

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**March 3, 1995**

The Assembly met at 10 a.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'd be happy today to present petitions on behalf of the people from the Leader community in my constituency. Also from Sceptre, a few from Climax, and also Burstall. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

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

And I'm happy to table these for the people from my constituency today, Mr. Speaker.

**Mr. McPherson:** — Thank you, Mr. Speaker. I also have a petition from the people in south-west Saskatchewan. The prayer is as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers.

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

And, Mr. Speaker, these people are from my constituency — Woodrow, Lafleche, Assiniboia, Gravelbourg area.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have a petition to present today with regards to firearms:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

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

These petitions come from the Leader, Pennant, Lancer, Burstall, Prelate area of Saskatchewan, Mr. Speaker. I so present.

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 11(7) they are hereby read and received.

Of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

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

And of member shareholders of the Saskatchewan Wheat Pool petitioning the Assembly to require the directors of the Pool to seek the approval of the Pool membership by a vote before the proposed changes to The Saskatchewan Wheat Pool Act are enacted by the Legislative Assembly.

**NOTICES OF MOTIONS AND QUESTIONS**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on Tuesday next move first reading of a Bill, An Act respecting the Donation of Food, 1995.

**INTRODUCTION OF GUESTS**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, please allow me to introduce to you and through you to the Assembly, a young lady who is in your gallery, who has come to join us this morning and is interested in the proceedings, Ms. Vicky Lissell. I would ask the members to join me in welcoming Vicky to the Assembly this morning.

**Hon. Members:** Hear, hear!

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, it's my great privilege this morning to do two separate introductions to you and through you to my colleagues in the Assembly.

First of all, I would like to introduce in your gallery two women who are good friends and business women in Regina, and I'd like to ask them to stand, please: Rhoda Herring and Lee Bechard. They are successful business women in Regina; you might say they are in the recycling business. I support their business, as do many of my colleagues, and they've come here today to partake in the proceedings. So I ask members to welcome them here today.

**Hon. Members:** Hear, hear!

**Ms. Murray:** — And also seated in your gallery, Mr. Speaker, there are 24 grade 12 students from Greenall High School. Greenall High School is located in Balgonie. And they are accompanied here today by their teacher, Patricia Gorius, and their driver is Rodney Cooke.

Now it was my great pleasure to actually teach some of these children a long, long time ago. And it's wonderful to have them

here today and I'm looking forward to meeting with them later on. And I would ask all of you to join me in welcoming them here. Thank you.

**Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Thank you very much. I want to draw your attention, Mr. Speaker, and the members of the House, to your gallery in which are seated two gentlemen who I want to introduce today. They took part in a very important announcement with myself this morning, which I think will be a very positive development for Saskatchewan.

The two gentlemen are Mr. Ed Cowley, who is the president of the Provincial Building and Trades Council, and Mr. Sid Matthews, who is the president of the Construction Labour Relations Association.

I want to, on behalf of the members here, welcome them here this morning, and ask members to join me in extending our greetings to them.

**Hon. Members:** Hear, hear!

**Mr. Kluz:** — Thank you very much, Mr. Speaker. I want to introduce to you and through you to all members of the Assembly, someone that's seated in your gallery that's very special. My wife Carol is here today to watch the proceedings, and I would like all members to give her a warm welcome here today.

**Hon. Members:** Hear, hear!

**Ms. Hamilton:** — Thank you, Mr. Speaker. I would like to echo the welcome of the member from Qu'Appelle Lumsden who introduced the two entrepreneurial women in our community, at least one who is a constituent of mine. And both women, Lee and Rhoda, have had an opportunity to help me look presentable in the chambers, Mr. Speaker. So I also welcome them and say thank you to them for the opportunities I've had when I've been in their shop.

I'd also like to say welcome to the grade 12 students from Greenall School. The early teachings of Ms. Murray have stood them in good stead. It was last week I had an opportunity to visit with them with the hon. minister for the treasury of the province, and they asked many good questions.

With them is Pat Gorius, and I know many members will recognize her as a strong woman who comes from a family with determination behind her, as she's also the daughter of Elsie Gorius. I'd ask members to join me in welcoming them.

The other welcome I'd like to say is also welcome to Sid Matthews. I had the opportunity to serve with him in Wascana Centre Authority a few years ago, and we had many interesting times during the debate about issues that affected the centre. So I'd like to say welcome to all of the members present and ask everyone to welcome them with me.

**Hon. Members:** Hear, hear!

## STATEMENTS BY MEMBERS

### Fire Prevention Awards

**Mr. Roy:** — Mr. Speaker, I would like to offer congratulations to a group of students from the Humboldt area who did remarkably well in a Fire Prevention Week contest. This contest is held every year, and the theme for the contest, which was held last October, was "test your detector for life."

Phillip Crook, who is a grade 7 student at St. Augustine School, received \$75 for his third place entry in the division 3 poster competition. Matthew Droneck, a grade 2 student at Humboldt Public School, won honourable mention and \$50 in the division 1 colouring contest. Ryan Dielschneider, a kindergarten student from Naicam, received \$125 for his second place finish in division 1. Jess Talloder, a grade 2 student at Naicam School, placed third in that competition and received a \$75 prize.

There were two winners in the division 3 category from Bruno School. Justin Dauvin received \$125 for his second place poster, and Carla Leuschen received \$50 for honourable mention.

Mr. Speaker, these students did very well in this contest because they were selected from a total of 10,000 entries, so it is quite an accomplishment. The education these students received by participating in this contest is very valuable. Each year in Saskatchewan children are injured or killed in fires in their homes, and it's through education that we can help prevent these tragedies. Thank you very much.

**Some Hon. Members:** Hear, hear!

### New Nursing Home Needed in Shaunavon

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, I would like members of this House to be made aware of an anniversary of sorts that is fast approaching. It is almost 13 years ago that the current member from Regina Elphinstone signed a letter of intent for the construction of a new nursing home in the town of Shaunavon. It was stated at that time, and I quote from him: the new home will replace the present one, which is beyond renovation to meet today's standards.

Mr. Speaker, given the fact that these words were spoken 13 years ago, I trust that the members of this Assembly, particularly the Minister of Health, would agree that construction of a new facility is long overdue. A community task force, after months of study, recently made a number of recommendations to the district health board, foremost of which is that a new nursing home be constructed for level 3, level 4 residents, and I support that recommendation.

On behalf of the pioneers and seniors of Shaunavon and surrounding area, I ask that this very important project proceed and that it ends being a political football.

### Abuse Forum at Regina City Hall

**Ms. Hamilton:** — Thank you, Mr. Speaker. I rise to inform everyone of a very interesting and worthwhile forum that took place Wednesday night at Regina City Hall.

More than 300 people met to talk about domestic violence and violence against women. This was not the first meeting to discuss these subjects perhaps, but what makes this one significant and what it makes it very worthy of imitation in other centres is that it brought together representatives of 35 different organizations which face the consequences of domestic violence: police, women's shelters, social services, lawyers, government workers, and politicians.

Each group had its own concerns. Perhaps they don't hear the other's opinions and problems often enough. As a representative of the RCMP (Royal Canadian Mounted Police) said, we the police end up in the front end of a lot of these cases so we have to know how to deal with them. And, Mr. Speaker, it is the directors of the shelters and the social workers who can provide the first responders with the background they need. In other words, Mr. Speaker, we had people talking to people, experts sharing with experts so that hopefully a unified body of knowledge will emerge.

The coordinator, Barbara Shell, is to be congratulated for bringing together these professionals, and in a public forum, so that not only professionals know what other professionals are doing. Now the public will be more aware of what is being done to counter domestic violence. This kind of public sharing of information can only have positive results for our communities. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### **Work Experience Partnerships**

**Mrs. Bergman:** — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased today to inform the Assembly about the growing work experience partnerships of schools, businesses, and community organizations in my Regina North West constituency.

I'd like to congratulate the following work experience partners in Regina North West, including Acme Video, Cable Regina and Canada Safeway, Cheesetoast Restaurant, Co-op grocery, Michael A. Riffel High School, Miller Comprehensive High School also has some of my students working there; Mr. Lube, Mr. Mister Hair Distinction, Northwest Leisure Centre, the Saan Stores, Sherwood Animal Clinic, the Sherwood Credit Union, the Sherwood Village Mall, St. Angela School, and Vern's Pizza.

Mr. Speaker, I presently have a second work experience student in my office and I encourage all Regina members to participate with the Separate School Board which has developed an extensive work experience program. I challenge them to enable other students to get some experience of the legislature and constituency work as well.

Thank you.

#### **Two European Health Conferences**

**Ms. Simard:** — Thank you, Mr. Speaker. Last week, at the invitation of two European health conferences, I had the pleasant opportunity to represent Saskatchewan by speaking about health reform as it is happening in our province.

First I spoke in Amsterdam at the four-country conference on health care reform and health care policies. People from U.S. (United States), Canada, Germany and the Netherlands were very interested in the highlights of the Saskatchewan experience. These countries are looking at our experience as a model in their own jurisdictions.

I also had the pleasure of delivering the keynote address at a conference on primary care development in Belfast, Northern Ireland. At this conference several European countries were represented. The conference brochure, which has been circulated to leaders in the European Economic Community says:

Recent reforms to health care pioneered in Saskatchewan are at the leading edge of those undertaken in North America.

They were particularly interested in the way we are combining modern information technology with health care to improve the delivery of necessary services.

Mr. Speaker, the authors of a recent book on health care in Canada said: something wonderful is happening in Saskatchewan. The leadership of many, many people working in health care throughout this province, Mr. Speaker, is being internationally recognized.

**Some Hon. Members:** Hear, hear!

#### **ORAL QUESTIONS**

##### **Compensation for Hepatitis C Victims**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I have a question to the Minister of Health. Mr. Minister, a year ago the official opposition brought forward the issue of Vicki Lissel and other Saskatchewan people who have contracted hepatitis C through tainted blood. At the time, you told us you were working with other health departments and that things were being done.

More recently, the Krever Commission investigating the safety of Canada's blood supply made recommendations. The commission stated that although risks to Canada's blood supply will be low, that some deaths will result from the therapeutic use of blood. The Krever report recommends, and I quote:

A system that knows these consequences will occur and that brings them about has, at the very least, a moral obligation to give some thought to the question of appropriate relief for those affected by the inevitable events.

Mr. Minister, your reaction to Mr. Krever's recommendation in

regards to hepatitis C sufferers was to say your government intends to focus on treatment and prevention. Can you explain why your government has chosen to take the opposite approach of the Krever Commission's recommendations?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, I thank the member for his question, and let me clarify for the member, if he has not seen the report, and for other members, that the comments that he quotes from Justice Krever's reports are not recommendations. They are not part of the 43 recommendations. They are part of his textual comment.

I have, as we have over the course of the past year, been in touch with ministers of Health across Canada. The position being taken by ministers of Health across Canada in each provincial jurisdiction is that the most appropriate response to the condition and disease of hepatitis C is for governments to provide the best possible treatment and the best possible prevention measures.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. Well I'm sure for individuals such as Vicky Lissel that is a very comforting comment. You know that this disease is just as deadly as AIDS (acquired immune deficiency syndrome) and people are four times more likely to contract hepatitis C than they are HIV (human immunodeficiency virus). Yet individuals who contracted AIDS through tainted blood received \$20,000 immediately and 30,000 a year until they die. In addition, spouses get 20,000 at the time of death and 20,000 for four years thereafter. As well dependent children get 4,000 a year for four years.

Why, Mr. Minister, is your government so willing to participate in a package for AIDS victims yet not willing to give the same compensation for individuals with hepatitis C who are ill because of the same tainted blood, Mr. Minister? Why are these people being discriminated against?

**Hon. Mr. Calvert:** — Mr. Speaker, again for the information of the member and for the information of all members, hepatitis C and how hepatitis C is contracted is very different, very different than in the circumstance of AIDS. This is quite a different disease, in many cases with quite minimal outcomes for the individual. Mr. Speaker, it needs to be made very clear that this is quite a different condition and it's not near as possible to demonstrate with clarity that the disease had been contracted through a blood transfusion.

### Government Tendering Policy

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for CIC (Crown Investments Corporation of Saskatchewan). Mr. Minister, your worst-kept secret of your government is finally out this morning and you finally admit that you have a union-preference tendering policy. And it's almost identical, I might point out, to the document that we presented for you back in January.

So, Mr. Minister, your government talks about creating a positive business climate in Saskatchewan yet you bring in a policy that is universally opposed by the business community in our province. I have a list, Minister, of 260 construction companies from all parts of this province who oppose this policy and I have a copy with me today. Many municipalities have written to us to say that they oppose this policy, Minister, so will you table your list of businesses and municipalities that support this policy? Would you do that for us today, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. I am pleased to respond to the member's question on an issue which I happen to believe will be of great significance in a positive way for Saskatchewan in the construction industry. I want to say to the member opposite that this is no secret; it was announced at a press conference this morning which was attended by members of the trades and also members of the construction industry.

