

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Osika: — Thank you, Mr. Speaker. I present a petition on behalf of citizens with respect to young offenders:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan, in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence, including the charge of attempted murder of a police officer; such task force to be comprised of representatives of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

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

The signatures on these petitions, Mr. Speaker, are from Balcarres, Lemberg, and Balgonie.

Mr. McPherson: — Thank you, Mr. Speaker. I bring forward many petitions today of people in the province that are affected by big game damage. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to change the Saskatchewan big game damage compensation program so that it provides more fair and reasonable compensation to farmers and townsfolk for commercial crops, stacked hay, silage bales, shrubs and trees, which are being destroyed by the overpopulation of deer and other big game, including the elimination of the \$500 deductible; and to take control measures to prevent the overpopulation of deer and other big game from causing this destruction.

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

And the people that have signed these petitions, Mr. Speaker, are pretty well all from the Blaine Lake area of the province. I so present.

Mr. Heppner: — Thank you, Mr. Speaker. I rise to present the following petition. I will read the prayer:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reverse the municipal revenue-sharing reduction and commit to stable revenue levels for municipalities in order to protect the interests of property taxpayers.

And there's a number of pages of signatures here and they all come from the community of Blaine Lake.

Mr. Hillson: — Thank you, Mr. Speaker. I also rise with

petitions signed by citizens of Regina:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence; such task force to be comprised of members of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

And your petitioners will ever pray.

Mr. Speaker, I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens petitioning the Assembly to establish a task force to aid in the fight against youth crime; and

Of citizens petitioning the Assembly to change the big game damage compensation program to provide reasonable compensation.

INTRODUCTION OF GUESTS

Mr. Osika: — Thank you, Mr. