soon.

**Mr. Rolfes:** — Well that will give me some guidance as to how much time I'm going to spend on each one.

**Mr. Chairman:** — Meeting stands adjourned.

The committee adjourned at 10:29 a.m.