The Crown Construction Tendering Agreement will ensure that there will be a fair and an open tendering process for commercial Crown corporation construction work, a process based on awarding contracts to the lowest qualified bidder. This is what business in Saskatchewan wants. This is what the taxpayers in Saskatchewan want, awarding of contracts to the lowest qualified bidder and that's what this agreement does. And how the member opposite could object to that, I don't understand.

I want to conclude, Mr. Speaker, by saying that this agreement balances some very important objectives. It balances the objectives of obtaining the best value for money, of treating workers fairly which is something members opposite don't fully understand, and of maximizing the use of Saskatchewan local labour which has not always been the case in Saskatchewan but yet is an important factor.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** — Thank you, Mr. Speaker. Well, Mr. Minister, you tried to keep your policy a secret, but we exposed you last January because your timing wasn't right until now, so you've held off.

The truth of the matter is, Minister, you won't table your list of people that support you because you don't have one. This policy is universally condemned by Saskatchewan contractors because they know it's going to drive up labour costs. Mr. Minister, 30 to 40 per cent of the costs of most construction projects goes into labour; you know that. The Melfort pipeline gave us a clear example of how union-preference tendering drives labour costs right through the roof.

And that's bad for everybody, Mr. Minister. It's bad for you. It's bad for businesses. It's bad for me, and it's bad for the taxpayers, Mr. Minister, who will wind up paying these increased cost through higher utility rates. Now that's a fact, Mr. Minister.

Now, Mr. Minister, how much will this policy drive up the construction costs in the Crown corporations? Will you table your study that you have done to evaluate this cost impact on Saskatchewan?

**Hon. Mr. Tchorzewski:** — Now, Mr. Speaker, let me point out to the House and to the member opposite that this is not really breaking new ground. The member will very well know that this kind of project agreement has existed in Saskatchewan at different times since 1913.

Let me bring some examples of more recent nature to the attention of the House. The Bi-Provincial upgrader construction project was operated under this kind of an agreement. Part of the Shand power plant project operated under this kind of an agreement. Cameco's Contact Lake gold mine project in northern Saskatchewan was operated under this kind of an agreement. Those corporations involved in the private sector did not think it was going to significantly or if at all increase the cost of construction, and I don't think that this agreement will either.

It is an agreement that works across Canada in many circumstances; it's the kind of process that has worked in Saskatchewan in the past. It's going to provide balance, it's going to provide a level playing-field, it's going to provide a process to qualify will be lowest qualified bidder, and I think that that's a good policy. It does away with the kind of confused situation which used to exist, and that's why . . .

**The Speaker:** — Next question.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** — Thank you, Mr. Speaker. Well, Mr. Minister, there's a couple of things that you have missed here. You compare these kind of contracts with the ones done in the past and there is no comparison at all except that they were both done on paper. The fact of the matter is, as I understand it, that these were open-site contracts in the past, where non-union workers did not have to pay union dues. So there's a significant difference right there, along with a whole lot of others.

Mr. Minister, this policy is a disaster. The contractors don't want it. It's discriminatory. It's going to drive costs up, and you don't even know how much. You won't table your analysis or your studies of the costs because you don't have any; you haven't done any. You won't table any supporters because you haven't consulted with people and you don't have a list of supporters, except the unions. That's all you've got.

This policy exists for one reason, Mr. Minister, and one reason only — to buy union support going into the next election. That's all it's for, Mr. Minister. Why should taxpayers have to pay for your NDP (New Democratic Party) political debt to the unions? Why don't you admit this policy is a mistake?

Remove these discriminatory hiring quotas and let the construction people hire whoever they want — union or non-union. Open it up. Let the best men win and the best women

win the contracts on their own merit. Why don't you put the taxpayers' interests ahead of your own political agenda, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I often have thought that the Leader of the Liberal Party is the one that's confused here most of the time, but now I regretfully have to suggest that maybe the official opposition is just as confused.

For the member opposite to say that nobody in the construction industry supports this is completely wrong because the agreement, Mr. Speaker, the agreement is signed by the Saskatchewan Provincial Building and Trades Council, representative of the trades, and it is signed by the construction labour relations association which is the representative of contractors. So for the member opposite to say that there is no support for this, I think goes beyond all reason.

What the member refuses to comment on is the fact that this agreement provides all of the principles about making sure we have qualified tradespeople in Saskatchewan, making sure that the employment of Saskatchewan people is maximized, and making sure that the lowest qualified bidder gets the contract.

Members opposite have argued for it in the past, but that's all they've done. We're putting it into place.

**Some Hon. Members:** Hear, hear!

#### Patronage Appointments

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, in the lead up to the 1991 provincial election, the Premier attacked the Conservatives for their patronage gone wild and rightly so. However, Mr. Speaker, the Premier promised the people of Saskatchewan that he was going to clean it up. The Premier stated that he was going to professionalize the civil service.

On page 14 of your 1991 election platform document, it states, and I quote:

A New Democrat government will fight to eliminate patronage by strengthening the public service to ensure that the public service is competent and hired on qualifications and not political affiliation.

Mr. Speaker, I want to table today a list of some 10 or 11 patronage positions involved in the management of Saskatchewan Liquor and Gaming Authority alone, a list that includes past party presidents, treasurers, election workers.

My question is to the Premier: could the reason for all your problems in this department be the fact that your party affiliation and party loyalty was far more important to you than appointing experienced professionals?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I would like to

respond to the member opposite because I have watched carefully comments of the Liberal Party with regard to patronage.

I want you to know, Mr. Speaker, and I want the member opposite to know, that the policy of this government is to hire people based on their qualifications.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — And if they are capable of doing the job, for a job for which they are appointed, it should not matter what political affiliation they have and therefore, on the basis of that, determine whether they should or should not get the job.

I want to say, Mr. Speaker, that's quite opposite to what Liberals do. And I want to quote to the member opposite what the Prime Minister has said about patronage, who said . . . the Prime Minister told *Maclean's* magazine in the year-end interview that he had no choice but to appoint people he was acquainted with. And that is how he gauges their competence, on the basis of who he is acquainted with. Or as he put it:

Guys you don't know, you don't know. Guys you know, you know. And that's competence.

That's not the approach of the New Democratic Party or our kind of government, although that may be the approach of Liberals opposite, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Thank you, Mr. Speaker. Well obviously when you throw a rock in the dark and you hear a dog yelp, you've probably hit the dog.

Mr. Speaker, with the entire management team of Saskatchewan Liquor and Gaming being nothing more than political operatives, the people of Saskatchewan must assume that all departments and Crowns are filled with party loyalists, and not professionals.

My question is to the Premier again: are you prepared to table in this House a list of all the political patronage positions you have filled with your friends and party faithful, along with their qualifications, salaries, and benefits?

And Mr. Premier, I don't mean just the obvious ones, such as Jack Messer of SaskPower or Don Ching of Crown Investments. I'm referring to all the party loyalists that you have stuck in departments and Crowns. Will you table that list today, and will you defend that list?

**Hon. Mr. Tchorzewski:** — First of all, let me answer directly the member's question. No, I do not need to table that kind of a list because the appointments to positions in the government, of this government, are not based on the basis of principle . . . on the basis of patronage. They are based on the basis of principle.

Mr. Speaker, let me repeat. Let me repeat that the appointments

to the people in positions in the government are based on the basis of qualification and ability to do the job, and not based on the basis of principle. Quite contrary to the position of his leader, the member from Greystone, the Liberal leader, who is quoted in the *News-Optimist* of North Battleford not too long ago saying that she doesn't mean she wouldn't make partisan appointments. Unquote.

Quote again: that doesn't mean that Liberals won't get jobs, she said. They're competent. If you have someone who is competent and has integrity, it doesn't matter what their political stripe is because they will do an excellent job.

I ask the member opposite, first of all, how does he square his leader's comments about patronage, and then how is it that he sets one standard for the Liberal Party and another standard for an NDP government? Can he explain that to the House?

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Mr. Premier, since coming to power you have decimated rural Saskatchewan by displacing hundreds of health care professionals, nurses, teachers, highway workers, SaskPower workers, and on and on and on. These are the very people that make communities just that — a community. Instead, Mr. Premier, you chose to take jobs away from those people so that you could afford to give jobs to your political friends.

I will table another list — some eight full pages, Mr. Speaker, that were passed on to me — with names, their constituencies, and where they were being slotted into the government. Names of past cabinet ministers, MLAs (Member of the Legislative Assembly), party presidents, party organizers, along with past candidates, Mr. Premier.

How can you sit there, how can you sit there and defend those actions when you have done so much harm to the ordinary men and women of this province?

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I want to say to the member opposite again. I don't have to repeat what the policy of the government is, but I will, because obviously in some classrooms where I have been a teacher, rote learning was a very important way of teaching people.

So using that principle, Mr. Speaker, I want to say to the member from Assiniboia that the people who get jobs in the Crowns and the Government of Saskatchewan get them on the basis of their qualities and their capabilities.

Some of them are New Democrats and supporters of the New Democratic Party. I don't apologize for that. Fifty-one per cent of the people of this province, in fact, voted NDP in the last provincial election. And because of the achievements of this government, probably the same amount of people will vote for the NDP in the next provincial election.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — So our position is clear. But just to quote further from his leader, the Leader of the Liberal Party of

Saskatchewan, she said on CKRM, I believe: I don't see any reason why we just don't clearly delineate what are political jobs and say this is how it's going to be done and make it transparent. Meaning that there is room for patronage appointments. She would do it, but she would do it her way.

And I say to the member opposite, come on, let's get . . .

**The Speaker:** — Order. Next question.

**Mr. McPherson:** — Thank you, Mr. Speaker. The member was right; their position is clear. Because I've just tabled pages and pages and pages of names with political appointments.

Mr. Premier, my role here isn't to try and embarrass you in front of your party or the people of Saskatchewan. What I'm trying to do is get through to you, Mr. Premier, that you had choices to make and you chose the wrong path. You chose to make rural people pay for the Saskatchewan elections of 1982 and 1986.

Mr. Premier, you're soon going back to the people of Saskatchewan and asking them to re-elect your government for another term. Can you tell the people today if they should expect more of the same, or are you willing to admit your mistakes, stop your patronage, and stop your attack on rural Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Speaker, this is an interesting individual to be asking these questions. And I say this almost with some regret. But I think if the member wants to pursue this particular approach, I want to be very honest in the House and talk about his real approach.

I recall the days before he moved over to sit behind the Leader of the Liberal Party, in which he brought lists and lists of people who he wanted appointed to people in the government.

Now, Mr. Speaker, having been told that people in the government are appointed on the basis of quality and the basis of expertise and the ability to do the job, maybe that's one of the reasons why he decided he was going to move to the Liberal Party because it would have greater opportunities for him to appoint his patronage appointments just in case the Liberal Party ever became the Government of Saskatchewan.

**Some Hon. Members:** Hear, hear!

#### Welfare 1-800 Line

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Mr. Speaker, I want to address a question to the party that is not based on principle, which was a stunning admission by the Deputy Premier. But, Mr. Speaker, I want to address a very serious development over the last couple of days coming from the Minister of Social Services who stated in this House that the Manitoba government paid \$650,000 for the 1-800 tip line and recovered only 230,000.

Yesterday, Mr. Speaker, the minister refused to table the document, when I got up on a point of order, that he claimed to be quoting from. And he said:

The reality is the information I have from the University of Manitoba — I'll give you the source — the research they've done is that they have not recovered half of the cost of those cheat lines . . . That was independent research I'm drawing on.

Mr. Speaker, this has turned out to be bald-faced misrepresentation. There has been no research done by the university. In fact the professor that the minister said would verify the claim said, and I quote from the *Leader-Post*:

"I have not done a piece of research specifically on the tip line," Ryant said in an interview.

In fact the professor said that he . . .

**The Speaker:** — Order, order. I think the member has to ask his question.

**Mr. Neudorf:** — Thank you, Mr. Speaker. In fact the professor said he was guessing about what numbers were based on.

**The Speaker:** — Order, order. I want the member to put his question.

**Mr. Neudorf:** — Thank you, Mr. Speaker. My question is to the Minister of Social Services. Mr. Minister, will you admit that your information was false, that there was no research, and that the figures you quoted in this House have absolutely no reliability, no credibility. Will you make that admission, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Pringle:** — Well, Mr. Speaker, the members opposite accuse me of misquoting a source. This is a problem, Mr. Speaker, that they should know something about — that they should know something about.

The Leader of the Opposition has been accusing us all week of turning down \$7.2 billion Crow offer from Charlie Mayer. Charlie Mayer says today in the *Leader-Post*, and I quote:

(He says) . . . can't say he ever offered \$7.2 billion to farmers . . .

That said, Mr. Speaker, let me say three things in reply to his question. First of all, we have one of the best systems in Canada for accountability for welfare prosecution and fraud — 30 full-time workers, as reported in the *Star-Phoenix* today.

Secondly, I spoke to Dr. Ryant myself last night. He confirmed, as I said in the House and as is in the *Leader-Post* today, that in his opinion the cost of the Manitoba tip line will exceed the amounts recovered.

And thirdly, Mr. Speaker, I did make one mistake. I said in this House that the Manitoba program will spend \$650,000 and will collect only 230, and I was mistaken in saying that. Those aren't the numbers for the Manitoba program. Those are the numbers

for the last year of the Saskatchewan special investigations branch, run by the members in that opposite party when they were in government.

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — The same article, thank you, Mr. Speaker . . . Mr. Speaker, Mr. Member, there is one and half million dollars annual savings, said Cindy Stevens out of the Manitoba department.

Mr. Minister, on this entire matter you have been less than forthright. And that's painfully obvious to everyone except you. You sit in this House and you attack the leader, our leader, the member from Wilkie, with half truths and misrepresentation. You even attacked a fellow minister. You said and quote: I'm telling you that the Manitoba minister is misleading the public and so are you.

Well, Mr. Minister, you have been found out. It is you that have been misleading the public, and it's you that doesn't have a clue what's going on. Mr. Minister, honourable people would recognize this perversion and rectify it immediately. You chose to defend the indefensible.

Mr. Speaker, Mr. Minister, I will now give you the opportunity to stand and apologize unequivocally to my colleagues, apologize to the Speaker and members of this House, apologize to the Minister of Social Services in Manitoba, and to apologize to the public who depend on ministers telling the truth. Will you do that, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Pringle:** — Mr. Speaker, as I said, I spoke to Dr. Ryant last night myself too, and the clip he refers to is only about one-quarter of the story, only about one-quarter of the story.

I clarified my comment this morning; I admitted a mistake. I did that this morning in good faith. Will the Leader of the Opposition now get up and clarify his mistake that he made quoting Charlie Mayer, saying he's offered \$7.2 billion. That is not true. Will he do what I did, get up and do the honourable thing?

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order, order. Order. Order.

#### ORDERS OF THE DAY

#### WRITTEN QUESTIONS

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as it relates to question no. 55, I would move that it be converted to motion for return (debatable).

**The Speaker:** — Convert to motion for return (debatable), no. 55.

#### GOVERNMENT ORDERS

#### SECOND READINGS

##### **Bill No. 26 — An Act respecting Saskatchewan Assessment Appraisers**

**Hon. Ms. Carson:** — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 26 introduces The Saskatchewan Assessment Appraisers Act. I'm pleased to introduce legislation for a new profession Act governing assessment appraisers. This Bill follows from decisions made last year relating to the Saskatchewan Assessment Management Agency and reflects this government's commitment to ensure the provincial legislation responds to the local government needs.

Mr. Speaker, this Bill was initiated at the request of the Saskatchewan Assessment Appraisers Association. It was developed by the association using a model for professions legislation provided by the Department of Justice. For the most part it contains standard provisions to appear in all new professions legislation.

Standard provisions providing protection and accountability to the public include public appointees to the association's council, approval of the association's by-law by the government, publicly accessible disciplinary committee meetings, submission of an annual report to the legislature.

(1045)

The Saskatchewan Assessment Appraisers Association was established in 1959. In comparison to other professional associations it is a relatively new association. In order to give the association time to draft by-laws that accommodate the association's new rule as a publicly responsible body, the association's by-law will be approved by a regulations review committee and cabinet instead of the minister responsible which is a standard practice.

Recent amendments to The Assessment Management Agency Act have broadened the responsibility of the Saskatchewan Assessment Appraisers Association in setting province-wide property and business assessment appraisal policies and practices. For example, representatives of the association now sit on the SAMA (Saskatchewan Assessment Management Agency) board and on other SAMA advisory committees.

Recent amendments to The Assessment Management Agency Act also provided municipalities with the option of using SAMA's in-house field services or hiring someone who is certified by SAMA to provide the same services.

The Assessment Appraisers Act proposes to give the association the authority to certify its members who are persons regularly involved in the valuation and re-evaluation of property and business for assessment purposes. This authority competes with SAMA's present authority.

In order to disentangle the responsibilities between the association and SAMA, some consequential amendments to The Assessment Management Agency Act will be required. The

nature of the amendments to The Assessment Management Agency Act will be to continue SAMA's authority to establish and maintain educational standards and professional competence for municipal assessors only, but no longer for assessment appraisers.

As well, amendment to The Assessment Management Agency Act will provide a scope of practice permitting certified members of the association to perform assessment evaluations and re-evaluations. The Assessment Appraisers Act provides that similar education experience of others, for example, those involved in real estate property appraisal, be recognized by the association, and that these individuals be given credit towards certification as a SAA (Saskatchewan Assessors' Association) member.

Mr. Speaker, this new legislation accomplishes a number of objectives. It will raise the profile of the association and provide more credibility to its activities by recognizing the association. A province-wide standard for certification of assessment appraisers will be regulated by professionals working within the area. As well, this legislation will recognize the activities of the association in conjunction with SAMA.

In addition, local governments choosing to opt out of SAMA's field services will be able to do so with the assistance of qualified assessment appraisers. It is anticipated that this initiative could stimulate more demand for self-employed, locally based assessment appraisers.

Least but not last . . . last but not least, Mr. Speaker, this legislation does not impose any additional requirements or broaden the sphere currently regulated. It will simply reallocate responsibilities for recognizing certified assessment appraisers from SAMA to the Saskatchewan Assessment Appraisers' Association.

Assessment valuations for tax purposes are already subject to a number of procedural requirements directed by SAMA, and they are to be carried out by certified assessment appraisers as certified by this association.

Mr. Speaker, I ask all members of this Assembly to support this legislation, and I move second reading of Bill No. 26.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. I notice the minister was already shaking her head when I started rising to my feet. I'm not sure what that meant, but I'd like to make a couple of comments before I move adjournment though.

Mr. Speaker, SAMA is certainly an agency that has taken a lot of criticism over the past number of years, and assessors in general. And I would also like to acknowledge that there are many people across this province who are having great difficulty in understanding what it means to have an assessment done, especially in regards to taxes. And I've approached the minister's office on a number of occasions, especially with small properties where individuals may be running a business and some of the problems they're running into.

The minister talked about public accountability, public accessibility, and I'm not exactly sure all the details what the minister was referring to, but I think that's what the public in general are looking for as well. And possibly assessors and appraisers want to have more of an opportunity to talk to and meet with the public to address how they set assessments, how assessments are approved, and where we go from here.

I think one of the biggest questions out there was regards to small properties out in rural Saskatchewan, where people are beginning . . . or have been assessed for a period of time based on the value of buildings on the property versus the land values. And I think there is areas in that regard that need to really be addressed, especially when you look at individuals who are paying more in taxes than if they would have purchased a house in town and a lot in town.

So I think there are a number of questions, I believe there are a number of questions that we need to address, we need to review, and see whether or not some of these concerns can be addressed and will be addressed through the piece of legislation that the minister has just given second reading on.

So therefore at this time, Mr. Speaker, I would move adjournment of debate on this issue.

Debate adjourned.

**Bill No. 27 — An Act to amend The Urban Municipality Act, 1984, and to make a Consequential Amendment to The Municipal Board Act**

**Hon. Ms. Carson:** — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 27 amends The Urban Municipality Act, 1984. This Bill is part of the government's ongoing program of municipal legislative renewal intended to keep provincial legislation pertaining to municipalities up to date and to ensure that it is responsive to evolving local government needs.

Since elected, this government has introduced an extensive list of changes to the three municipal Acts, passed new innovative legislation relating to local improvements, made significant changes to SAMA's governance and funding, restored the ward system to the urban municipalities, and amended The Local Government Election Act prior to the last round of urban, municipal, and school elections.

There is also a review of The Tax Enforcement Act currently under way that will lead to introduction of amendments to streamline this process at a future session of this legislature.

Preparation of these amendments and the others I have referred to has involved consultation with municipalities and other affected organizations. The amendments were also prepared parallel to and in the context of efforts by the task force of urban government renewal established by the Saskatchewan Urban Municipalities Association.

This Bill makes several changes that will expand local municipal authority autonomy. These include a new approach that will permit municipalities to develop and implement their own standard inspection and enforcement procedures to apply

to a number of property maintenance and public safety provisions already in the Act.

Saskatoon has had to suggest that we standardize these provisions in the Act. This approach permits each municipality to tailor their procedures to local needs, subject to certain legal requirements to protect individual property owners.

Another change will expand municipal authority to set and collect fees for services provided by the municipality to the public or to the property owners. To date, authority in the Act for fees has been limited to a few selected areas.

This amendment will give councils a discretion to decide whether to use a user-pay approach or to support services from the tax base. This authority to set fees will extend to services provided to tax exempt properties such as provincial property, provided they are treated consistently with other properties. The provision responds directly to the concerns raised by SUMA's (Saskatchewan Urban Municipalities Association) task force on urban government renewal.

A third amendment will give municipalities broad authority to participate in commercial ventures for economic development purposes. Municipal legislation in this province has limited this potential. Recent amendments to The Rural Municipality Act, 1989 began to open the door by permitting share ownership by municipalities. This change which was also made for the rural and northern Acts, continues this process.

This amendment basically says we are prepared to trust elected municipal councils with the decisions whether to participate financially in an economic development initiative. Some councils will prefer not to do so and to stick to traditional municipal services, but they will all have the option to make their own decisions.

A fourth change will provide the opportunity to the four largest cities to undertake long-term borrowing within overall borrowing limits set by the Saskatchewan Municipal Board, but without going to the SMB (Saskatchewan Municipal Board) for individual approval of each and every new borrowing.

Regina has suggested this; while this change offers opportunity to reduce administrative overhead, it is limited to the four largest cities at this time, based on their in-house legal and financial expertise. This should enable these cities to meet financial and statutory requirements for debenture issues without SMB supervision if they choose to do it this way.

This Bill addresses other matters such as providing protection on liability for fire-fighters, particularly volunteer fire-fighters performing a wide variety of fire and emergency response services on behalf of the municipalities. This change responds to a number of requests. These expressed concerns that volunteers would not be as willing to make their services available to their communities if a perceived increase in legal risk resulting from court decisions elsewhere could not be offset. Parallel amendments are being made in the rural and northern Acts as well.

The amendments also respond to a number of municipal administrative concerns. These include: waiving financial receipts for payments made to municipalities through third parties; adding local council's discretion on the limits of amounts of cash held in municipal offices; authority to borrow to participate in intermunicipal agreements; clarification of the SMB's supervisory powers where a municipality is placed under its financial supervision; more flexibility relating to the exchange of debentures; authority to prorate tax payments among taxing authorities; removal of some ministerial approvals relating to forms; and resolving an administrative dilemma created by the requirement to assess all businesses, when for many home-based businesses it simply is not practical, by permitting licensing instead.

Finally, these amendments also provide municipalities with new tools to help manage the tax impacts of reassessment in 1997. Specifically, the existing provisions in The Assessment Management Agency Act permitting municipalities to phase in new assessments following a re-evaluation are enhanced.

The changes are to reduce the administrative burden of new assessment notices in every year of a phase-in, provided full information is provided in the first-year notices, and to address a problem of potential tax shifts among municipalities within a school division — are related to the levies of other taxing authorities — created by only some municipalities to choose to phase in their assessments.

This is done by permitting the municipality to adjust the mill rate set for other taxing authorities based on the full new assessments, in order to raise an equivalent amount of revenue for the taxing authority based on the phased-in assessment. This is modelled on the British Columbia legislation.

Additional authority is given for municipalities to adopt a tax phase-in plan, instead of phasing-in assessments. This reflects approaches used in Manitoba and Ontario following reassessment. Under such a tax phase-in plan, the municipality could adjust the tax impacts over up to three years, essentially as a transitional provision.

The objective of both of these provisions is to better position municipalities to respond to reassessment. More work will be done on other aspects of this in a review of the local government tax policy that is to be undertaken in the upcoming months.

Mr. Speaker, I believe all of the amendments in this Bill can be supported by the members of this legislature. They are in the interests of the municipalities and their residents.

Mr. Speaker, I move second reading of Bill No. 27.

**Some Hon. Members:** Hear, hear!

(1100)

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, as I was listening to the minister, there's obviously a number of changes that the Act is bringing into force. And we're going to need

some time to study the comments that were made by the minister and take a closer look at the Act.

I just gather that where the minister was talking of giving other powers or opening up the ability to collect fees, I'm sure a lot of municipalities are looking for that, have been bringing forward a number of suggestions in that matter — in the manner of how they collect fees, and certainly how they set taxes in view of the taxes that accumulate where people renege on paying their taxes.

The long-term borrowing ability, I'm not sure how many communities would really be looking at that. I guess that's a matter that a lot of communities have been raising in view of the fact that their funding from the senior level of government has decreased and they need ways of trying to assess and trying to build for capital expenditures.

But I, as well, understand this Bill addresses one major concern in Saskatchewan, especially rural Saskatchewan, and that has to do with volunteer fire services. And it's an issue that I know has been brought to my attention. I'm sure that members on all sides of all parties in this House have had that issue brought to their attention. And it's something that we look forward to discussing with the minister as we get into further debate and committee of workings regarding the Bill.

However at this time I would move adjournment of debate.

Debate adjourned.

#### **Bill No. 28 — An Act to amend The Northern Municipalities Act**

**Hon. Ms. Carson:** — Mr. Speaker, I rise today to move second reading of a Bill to amend The Northern Municipalities Act, Bill No. 28.

Urban municipal government did not come to the majority of municipalities in northern Saskatchewan until 1983 when The Northern Municipalities Act was proclaimed in force.

The northern Act is legislation setting out the powers, duties, and responsibilities of our northern municipal governments. Although northern municipalities are still in relative infancy when compared to the 90 years of experience of many of our southern counterparts, they have over the past 12 years taken great strides in improving their abilities to manage their local government operations. I wish to compliment the many elected and appointed officials who have served their communities during the course of the past 12 years for their efforts and their dedication.

Mr. Speaker, in general terms The Northern Municipalities Act contains provisions that are identical or very similar to those that exist in The Urban Municipality Act, 1984. When first proclaimed in 1983, The Northern Municipalities Act contained provisions that closely paralleled those in The Urban Municipality Act.

There were, however, certain provisions in the northern Act that

to varying degrees differed with those in the urban Act to address both the newness of northern local government and to recognize certain unique facets of the North.

Over the intervening years, amendments have been made to the northern Act to keep it in sync with amendments that have been made in the urban Act, and as northern municipalities have matured and developed, to slowly eliminate some of the differences between the two pieces of legislation.

Many of the amendments contained in this Bill are primarily of a housekeeping nature, bringing provisions of the northern Act back into conformity with their counterparts in the urban Act that have earlier been amended by The Urban Municipality Act, 1984, which was passed by this House last session.

I do, however, wish to comment on certain of the provisions contained in this Bill that are unique to the northern Act. When the northern Act was first proclaimed it was not anticipated that any of our northern communities would ever cease to exist. This thinking resulted in the northern Act failing to contain provisions to provide for the dissolution of the northern settlements which are the first and basic level of northern municipal structures.

The concluding of the Treaty Land Entitlement Framework Agreement that provided entitlement bands with funding to purchase properties throughout the province has altered this thinking. Negotiations are presently under way that could result in some northern municipalities being partly or entirely designated as Indian reserves.

Dissolution of these northern municipalities would occur in some cases. The amendment to provide for the dissolution of northern settlements will enable the process to occur where necessary.

Mr. Speaker, another provision of this Bill that I wish to comment on briefly is the provision designating the Saskatchewan Municipal Board as having authority, if requested to do so by the minister, to financially supervise the operations of any northern municipality that is experiencing financial difficulties.

When The Northern Municipality Act was first enacted, the Saskatchewan Municipal Board, then the Local Government Board, had very little knowledge or exposure to the conditions and situations under which the northern municipalities would first begin to operate.

At that time responsibility for financial supervision, when and if warranted, was placed in the hands of the minister responsible for the northern Act. Over the past 12 years the Saskatchewan Municipal Board has had occasion to deal with some northern municipalities on other matters.

Northern municipalities are much more aware of the role of the Saskatchewan Municipal Board, while board members and staff are more familiar with the conditions and factors affecting northern municipalities. The Saskatchewan Municipal Board has authority under both The Urban Municipality Act, 1984 and

The Rural Municipality Act, 1989, to supervise the financial affairs of rural and urban municipalities where the situation warrants such action.

Mr. Speaker, the time has now arrived where it is desirable to bring about consistency with those other two municipal Acts by giving financial supervision authority to the Saskatchewan Municipal Board with respect to northern municipalities.

Mr. Speaker, I will not take up further time in discussing the other amendments contained in this Bill. I am sure that the members of this House are familiar with the nature and intent of these other amendments, from having either dealt with them in last session in the consideration of the Act to amend The Urban Municipality Act or in consideration of amendments before them in this session.

Mr. Speaker, I respectfully request all members to join with me in support of this Bill which will further enhance and improve the development of our municipalities in northern Saskatchewan. I move second reading of a Bill to amend The Northern Municipality Act.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I listened to the minister's comments and certainly there was a fair bit of information in the second reading speech that the minister gave us. I gather from the comments that were raised that a number of the changes that the Act is bringing about are changes that basically are bringing the Act more up to date and giving a lot of the northern communities access to the same type of information and opportunities that some of the large urban centres in our southern communities have had.

And on that basis I don't see where there is a lot to look at opposing or even standing in the way of, but certainly there are some areas we'd like to discuss a little further and have the opportunity to address for a little more clarification or understanding. And I think to allow the time to review the statements by the minister and review the piece of legislation, it would be only appropriate to take some time to do that. And therefore I move adjournment of debate.

Debate adjourned.

**Bill No. 29 — An Act to amend The Rural Municipality Act, 1989**

**Hon. Ms. Carson:** — Mr. Speaker, Bill No. 29 amends The Rural Municipality Act, 1989. This is one of several Bills in the government's program of municipal legislative renewal. The purpose of this Bill is to keep rural municipality legislation up to date and responsive. The government is committed to this program of pragmatic modernization of municipal legislation and has pursued it since the government was elected.

The municipal legislative renewal package for this session includes these Bills placed before the House today. This Bill forms part of a broader package which includes the urban and the northern Act as I've already spoken about.

Mr. Speaker, since the election, the government has taken a

consistent approach to local government legislative changes. As a result, Saskatchewan's municipal legislation has been kept at the forefront of municipal law in Canada. For example, at the last legislative session, the government made a number of incremental but important amendments to The Rural Municipality Act.

In last year's renewal package, rural councils in organized hamlets were given more flexibility in negotiating hamlet financial arrangements. This reform gave rural residents an alternative to the formation of small, non-viable villages. It permits small communities to remain within the RM (rural municipality) structure. In this way, it strengthens the rural municipal system in Saskatchewan. Last year, we also included new authority for rural municipalities to provide fire protection and we gave rural councils new tools for emergency response services.

In this session, we have a Bill that makes more extensive reforms. I want to deal with some of these highlighted in this new Bill. But first, I must make it clear that we are not making these changes alone. We have a strong and productive relationship with the Saskatchewan Association of Rural Municipalities, and the Rural Municipal Administrators' Association. The changes are in response to SARM's (Saskatchewan Association of Rural Municipalities) resolutions or direct discussion with the SARM's board of directors.

This Bill contains a number of changes that will expand rural municipal authority and autonomy. It provides liability protection to volunteer fire-fighters, Mr. Speaker. In rural areas, volunteer fire-fighters have always provided an invaluable public service that rural communities simply could not support in any other way.

However, there have been increasing concerns that legal liability risks for volunteers may lead to reduced fire protection for lack of volunteers. This amendment should assure rural residents of continued fire protection from these public-spirited volunteers.

Another key amendment will give rural municipalities broader authority to participate in commercial ventures for economic development purposes. Yet another amendment provides rural councils with expanded authority to finance local public works through levies on benefiting property owners under local improvement procedures.

This Bill also permits the Saskatchewan Assessment Management Agency to establish the percentage of value for assessing rural improvements, including buildings and other improvements. This change and a parallel one being made in The Northern Municipalities Act will provide consistent legislative provisions in this respecting all municipalities across Saskatchewan.

Tax policy changes are included that parallel the amendments the government is making in this session to the urban municipal legislation. We are providing rural municipalities with new tools to help manage the tax impacts of reassessment in 1997 or earlier if needed. Municipalities will be able to cushion the

effects of reassessment through either tax or assessment phase-in.

Rural councils will have more financial elbow-room under a new provision that will permit rural municipalities to license home-based businesses. In many instances it is not practical to assess the growing number of businesses conducted out of the home or farm premise.

This change will help resolve the administrative dilemma created by the requirement to assess all businesses by permitting licensing if municipalities so prefer. The licence fee for home-based businesses will be limited to the cost of the municipality for administration and regulation of that licence. This Bill eliminates many ministerial approvals, requirements for forms, notices and receipts, thus giving rural councils more autonomy to determine their own administrative practices.

Many administrative improvements to rural municipal election procedures are included in this Bill, Mr. Speaker. These amendments parallel some early amendments to the local election law for urban and school elections that are appropriate to rural municipalities. For example, Canadian citizenship will become a requirement for voting in rural municipal elections. It has been a standard feature throughout Canada in elections at all level of governments.

In another amendment to improve election procedure, rural municipalities will be permitted to use cardboard ballot boxes for greater efficiency and less expense. Also rural election officials will be permitted to combine advance poll ballots with those from regular polls, ensuring secrecy of voting in advance polls where the voter turn-out is small.

And finally in line with health reform, RM councils will be empowered to restrict smoking in public places.

Mr. Speaker, I believe the amendments in this Bill advance municipal renewal in Saskatchewan and I therefore urge all members to support this Bill.

I move second reading of Bill No. 29, a Bill to amend the rural municipal Act.

(1115)

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, in lieu of the fact that the Minister of Community Services has a number of Bills just giving second reading on today, I can see where we're going to have a fair bit of discussion and an opportunity to quiz her on a number of issues, including The Rural Municipality Act.

Now I have no problem with us basically bringing amendments and keeping legislation up to date and addressing some of the issues. I think a couple of issues though, the minister's talked about, are . . . will be of major concern to rural residents.

The fact that this Bill, as the minister had indicated, is going to allow for a greater ability . . . may make it easier for municipalities working together with small hamlets in providing

government or providing local government versus forcing hamlets to take on a village status, I think is very good. Because I know we have a couple of communities in my constituency that operate that way and operate very well, receive excellent services.

The fire protection portion is an issue that again comes to the forefront, and certainly for rural municipalities is something that they will really appreciate and will be very interested in, as the minister alluded to in her comments and discussion with SARM.

One area though that I think we'll continue to have some concern, will raise some concern, will be basically a red flag in rural communities, is the issue of assessment based on rural improvements. And I think the concern, as I've brought forward just a minute ago and didn't elaborate on, is the fact that even just adding a garage onto a building, or building another building on your property, is going to allow the rural municipalities to change the assessment rate and possibly increase that, and increase the taxes.

I think the biggest concern in rural communities and how their assessments are operated is we have an assessment rate that looks at buildings but it forgets about the fact that rural residents provide their own water, provide their own sewer, and a number of these other issues. And when they look at their taxes versus the urban centres, they find that they feel that their taxes are just too high. And I'm not exactly sure if there are issues in this Bill that address some of those concerns, but I know they will be some of the issues that will be coming to the forefront.

And we look forward to discussing and debating this at a later date, as we get into further review of the Bill, and certainly as we get into committee and go clause by clause.

However to facilitate the process of reviewing and making sure all the issues are dealt with and we're ready for committee work, I move at this time to adjourn debate.

Debate adjourned.

### **Bill No. 30 — An Act to amend The Assessment Management Agency Act**

**Hon. Ms. Carson:** — Mr. Speaker, this Bill amends The Assessment Management Agency Act.

Over the past year, the Saskatchewan Municipal Board has struggled to address assessment appeals with fairness and equity in the context of assessment policies and practices that are out of date and have become unfair because of it. We have watched an independent assessment management agency also struggle to respond to the consequences of these appeal decisions when they would rather get on with the comprehensive reassessment that has been deferred repeatedly because of municipal reaction to anticipated tax shifts.

We have seen the courts reverse a significant appeal decision and a confusion resulted from it. My own office has been besieged with representations to roll back the decisions of this

board or that agency and calls for retroactive legislation to limit taxpayers' appeal rights and protect existing assessment rules. In the end, it has often come down to different perceptions of how best to achieve a reassessment and concern about public and media reaction to changes in tax burden that will result once we have it.

It seems politicians at both the local and provincial levels fear this, based on past experience. Past experience and reaction has been in response to past practices into which Saskatchewan has again been slipping. Long periods of delay between reassessments of course mean that reassessment becomes out of date and that there may be significant tax shifts when they do come to change. SAMA's previous proposals to reassess have been put off just for that reason.

In the debate about assessment that has occurred over the last several months, two things have become apparent. First, it is time to get on with reassessment. With each year that passes, in the Court of Appeal's words, the more artificial the assessment values become. A consensus has emerged that reassessment must proceed by 1997. Whether you ask SUMA or SARM or SAMA or the city mayors or the Saskatchewan Chamber of Commerce, the answer appears to be the same; they want reassessment in 1997. With this consensus in place, and in order to remove any uncertainty, this Bill amends current legislation to require a comprehensive reassessment to be done and to take effect at the beginning of 1997.

Second, what has also become clear is that we must break the pattern of delay with respect to reassessment. We must have assessments kept more up to date to reduce the magnitude of any tax shifts that may occur following each reassessment. We must not permit communities or taxpayers to again to be placed in the position in which we find ourselves today. This Bill addresses the issue by implementing a new three-year cycle for reassessment starting in 1997.

Mr. Speaker, I move second reading of Bill No. 30, An Act to amend The Saskatchewan Assessment Management Act.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, of all the Bills that the minister has brought forward this morning, I think this probably is the one that will catch the attention of most of the general public out there. The other Bills deal with specifics and certainly there will be interest from the general public, but more of that interest will be based on the legislators or the officials involved in, whether they're urban or rural or northern, in the government.

This Bill hits each and every one of us directly. The minister talked about the fact about what this Bill is going to do is basically eliminate the 10-year reassessment process and cut it into a margin of three years. And while I think that is good and would be appropriate, I'm beginning to wonder if we couldn't design a program that basically sets out a standard for assessment that would be an ongoing process rather than always working through and having a board redesigning an assessment process or assessment rules on an annual or a biannual basis. And I think that's one of the major concerns that people have.

I believe the minister talked about the fact that this Bill also brings into play an appeal process or enhances that appeal process, and it's something that we certainly look forward to discussing. There are a number of issues regarding assessment and certainly people have, through the years, not been very happy with how the assessment process has worked.

They have not been very pleased with how SAMA has operated. I think SARM and SUMA are right in suggesting that it's time we got on with it and actually implemented and had a full assessment form, make sure that takes place rather than putting it off.

But I would suggest that the end of the day, once this new assessment is in place, that we look at a way that basically sets out some guidelines that will deal with assessments on an ongoing basis that will bring it up to date, that will deal with . . . make sure that assessment is based on fairness and certainly be accountable to the taxpayers across this province of which each member in this Assembly and you and I, Mr. Speaker, are part of that process that affects every one of us. And so we look forward to further discussion. At this time however, I move adjournment of debate.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 8

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that **Bill No. 8 — An Act to repeal The NewGrade Energy Inc. Protection Act** be now read a second time.

**Mr. Martens:** — Thank you, Mr. Speaker. Today is a significant day in the history of the saga that relates to the heavy oil upgrader or the upgrader here in Regina. I want to say at the outset that it has a history of being a benefit to this province and I want to point that out in my remarks here today. And I want to point out a number of things about the history of this that need to be said, and we will deal with that.

From the beginning the NDP's approach has been to take a good deal from the previous government and take credit for it. And how could they do this, Mr. Speaker? How could they take a deal that was made prior to 1991 and turn it around and say, oh, it was a bad deal and we just made it better.

Well, Mr. Minister, and, Mr. Speaker, the NDP government have tried to do that on a number of projects in this province, and I would say they tried to do that with the pulp upgrader in P.A. (Prince Albert). They tried to do that with Millar Western in Meadow Lake. And what we have, Mr. Speaker, is all of these megaprojects contributing to the economic development of this province in a very major way.

What they tried to do is they tried to reinvent the project so it would be considered theirs. And that, Mr. Speaker, was the role that they took and that was the reason why they did it.

We all know the long-held resentment that the NDP have held for the upgrader, how they blamed the 1986 loss of the election on that, and they even blamed the Federated Co-op for some of the losses that they had in 1986. And that is why, I believe, that they even resented them to the place where they tried to make them look like the scapegoats in all of this.

They have long tried to typify the upgrader — they typified it as a bad deal, a white elephant. And here are a couple of quotes from a piece of literature distributed to the NDP Party members at the time of the original dispute with FCL. The piece is entitled, and I quote: Another of Devine's bad deals. And what that goes on to say is how the member from Estevan went out and negotiated with Federated Co-operatives Ltd. a deal to put together an upgrader so that their facilities at the refinery could be enhanced by the fact that they had an upgrader in place.

Mr. Speaker, for the area of the province that I represent, this upgrader and its relationship to the refinery have been an asset and a benefit to the oil patch in the south-west part of the province.

Mr. Minister, and Mr. Speaker, the people of the south-west part of the province have long been suppliers of an oil that had a high degree of sulphur in it, and it was medium heavy. And what happened in this whole scenario in the south-west is they had to pump all of their oil through to refineries and upgraders in the United States. And in order to accomplish some economic benefit for the oil in the south-west part of the province, we had to find a place where we could upgrade this oil, so we could refine it for use in Saskatchewan.

And what that did, Mr. Minister, it set a pattern for a large volume of the oil in the south-west part of Saskatchewan to be brought into Regina to be upgraded and then run through the refinery at Federated Co-op.

Another statement that is made regarding the deal that the member from Estevan and the premier at the time . . . and I quote, it says: Devine was so desperate to win the election that he ignored the recommendations of his own officials who advised him not to sign the agreement because it was such a bad deal.

Well, Mr. Speaker, I want to point out to the members of this Assembly, in speaking to individuals in Federated Co-op, that the deal for Federated Co-op today is better for them and tougher for the taxpayer than it was when the member from Estevan was the premier and negotiated the deal for the province of Saskatchewan.

And that, Mr. Speaker, I read in the paper yesterday — or was it the day before? — how Federated Co-op is setting record after record for high volume of retail sales in the province of Saskatchewan. And my best guesses are, Mr. Speaker, and to the members of this Assembly, that some of that money is due to the fact that the refinery is contributing a very significant portion to that.

The piece concludes: The NewGrade deal is not in the public

interest, and something must be done with it. And that, Mr. Speaker, was what these people attempted to do in setting up this Bill. This Bill has to be very selective in its facts to make its point. The worst quote they could find from the Gass Commission on this topic was: At present the province has an investment which is not performing up to its original expectations and which could hold future financial risk.

Mr. Speaker, any time anyone does anything in business, there is financial risk.

(1130)

And, Mr. Speaker, that is not an unusual thing. It might be an unusual observation or a reflection by a socialist, but for people in business they are always taking risks with their money and with the money that they make in an investment. Whether it's a business they work in, whether it's a business investment that they don't participate in in a work fashion, they are always taking risks with their money.

And, Mr. Speaker, if you want to have economic development in the province of Saskatchewan on major projects, you have to have the cooperation of individuals who will supply the expertise and will allow for a development of an industry where you have very significant dollars involved. And we have projects like that across this province. There are projects in other provinces in Canada that have exactly the same thing.

The interesting thing, as I took and made note of some of the things that had been said in setting up this Bill in the first place, this Bill that we're repealing today was a Bill that was set up to hold a club over the Federated Co-op's head. And, Mr. Speaker, it was the initiative of the opposition at the time in the last session, it was the initiative of this opposition through the initiative of the Federated Co-op that this government decided to renege on some of the things that they had attempted to do in their Bill.

One of those things is they passed a Bill in this House. They broke a contract with Federated Co-op. They passed a Bill in this House and then they used that as a club and said, if you're not going to do what we say and how you put your membership forward in discussing this Bill, how we're going to negotiate a settlement, you said, the members of this Assembly and the government members said, we are going to hold this club over your head and you're going to do exactly as we tell you or we will implement this Bill which will give us absolute control and authority over this upgrader and in fact, Mr. Speaker, will control the refinery itself.

And, Mr. Speaker, it was Federated Co-op who could not initiate enough reason into the government to have them settle without the Bill. So when they introduced the Bill, this opposition said, we're not going to have anything to do with that sort of thing. We were going to fight it.

And, Mr. Speaker, the members of Federated Co-op executive and all of the people in Federated have told us that not only did we do what we are supposed to do as a good opposition, but we held the government accountable to even slightly adjust their

plan and not implement and proclaim the Bill when they could easily have done it. And, Mr. Speaker, it's due to the fact that Federated Co-op were strong in their position.

We said at the outset that the NDP government is again using the opportunity of this Legislative Assembly to break a contract. And that, Mr. Speaker, is what they have consistently done through their history. This Legislative Assembly's session will be noted, Mr. Speaker, by the fact that this government has consistently broken contracts through the whole of their tenure in this Legislative Assembly. And they have done that consistently.

That tells me that the law means nothing to these people. Integrity is a foreign word. Ethics are non-existent. And if nothing else, the NDP government is consistent. They will break a contract regardless of the impact it is to the people of Saskatchewan.

**An Hon. Member:** — As long as it serves their political purpose.

**Mr. Martens:** — And as the member from Souris-Cannington has said, as long as it serves their own particular purposes — absolutely accurate.

They consistently use legislation to break deals of the former administration, and, Mr. Speaker, they consistently do it. And, Mr. Speaker, now we have everybody starting to brag about some of these things that are going on. The Lloydminster upgrader — now they're starting to brag about it; it's a good thing.

In fact the royalties that come in from the two upgraders . . . I asked the question earlier. How much money comes in from the royalties on the upgrader? And the member from Elphinstone, the House Leader, deferred answering that question. He deferred answering the question because in fact, Mr. Minister, and Mr. Speaker, they are significant to the benefits of the province of Saskatchewan. And they are earning, Mr. Speaker, as I read the other day in the paper, the upgrader in Lloydminster earned \$1.2 million.

And that, Mr. Speaker, is very significant in establishing an opportunity for, number one, Mr. Speaker, for people to work, for investment opportunity, and also for people to have, for the first time in Saskatchewan's history, not one upgrader, Mr. Speaker, but two upgraders — two upgraders that are making money, Mr. Speaker. And that is very important.

The reason, Mr. Speaker, that the people in the government side wanted to do these redeals and these new deals with all of these agencies and investments that were made in 1982 to 1991 is they wanted to discredit the former government, and they then conducted inquiries and established commissions in order to do that. And that's, Mr. Speaker, the reason for it.

In fact the most damaging statement that they could come out with was some incidental things that Mr. Estey wrote about how the deal was made. And in that he said it was not as bad . . . it was complicated, but it was not a bad deal.

Mr. Speaker, here as throughout this process, the government has exclusively focused on the negative aspects of the upgrader, particularly as they relate to the debt structure. The government has consistently and deliberately ignored the many benefits the NewGrade project has provided to the people of Saskatchewan.

The province achieved savings of upwards of \$700 million over the cost of erecting a standalone project. Mr. Speaker, this has been passed aside as well. It's kind of not really very important. But the province of Saskatchewan, together with the people who participated in the construction of the upgrader here in Regina, saved in the area of \$700 million in setting up the project in conjunction with Federated. And people in this province say that well that's . . . people in the government say that is incidental and that's not very significant.

What has it done? What has this upgrader done for the financial benefit of the people of Saskatchewan? The upgrader has a capacity of 50,000 barrels a day. The upgrader generates a minimum of 35 million a year for revenue to the Department of Finance — \$35 million a year. Mr. Speaker, that's \$100,000 every day that this upgrader, through royalties on every barrel of oil transported into the upgrader, provides \$100,000 a day directly to the Consolidated Fund. That money goes directly to the government's budget, and while the problem areas of the upgrader remain in the Crown sector.

Now what that means, Mr. Speaker, is that the Crown sector is taking advantage of the upgrader providing royalties to the people of Saskatchewan. This does not even begin to touch the enormous benefits that the project has provided in jobs and spin-offs.

Mr. Speaker, the demand for oil has gone up. The demand for this kind of oil has gone up. And so what has happened in the south-west part of the province, Mr. Speaker, is that the oil activity in the south-west has increased due to the fact that there is opportunity for them to sell and market their oil products. And, Mr. Speaker, what it does is it markets that oil and markets it to FCL (Federated Co-operatives Ltd.). FCL refines it into useful products that the people of the province of Saskatchewan use.

We are not dependent on some foreign market in order to determine the opportunity with Saskatchewan's oil. What we were doing, Mr. Speaker, we were exporting this oil to United States because nobody here could refine it. What we were doing, Mr. Speaker, is importing oil from Alberta in order to have the refinery in Regina here upgrade it to diesel fuel and to gasoline. And, Mr. Speaker, we were exporting our own, importing for use.

And today what we have, Mr. Speaker, we are using our own oil, upgrading it, refining it, and using it for our own purposes. And, Mr. Speaker, that in itself has an absolute secure market because of the way the people of Saskatchewan need to have the oil and gas for their work. And as we start the spring season, that is fairly obvious to the people of Saskatchewan how much a volume of energy that we consume.

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Likewise, this selective briefing sent to NDP (New Democratic Party) constituency executive portrays the Estey report as harshly condemning the report. Estey said this: that he was unable to find any legal flaws in the package, Mr. Speaker. And further, that the upgrader is an operating success.

Mr. Speaker, that's what Judge Estey said. Now the people say, well it was a bad deal; it was a bad deal. Well the judge says he was unable to find any legal flaws in the package, and the upgrader is an operating success. And that's on page 13 of his report, if you want to read it and find out for yourself.

Mr. Speaker, another thing that he said: delays and expenses incurred in the start-up or launch phase added to the total cost of the upgrader. And I quote, Mr. Speaker, from his report, and that's on page 5 if you want to bother to read it. And these technical problems, Mr. Speaker, were not anyone's particular fault.

Mr. Speaker, no one is denying that the increased debt caused by the fires during the start-up phase would have had to be dealt with, whether it was by this government or another. However, it was of course impossible for the NDP to deal with this matter in a reasonable manner since they had backed themselves into an ideological, rhetorical hole on the subject.

In the aftermath of the Estey report, the government did not even try to negotiate with Federated Co-op. After all, to negotiate would imply that the original deal had some validity. Instead they turned to heavy-handed tactics of putting in a Bill. They passed Bill 90 to give them control of the upgrader — absolute, total control. They had the right to dictate the board of directors, who the board of directors could be.

And then, Mr. Speaker, they used this to negotiate; in that framework they used it to negotiate what they consider a better deal. And then they did not proclaim it, which is exactly what we said in dealing with this issue to start with; you're going to use this as a club to make them do what you want to do.

Perhaps the ministers involved had seen the movie *The Godfather* once too often — talk about an offer you can't refuse, Mr. Speaker. They might as well have threatened to break Vern Leland's legs if he didn't sign, Mr. Speaker. And that's the kind of tactics these ministers of the Crown use in dealing with Federated Co-op.

In any case, Mr. Speaker, a deal was signed, and arrangements have been made to deal with the debt problems of the project. This is obviously a positive thing. What is not positive is the method by which this deal was struck. Here, as with so many other contracts, commissions, and laws, the NDP have shown that due process and negotiation in good faith are foreign concepts to them. If anyone stands in your way, just pull out the big club of, one, nationalization, or we will bully our way through the Legislative Assembly — a broken contract, and then we can do whatever we want.

This, Mr. Speaker, does not create a positive climate in this province for the relationships between business and government. And, Mr. Speaker, this government and its

ideology and its former administrations have done this through the history of the province of Saskatchewan. How can you trust someone who has shown such willingness to force you at the point of a gun or at the drop of a hat to accept its terms? However, as I noted at the beginning of my speech, this is typical of what these people do.

Now the NDP have gotten what they want. Now they believe that the upgrader is a good project. Now they can go before the public and pretend they that were the ones who added the economic benefits of the upgrader to this province.

(1145)

Mr. Speaker, I recall various election promises that were made as early as 1978 about an upgrader that could possibly go in Moose Jaw, an upgrader that could possibly go in Lloydminster. And then the communities started discussing how this upgrader would benefit those communities. But, Mr. Speaker, what did we have in 1978 after the election? Absolutely nothing because the people in government at the time, who were the NDP of the day, did not have the ability nor the courage to do anything. They didn't because, Mr. Speaker, they're not builders, they're not builders — they don't know how to build. And that's the reason why they have a problem with this project and that's why they had to renegotiate it.

So now the NDP come up with this Bill to take away the club that they used to beat Federated Co-op into submission. And now they try and say, oh well, this was a good deal for Federated. Well, Mr. Speaker, is it a good deal for the people of Saskatchewan to have contracts broken? I say not, Mr. Speaker.

This project right from its outset was the right thing to do. Mr. Speaker, it was a negotiation between parties, the federal government, the provincial government, and Federated. It was negotiated. It reached a settlement. And what we had in the last session was a serious attempt by the provincial government to take all of those things and say, we'll shake them all together and put them in a hat and we'll draw what we want to have, and the rest can go. Because this Legislative Assembly had the club that they used to put over their head.

And we, Mr. Speaker, recognized the efforts of the government on that and we want to say that we condemn the politics that they had, the rhetoric, and the bullying that they had to do to get this through.

Mr. Speaker, there are lots of things that are yet to be said on this issue and therefore, Mr. Speaker, I'm going to move that we adjourn debate.

Debate adjourned.

#### Bill No. 10

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Atkinson that **Bill No. 10 — An Act respecting Private Vocational Schools** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I rise today to

— speak on an issue that is very important in this province — that's the education of our children and how they're allowed to participate in the education system and how they're protected, Mr. Speaker, protected from some of the vagaries that can happen when the system is not clearly outlined and not clearly in place to protect them.

This Bill brings forward the certification and curriculum for private vocational schools, and it's under close scrutiny and regulation of the Department of Education. It requires that the school submit an annual financial statement, Mr. Minister, and that is very, very good. Because, Mr. Speaker, up until this point that has not been forcefully projected enough to ensure that the vocational schools that have operated in this province are financially sound and provide the proper protections for students who attend those schools.

In the past we have seen too many of the schools that have for whatever reasons, Mr. Speaker, failed. They have dissolved for financial reasons, that they weren't viable, or they have gone out of business for other reasons; or even, Mr. Speaker, at times there has been changes in the structures of the schools, in the ownership of the schools, and that has caused problems, Mr. Speaker.

But when we're dealing with the financial statements of these schools, one of the problems that comes forward with it is the verifying of those financial statements, and no place within the minister's legislation are these financial statements verified. The minister accepts the financial statement from the institution, and I'm assuming that those financial statements are audited by someone for that institution. But there's no verification procedures within this legislation to determine whether or not those facts and figures as presented by the vocational school are accurate, Mr. Speaker, and this can lead to problems down the road.

The new thing that this legislation . . . it's not new, Mr. Speaker, but it continues the practice, Mr. Speaker, of the operator posting a bond to protect the students' tuitions. And, Mr. Speaker, that's already in place under the current legislation. But the question that comes into play here is what happens when there's a claim against that bond?

As I understand it, Mr. Speaker, the minister's department makes the determinations whether or not an appeal against that bond is valid and whether or not it should be paid out to the creditor that is making the claim. As long as the school is viable and operating, then in all likelihoods those claims will be settled in some manner or other.

But the real problem arises, Mr. Speaker, whenever that institution is insolvent, whenever they've declared bankruptcy; then you have a whole list of creditors. And where in that whole long list of creditors do the students place themselves? Are they classified as secured creditors? Are they classified as unsecured creditors?

And the minister has excluded that from her new Bill. It doesn't say in there where they fit into the picture. And I believe that's one of the areas where the minister's Bill is very deficient.

Because certain groups will be deemed to be secured. Banks will be secured; other businesses which have a contractual arrangement with assigned financial requirements, they'll be secured. But where do the students fit in? Where do the other businesses, the suppliers of paper, whatever else that the school might use, where do they fit into the picture? And do they take precedence over students or do they take precedence after students, Mr. Speaker? And that's the area in which there is a great deal of problems within this particular piece of legislation.

The minister will take these funds, this bond that is being posted, into what's called a training fund, to which the minister and the department have access to those funds. And the minister can invest them or do whatever it is she wants to do as the regulations permit and outline.

Well, Mr. Speaker, we have already seen in this House that that system doesn't work very well, Mr. Speaker. The teachers' pension fund of old, the teachers put the money into a fund which the government then turned around and used in the Consolidated Fund and we ended up with a \$3 billion unfunded liability, Mr. Speaker. And that's unacceptable.

If there's a need for the students to call upon this bond, Mr. Speaker, it's imperative that that money be in place, and that the money hasn't been spent by the minister on some other project. The money should be in place, in a trust, specifically designed to handle the bond of the vocational schools. The minister can invest it in investment vehicles, instruments, but not to spend it outside of that area, Mr. Speaker, in my opinion. And I think that the legislation needs to be tightened up very much in that area.

If the student has a dispute with the school as to whether or not their tuition has been refunded, whether the money is in place to protect that student, what can the minister do? Well the minister can appoint a mediator, and that mediator and all the mediation expenses are paid for out of that bond fund.

What we'll see, Mr. Minister, is a bond that is put in place of a certain amount and then it's continually eroded as students make claims against it, if there is reason for that. And it won't be an erosion of the monies paid to the student, if that takes place, but an erosion by the monies that are paid out to the mediator and the mediation process. And I believe that again will be a very serious flaw in this piece of legislation.

There's no new money, Mr. Speaker, or assurances, or assurances that the tuition fees will be paid back to students. We've seen examples — I've brought them up in the House — where students have left an institution prior to the completion of their courses, in fact shortly after starting their courses, and those very same students, Mr. Speaker, have not received their tuitions back. Their student loans have not been paid back.

The vocational schools take the student loan at the beginning of the session, and if the student drops out early, they are to pay it back to the institution from which the funds were borrowed. It's not happening, Mr. Speaker, in some circumstances. And that is causing grave problems for those students, because those

students are still on the hook to pay those student loans, even though half of the student loans should have been repaid back by the vocational school to which they had attended. And it's not being done. And it's causing a great deal of concern, a great deal of hardship for some students, Mr. Speaker.

One of the good parts in this particular piece of legislation, Mr. Speaker, is that the minister has the new power to refuse certification of schools in which there's any questions of their financial solvency. Well that's very good. Because I think the students need to be protected, Mr. Speaker.

But when the department takes that power unto themselves, they also have to look at what is the past record of the principals involved in that new vocational school. What is their history of operation with vocational schools, perhaps in the past. And if they have a chequered past, Mr. Speaker, I think it's incumbent on the department to very carefully scrutinize whether or not they're going to allow that group of principals to start up another vocational school.

And they need to go one step further, Mr. Speaker. They need to look at not only who the principals are, but who is going to be the actual operator of the school. And when they look at that, Mr. Speaker, they're going to have to be very careful also that the people who are going to operate the school themselves don't have a chequered past in dealing with vocational schools. Because that has come forward, Mr. Speaker, as a problem also.

Mr. Speaker, when it comes to actual substance for the students within this piece of legislation, there's very little new here. There's very little added to this to provide any protection for students who do run into problems, particularly in the cases where schools become insolvent.

As I mentioned earlier, there is no new money within this program to assist students. And there's very little being done to help the students retrieve money back from an institution that becomes insolvent, that goes bankrupt. Their only recourse, Mr. Speaker, the only recourse that the students have when a vocational school closes because of insolvency is to take civil action, to go to the courts and say, I have a claim against them.

As long as the school is operating, they can go against the bond. But once bankruptcy results, then they are at the mercy of the system, the same as every other creditor is, Mr. Speaker. And I believe that students should receive some better protection in this legislation than what they're already providing.

Indeed because of the minister's opportunity to access that money, to spend it in whatever manner the minister deems appropriate, through regulations, it in fact weakens the bond that's already in place for students, because that money may not necessarily be in place when a claim comes forward against it, and it may have been eaten away by the mediation process.

The mediation process, Mr. Speaker, is good to a certain extent. It does bring the parties together. But it's mediation without teeth. There is no manner, Mr. Speaker, in which the mediation process itself results in a completion of the complaint. At the end of the day, if the operators of the school simply say no,

there's no teeth in the Bill to proceed beyond that. And if you're going to have mediation, if the government is going to get involved in this, then they need to be able to complete it, Mr. Speaker, and that is not part of this.

So as I said earlier, the requirement for financial statements is well and good, Mr. Speaker, although those financial statements need to be verified. And also that the minister can refuse a certificate to anyone who is suspected of financial weakness is also very good.

But you have to also look at the principals involved in it and who will actually be operating the schools. Because what's happened in the past is some schools have gone out of business and have simply reorganized themselves, put different principals' names on their list of directors and gone back into business with the same old problems. And that's unacceptable. That only hurts the students of this province, and it hurts the whole concept of vocational schools because now all of a sudden all of our vocational schools become suspect.

Mr. Speaker, in the whole, this Bill provides little that would prevent situations such as those at the Reliance College that happened last year. So, Mr. Speaker, we have taken this Bill and some of the concerns that we have to the stakeholders, and we're expecting and we have received some responses back from them. We also expect more to arrive because the students continue to have some concerns with this particular piece of legislation and how it's going to affect them and their education.

So at this time, Mr. Speaker, I would like to adjourn this debate.

Debate adjourned.

(1200)

#### Bill No. 22

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Renaud that **Bill No. 22 — An Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment** be now read a second time.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I want to talk a little bit today about the Bill 22 which is an Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment.

Mr. Speaker, this Bill approves the old Newtonian principle of motion. Bodies in motion tend to stay in motion unless acted upon by another force. Now we have the opportunity to be the other force today that acts on this unnecessary Bill. Mr. Newton and I go back a long ways. I recall his teachings being delivered to me while I was in school many, many years ago. And of course this is not necessarily the law of equally opposing forces, but it is certainly the law of motion.

And we have here as the minister has repeatedly admitted in the press releases and even in his speeches, Mr. Speaker, the initial reasons this Crown was created has disappeared. The fact of the matter is that initially this Crown was to provide the framework

for a federal-provincial joint venture on highways.

Now as of last December of course as you all know, the federal government backed out of this commitment. It was a very great disappointment, especially for the people in south-west Saskatchewan where we had sincerely thought that the government of the province had a commitment and a deal that would initiate the commencement at least of the building of the double-laning of No. 1 Highway where we've had so many tragic fatalities and so many terrible costly accidents over the years.

But why waste a precious Crown corporation, it seems to be the tone of the government saying, when you've already got the legislation drafted, even though you now don't need it. The Crown corporation initially, to put together this three-way partnership, obviously has no benefit and no need once the key player, the federal government, dropped out of the program.

So the government seems to be taking the attitude, why waste a perfectly . . . six-member board, when you've got a whole group of patronage people lined up just around the corner, or down the block some place, banging at your doors to get some kind of board position, so recognition for having supported a political party.

Now we've heard the member from Shaunavon allude to this this morning, a great huge list of people that are demanding to be recognized for their support of this government during the past election. And of course with one just around the corner again, obviously the people have to be paid off in order to get them to campaign once again for the government.

So it looks, from our position, that if you have a Crown corporation being developed, a new one that isn't needed, the only obvious excuse that you could have, the only motive you could have, would be to give some jobs and positions and rewards to those folks that you owe in terms of outright partisan politics.

Now with the federal government out of the picture, the mandate for this Crown corporation is very obviously cancelled. To paraphrase, this Crown is just set up in case someone in the private sector feels like giving the government some money to build roads, just in case they get that urge.

Well given the outrageous and unprecedented levels of taxation faced by the businesses in this province, I very much doubt that they will be terribly anxious to fork over still more money to pay for a public service, especially now with another cent and a half added on to their gas tax by the feds.

The minister is yet to provide this House or the public with a rationale for why a business would want to build a public road, other than, of course, the very human concern, Mr. Speaker, for life and for the cost of the accidents that occur on our roads. And we all have that kind of concern and I know our business people and all of them have those very real, human concerns.

However if the minister has in mind granting special access, special privileges of some sort, to groups that provide funding,

now that might make sense. I don't think the public would agree with it, but at least you could see how that could happen.

Now if the minister intends, for example, to set up toll roads and splitting the revenues with the co-investors, he has not indicated such a thing to us. But if he were planning that, that might make some sense then to go ahead with this Crown, but nobody has said that that is an intention.

Again if all the legislation does is to take gifts from the private sector for road work, the government doesn't need a Crown corporation, Mr. Speaker, to do that. We could simply do that through the department of holidays . . . pardon me, the Department of Highways. I'm sure it would work just as well if the government just offered to put co-sponsors' names on highway construction signs and give them the credit in that way.

Now there's no reason why the Department of Highways then couldn't handle this whole production as it is now unfolding. Without a plan for enticing businesses to invest in roads, one has to wonder if the government is maybe thinking of other methods of arranging participation, like an extortion of some kind. The words, for example, could go along the lines: are the roads in your area falling apart? Well the Department of Highways is really strapped these days, but maybe if the people of your community would like to cough up the dough, we could see our way clear maybe to do something about fixing your roads.

So that amounts to of course forcing people to contribute that otherwise wouldn't want to or shouldn't have to.

Now given this government's preoccupation for hidden taxes, this is a pretty easy scenario to picture actually, Mr. Speaker, because downloading has become a total, complete way of operating in the province of Saskatchewan.

The principle of momentum with this corporation continues when you look at its funding. It is supposed to get \$50 million over the next five years. And that amount was initially selected in order to qualify for the aborted federal highways program. Now in the absence of the qualifications for an outside program, why 50 million, has to be our question. Why not, Mr. Speaker, 10 million? Why not 70 million? Why not perhaps zero? Or why not the \$210 million from the oil and gas leases that came in over and above budget last year. Or why not the \$188 million from the GRIP (gross revenue insurance program) program that the provincial government clawed back out of farmers by breaking their contracts? Well why wouldn't we use one of those figures?

The funding level simply no longer has a rationale. Yet the government apparently thought it was just too much effort to go back to rewriting this legislation, so apparently they just left it, Mr. Speaker. And it shows to me that somebody in the departments is awfully lazy or else really doesn't care what happens, other than the fact that we provide a patronage outlet for some people to get some cushy jobs.

On the whole, this Crown can be seen as a part of a trend with

this government to develop a shadow government of Crowns, agencies, and commissions, Mr. Speaker. We have already a huge line of agencies that prove that this is the direction that the government is going. We have, for example, the new tourism agency, we have the new trade agency, we have the new health boards, we have the Saskatchewan Opportunities Corporation, and we have the gaming commission — and the list goes on — all outside the examination of the Provincial Auditor, I might throw in here, all outside the scrutiny of this legislature.

Now the government seems determined to turn every department into a Crown. The family of Crown corporations is swiftly becoming the clan of Crown corporations. Of course one of the greatest benefits of having at least a portion of a department's business handled by a Crown is that the Crowns do not have to play by the same rules as departments. And this is very important, Mr. Speaker.

Their spending is not as transparent as a department's. Expenses can be more easily buried, staff can be freely hired and fired without anybody's scrutiny. Also, as has been pointed out in the House already, Crowns are not required to abide by the government's tendering regulations. They do not even need to pretend to look for the lowest bidder on any of the tenders.

So not only is it easier for the government to put its own people on the boards than to staff the Crowns, it is also easier for the government to do business with its friends through the Crown corporation. In other words, your buddies can get jobs and contracts without anybody scrutinizing it.

It's no longer surprising to see that the experience in British Columbia precisely demonstrates this, Mr. Speaker. The B.C. (British Columbia) Crown that was created to assume Department of Highways' responsibility, very quickly went with a union-only contracting policy. The consequences of this, according to the Vancouver Board of Trade, was that labour costs on projects rose by as much as 37.6 per cent. It is amazing after the débâcle with the Melfort water project that the government would still be pursuing its agenda to bring in union preference in its tendering policies.

I suppose however though, Mr. Speaker, that the political debts still do have to be paid for this government. And it is clear from this legislation that the NDP are continuing to try to do through the back door what they are clearly too timid to do through the front door — bringing in a regime of union preference for government work. This agenda will only further strangle job creation in our province, Mr. Speaker. There is no question about that.

It may re-elect the NDP to government but it will destroy the possibility of Saskatchewan growing in numbers or ever having an expanded tax base. In summary, Mr. Speaker, this initial reason for this legislation has, very simply, long since disappeared. Its rationale is very weak and certainly not worth the effort or expense of setting up a new Crown corporation.

The government has not presented this House with a clear plan as to how or even why this Crown should succeed or how it could succeed or why it should exist. Like other similar

ventures by this government, this Crown unnecessarily duplicates the work of the ongoing Department of Highways and other departments that we already have in existence.

This, like the other agencies the government has recently created, reduces the accountability of the government and opens up all kinds of potential abuses such as patronage, hidden taxes, and offloading to local communities in one way or another. Further, the corporation gives the opportunity to pursue agendas such as union preference without having to bother with legislation or the public examination of this House.

It is very key to the process of our democratic process, Mr. Speaker, that the auditor have access to what happens in our province. This is not going to happen in this process. Given these numerous and serious danger areas of this legislation, we have every reason to believe that the members opposite should reconsider this piece of legislation.

(1215)

It's not too late to throw it in the area of things gone by. It's not too late to trash this whole program and this whole idea. And I strongly suggest, Mr. Speaker, that the members opposite should consider not putting this piece of legislation through, not forming another Crown corporation. There just is not any evidence to justify having it. The costs are too high. The results of its work are not necessary. There is no need for it. It is purely a politically partisan attempt at patronage allocation to people in order to get them onside for the next election and to pay off past debts.

Mr. Speaker, we are going to go to the stakeholders to consult with them to see if in fact we can find any glimmer of light any place that would justify having this Crown in place and having that job ahead of us. We would suggest that we take a little time to go and do that. And as a result of a need to talk to the people who are directly going to be affected by this — the taxpayers of Saskatchewan and the construction industry and the Department of Highways area — I move that we do now adjourn debate.

Debate adjourned.

## COMMITTEE OF FINANCE

### General Revenue Fund Indian and Metis Affairs Secretariat Vote 25

**The Chair** — I would ask the minister to please introduce the officials who have joined us here today.

**Hon. Ms. Crofford:** — Thank you, Mr. Chair. I have sitting to my right, Mr. Marv Hendrickson, who's the deputy minister of SIMAS (Saskatchewan Indian and Metis Affairs Secretariat); just behind me here, Mr. Ernie Lawton, assistant deputy minister for Indian Affairs; Mr. Donavon Young, assistant deputy minister for Metis Affairs; and Mr. John Reid, executive director of policy and planning.

**Item 1**

**Mr. Toth:** — Thank you, Mr. Chairman, and welcome to the minister and her officials. Mr. Minister, the last couple of years it's been my pleasure to have the responsibility of dealing with the issues regarding Indian and Metis Affairs in our province. And I've had some very interesting discussions with the former minister of Justice and certainly with officials, although not directly as I don't get to quiz them directly, but certainly through the minister. And I look forward to the same type of workable relationship in addressing a number of the issues that are out there.

Madam Minister, there's no doubt that there are a number of concerns across this province in regard to our native people, our native community, and one of the major concerns is certainly the land claims and taxation. That's something that your department, your officials, will be quite well aware of and that sometime we will be discussing even in a little greater detail than maybe just immediately.

There are other issues of concern, and the concerns here aren't just related . . . or brought forward by the white community in our province, but native people themselves have some very deep questions regarding the expansion of gambling in this province. And not only in the province in general, but the fact that a number of reserves will possibly have the ability to expand, or allow gambling on their reserves. And that's an area that certainly we will want to take a look at and address.

And in regard to that, it comes to a question that was presented to the Minister of Justice the other day as to the reasoning for the department to continue with an appeal regarding the White Bear Nation on their casino that was shut down by the former minister and by the RCMP, and the fact that this comes out after we've already entered into an agreement with the Federation of Saskatchewan Indian Nations regarding expansion of gambling in the province.

And what I'm basically reiterating is, the question arises, is it feasible? Is it a responsible action to enter into an appeal or to go ahead with an appeal process when we have an agreement in place? And I realize the minister indicated, well there really was no alternative, at least that's . . . The minister's response was the option was there for the province to appeal the decision made by the judge at that time, regarding the . . . I guess the case that was raised against White Bear Indian Reserve. And I can appreciate that fact. But at the same time, there certainly . . . and I guess the big question there is the jurisdictional factor, who has responsibility, whether the native community.

And so as I say, there will be a number of questions arising out of the whole gambling issue, regarding the appeal and other issues.

But let me take a moment, Madam Minister, to just bring a couple of questions regarding the audit of the Metis Nation's books, and the fact that as a result of an investigation . . . and I think there are a number of people within the Metis community who are very concerned, had some concerns with regards to the funding that was being allotted to the community and whether or not that funding was reaching the sources or the Metis people

in general, or the concern that a lot of this funding was not necessarily getting out to help all of the Metis community.

An update on the course and to date the results of the audit investigation of the Metis Nation's finances would be something that I think people would be interested in.

And I'm wondering, Madam Minister, if you could . . . Maybe I'll give you about three questions that you could take the time to look at, not only in giving us an update on the course and the results, but why the RCMP recently decided not to charge the Metis nations. And could you tell us why this decision was made, and are there any attempts being made to allocate . . . or to locate or recover public funds that were expended without supporting documents?

And as I indicated, it's not just . . . I see an inquisitive look on one of the members' faces, or the department officials. Are there any attempts being made to locate or recover public funds that were expended without supporting documents?

And certainly this is a question that arises. And it doesn't just arise, as we've seen, with regards to the Metis Nation. It's arisen on many occasions with public funding, regardless of whether it's a situation of welfare or whether it's in regard to even, say, elected representatives, ourselves. We're all accountable, and anyone who receives public funding is accountable. And that's basically what people are asking and inquiring about. And I might add that this question isn't just something that would be tied to the white community in our province, but it's coming from the Metis nations themselves, and I think most people even in the Metis Nation would want to be seen as being respectable and hardworking citizens.

And I would appreciate it if you could give us an update on the number of these questions I have asked, Madam Minister.

**Hon. Ms. Crofford:** — I'd like to thank the member for his question. Just a couple of initial comments regarding the accountability of third-party funded groups. As governments devolve more and more responsibility to communities and as community groups, in many instances, have larger revenues to work with than they did in the past because of delegated authority and responsibility, I would agree with you that right across the piece we have an issue of accountability that has maybe not been pursued as much as it needs to and might be the topic of discussion for the Public Accounts Committee.

I certainly have had in my work as an MLA (Member of the Legislative Assembly) people who have come to the constituency office who are members of many different organizations in the community and have had concerns regarding expenditures of funds, hiring practices, etc. So I'll just say that I think there is a generic kind of issue there that we might want to, in a different context, explore a bit more.

The other one is on the particular issue of the Metis Nation. We have never core funded this organization. We do occasionally provide funding specific to an activity, for example, involvement in the tripartite process, and we did provide some funding to facilitate this, and to date this is going very well.

Now the experience with the financial audit did indicate a number of bad bookkeeping practices but no actual illegalities. It was more in the nature of paper trails not being as complete as they could be or invoices not being done in a systematic way — that kind of issue.

But there was an action plan developed. And if you'd like, I'll just summarize a bit of what happened there. Deloitte & Touche was appointed as financial manager-adviser to the MSS (Metis Society of Saskatchewan), and this happened. They were to update the financial records and assess financial liabilities; that's completed.

The federal and provincial government was to assess findings of Deloitte & Touche in terms of the Metis Society financial viability. This is completed.

They were to develop a deficit recovery plan, including compensation of creditors. This has been done.

The federal government was to release 143,000 in frozen funds to Deloitte & Touche to commence paying off external creditors from 1993-94, and this is occurring.

The Metis Society was to prepare and submit a detailed application for its 1994 and '95 funding to the federal government. That's done and is under review by Heritage Canada. Again I'm just emphasizing that that's federal.

The MSS was to apply to federal and provincial governments for tripartite funding. And there is some hold on this until the Metis Society's capacities and priorities are determined, based on a reduced core budget.

And federal and provincial governments were to evaluate the role and consider the possible extension of the Deloitte & Touche contract. And Deloitte & Touche has advised both levels of government that, based on their information, the Metis Society is fiscally salvageable.

**Mr. Toth:** — Thank you, Madam Minister. So I can read then from your answer in response to the questions at, number one, the province of Saskatchewan really isn't involved in any large way as far as funding of the Metis nations; that most of that, if not all of the funding, comes from the federal level. And so therefore it would be the federal government that would pursue that matter if they wished to pursue it. So we don't . . . As taxpayers in Saskatchewan, we're not directly, through the provincial government, funding and having our tax dollars go into the MNS (Metis Nation of Saskatchewan) society.

However on the other hand taxpayers in Saskatchewan, through federal taxation . . . that process does take place. So I'm wondering, maybe you'd like to respond to that, Madam Minister.

**Hon. Ms. Crofford:** — Again I'll mention that we did provide some funding to facilitate the tripartite process of discussion. And also individual departments, it'll be reflected in their estimates that they do have arrangements for educational or other types of activities. But that doesn't come through this

area; those are direct arrangements with the departments that are involved in those things.

**Mr. Toth:** — Thank you, Madam Minister. Madam Minister, and I might be diverting just a little bit, but over the past while we've had some discussions with the Minister of Social Services regarding welfare and welfare rolls in this province, and I believe the minister has commented about the fact that some of the responsibility for social . . . or welfare recipients in the native community has been placed on the back of the province.

I'm wondering if indeed that is factual, that that responsibility is there. Is the province also being asked to become more involved with some of the upfront funding to associations like the MNS?

(1230)

**Hon. Ms. Crofford:** — I just wanted to be clear that you were directing your question particularly to Metis Society because the federal government never has funded that particular portion of the population. Their obligations for that level of service have been primarily with the treaty Indian-first nations population. So they never have paid for this particular portion.

**Mr. Toth:** — So then basically, where do they receive their funding then? Am I to gather that the funding is allocated to the native population through treaty rights and that the Indian and Metis nations then allocate to the MNS — they would get a portion out of the treaty funds that are allocated to this province? Or how do they receive their funding?

**Hon. Ms. Crofford:** — Okay, what's causing a little bit of problem is the confusion in the status of the various peoples in the province. The first nations relationship is directly with the federal government on reserve. And so the funding there would flow from Indian Affairs to providing those services. When it comes to Metis persons, their relationship for the purposes of social assistance is with the province. So these groups both have a different status and a different legal standing with the federal government although both groups are in discussion regarding self-government with the federal government. They do have different legal relationships and different structural relationships with the two governments.

And it is complicated and I can appreciate the difficulty, because I'm having to come to grips with all the differences myself. But it is complicated and does vary depending on the particular item you're discussing.

**Mr. Toth:** — Thank you, Madam Minister. So basically what you're saying, there are a number of variables as to the funding as it comes from Ottawa and how it's distributed to the different organizations whether in this province or any other province.

You also mentioned, Madam Minister, that there was an independent committee appointed to review the books and come up with methods whereby the Metis Nation could look at how they would manage their books and how they would do their accounting, to make it a lot easier for them to establish funding and let people know how the funding is taking place,

how they're approving it. And I think that at the end of the day the Metis Nation will be more than happy to have had received and had this input and had some involvement in how they would design and develop their books so that not only are they more accountable, but people would feel more comfortable with the fact that the money is being allocated and funded and accountable for.

And I'm not taking away from the Metis community or our native community, period. Certainly every one of us needs to at times sit down and take a look at how we run our books and how we set our books up so that we can keep track of the finances that go through our hands. And I think that certainly was an appropriate method in working with the community rather than creating a turmoil.

You also mentioned that the federal government released a sum of money at the time, and I would gather that they were withholding this money while a review was taking place, and you've indicated that there was a release. And what I'm wondering, when that money was released, was that money then allocated directly to individuals or businesses that were affected and had outstanding bills, or would that have been allocated to the MNS themselves and they were to then pass it on to these . . . on any of outstanding accounts? I wonder if you could comment on that.

**Hon. Ms. Crofford:** — I thank the member for his question. The federal government only released money after the final audit report and that took place in December. Now Deloitte & Touche together with the Metis Society will help manage the money until March 31. And this money was specifically for payments to creditors. And Deloitte & Touche and the Metis Society worked together on developing a priority list on payments to creditors. So this is a very defined use of this pool of money based on fairly strict criteria.

**Mr. Toth:** — Thank you, Madam Minister, because that was another question I was coming to in how you perceive the MNS and its operations today now that an independent trustee has been installed. The MNS emphasizes that this relationship is cooperative and I take it from your comments that they have been working quite willingly with the Deloitte & Touche in addressing a number of these concerns.

And I'm wondering if you can describe the decision-making structure with reference to the use of funds with the trustee in place. I think that would relate to what you just indicated about the funds being released and Deloitte & Touche having some involvement with the Metis nations society in how the funds are allocated to those who have outstanding accounts.

**Hon. Ms. Crofford:** — The relationship is really being done very cooperatively and the Metis Society board still makes decisions. But there's a co-management model where Deloitte & Touche provides financial advice and then they move forward to decide what the best decision would be.

They do have a subcommittee on finance of their board and the procedures that Deloitte & Touche has put in place are endorsed by the Metis Society. And I think it's very important to

recognize that they're as interested and committed on having a good financial accountability, as Deloitte & Touche and themselves have agreed to over the course of working on this.

So I'm optimistic that everything is going to go along very well in the future developments with the organization.

**Mr. Toth:** — Madam Minister, when the independent trustee, Deloitte & Touche, was asked to or encouraged and the Metis nations were encouraged to have a public trustee work with them, was that a decision that was something that basically came from the province? Did you have some involvement? Or would that have been basically a federal appointment or a federal matter where they would have asked Deloitte & Touche to be involved as an independent trustee?

And also in view of the fact when this process was taking place a number of organizations, affiliated organizations such as SUNTEP (Saskatchewan urban native teacher education program) and the Gabriel Dumont college had their funding frozen for a while there, and a number . . . We've had people actually contacted us last year regarding this freezing of these funds. And I'm wondering if you could as well tell us how these institutions were affected by the freezing — if they suffered any long-term damage from the withholding of these funds over that period of time.

**Hon. Ms. Crofford:** — As you did, I also received calls on this question at the time, having worked with some of the people who were involved in these various institutions over the years.

And I'll just go back a little bit on the history. Heritage Canada did a compliance audit which is really a part of regular procedures to ensure that contracts that governments have with third-party bodies are complied with, so this was a normal type of activity. And in the course of that activity there were some problems were revealed. The federal Privy Council and SIMAS then, based on the problems that were revealed, decided that it was necessary to take the further steps that we've been discussing.

I might add, as far as the implications for the third parties, that very little money was actually involved and that the problems existed for other reasons that had some history within those individual institutions, just as far as available funding, those kinds of normal operational things.

The problem that we had was that the relationship between the Metis Society and these organizations was not as clear as it might have been in terms of management and funding. So there was some attempt at that point to sort those relationships out. And last June we acted quickly to ensure that the educational programs weren't affected and would proceed and that the students would not be negatively affected by the other activity that was going on.

**Mr. Toth:** — Thank you, Madam Minister. Madam Minister, I have a question that basically goes beyond the Metis nations society that really comes into play with our Federation of Saskatchewan Indian Nations. And I'm just wondering what businesses do when they're left in a situation where they have

outstanding bills. And I'm not sure if the province has any ability to . . . You really probably wouldn't have any jurisdictional opportunity to give direction, but has the province made representation to the federal government as to how some of these issues should be dealt with in view of the possibility, and I've got one business in particular that has a substantial outstanding account that they're trying to get some funding out of. And a small business in rural Saskatchewan — well not just even rural Saskatchewan, any part of Saskatchewan — any outstanding account of any kind creates a problem for a small business.

And is there any opportunity for the province to raise these matters at the federal level? Because I take it that's where they possibly are handled; you don't really have any involvement. And is there anything being done to your knowledge by the federal department to address some of these concerns which I'm sure many of your colleagues have had raised as well, in how we encourage the federal department to deal with these issues to make sure that many people aren't left on the hook as we've just discussed with the Metis nation society?

(1245)

**Hon. Ms. Crofford:** — I'm just going to clarify that we've switched over to talking about the FSIN (Federation of Saskatchewan Indian Nations) now? You mentioned the FSIN. Is that . . . (inaudible) . . . Okay.

That being the case, you're right that the issue is exclusively federal although we do urge resolution of issues that affect the province and people in the province. We do check to see whether the federal government is in fact co-managing the particular project that might be in question thereby even enhancing their responsibilities in that area in providing a little more leverage to get some resolution.

And the second recourse is civil action. I could talk a little bit more maybe about analogies in the business community, but maybe I'll just leave it at that for a moment and see if you have other questions.

**Mr. Toth:** — Well thank you, Madam Minister. I guess one of the concerns that I have, and certainly the business community that have talked to me, is that they have . . . it seems that they have felt like they've exhausted all avenues and nothing has really come about. They haven't had a resolve to the issue.

And one of the last resorts that most business communities go to is through collection agents. And of course collection agencies do cost some money to try and collect them and there's no guarantee that at the end of the day, they're still going to see this unpaid amount basically being recovered.

And I think that's a concern, and what I was asking and just wondering is what the province is doing to address this matter with the federal department and the federal government as to how we could handle a situation such as this in a more forthright manner. Because I think what happens; it becomes quite drawn out. There's so many legal loopholes a lot of times to follow through and it can be drawn out.

And if the department has made any representations to the federal government regarding similar circumstances whereby we can come out with a more simpler and a straightforward method of collection and payment of funds.

**Hon. Ms. Crofford:** — The answer to your first question of whether we have done anything to try and resolve this, the answer to that is yes; over the years we've made several attempts. But there are a few problems in the area that stem back to really the fact that the first nation peoples who are trying to move forward on a number of developments including financial, economic, social, etc., are caught, as we are, in an outdated Indian Act.

And one of the things that's happening, and it happened recently in Manitoba, is the federal government is devolving Indian Affairs responsibilities directly to first nations people and to the band level. And so that means there's much less involvement by the federal government and it's really a matter of independent band management at that point.

Another provision of the Indian Act that's, I'm sure you're aware of, been a problem for years is that Indian bands can't use their land as an asset when they go to the bank. So in a way if there is a problem, banks can't take the normal recourse.

Now as far as individual business people go, I guess as business practice goes, they would do as they do with any other customers and follow good business practice and try to prevent whatever problems from happening that could.

But I, certainly in my discussions with the chief of the federation and other chiefs, sense a growing desire and concern on their part that all of this be handled as well as possible within that framework. So I think we all share the same objectives on this. It's just a question of how to get there as quickly as possible and stay there because, of course, within our own government systems and what not, there's no guarantees that everything always moves along the way it should.

**Mr. Toth:** — Thank you, Madam Minister, in regards to those comments, I would just like to reiterate the fact that yes, it is difficult. And I think even members of the native community realize some of the problems they face and the fact that, number one, they are unable to use land as security. And I think that can be pointed to the fact . . . and I am reminded of an incident. It's just brought to my memory of an incident locally where a machinery dealer went to recover some of his losses, and of course it was . . . he didn't find he was received very well.

And so I can see where a number of Indian and Metis communities in our province would like to do things or build projects or develop ideas or develop some means of employment on their reserves. Lenders, regardless of whether they're equipment dealers or machinery dealers or car dealers or even the banks, in view of what's taken place in the past may have a difficult time in the allocating funds.

And I guess this is something we need to work together with the native community in developing, if you will, a sense of trust in

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being able to work with them. So could I use the term that they are treated as equals? I think many in the native community want to be treated, as I've indicated, by using the term equal, so that when they go to the bank, they have the ability to become progressive and active citizens.

be back.

The committee reported progress.

The Assembly adjourned at 12:56 p.m.

And certainly I'm sure they must face some difficulty at times themselves within their own community in dealing with some of the matters that arise. And again I bring forward just a personal experience where, in talking with a person from one of our local reserves . . . indicated to me that he felt he was discriminated more against by his peers and by the people on his reserve than he was by his neighbours around him and the business community in the white community.

So I think we need to work with our native leaders, and I trust that Chief Favel is certainly looking at some of these options to come up with ideas whereby we can all work together.

Because I think the community in general and throughout our province — and when we look at the taxation issue as we'll get into it on another day; and when we look at the fact of treaty and land entitlements; when we look at the monies that go to reserves; people are saying . . . and what I see in my own area, that the amount of acres that are being tied up through land sales that are being purchased by the native community — people are saying, well it's maybe time that our native community as well paid taxes and paid their way.

And like I've indicated earlier, I believe that feeling is on both sides. And so I think, Madam Minister, we need to work towards methods whereby we all respect each others' rights and responsibilities. And maybe I'll leave you with that as we . . . rather than getting into another area of debate at this late time.

**Hon. Ms. Crofford:** — Just a minute. I'd like to thank you for those comments. But I do want to add a few comments just to tie up this end of the discussion. This isn't so much . . . well it's becoming a problem for first nations, but this really is a federal problem. And the problem has been their continuing unwillingness to deal with the jurisdictional question even though they certainly pay lip service to it. And we would be quite happy to have you support us in encouraging them to get on with it and resolve some of this stuff.

What we've done at the provincial level recently, and have just met recently to talk about strengthening the process, is to set up a round table with SUMA and SARM to help direct community relations in the province.

And on the question of equality, I guess if we have equality of obligation we also need some equality of opportunity, so we've been working on those fronts as well.

Approximately 1 per cent of provincial lands are involved in the additional lands required to resolve outstanding treaty land entitlements, so where as it may be very pressing to the people who are directly involved, in terms of total land mass in the province it's a relatively small proportion of land.

And I thank you for your measured questions today, and we'll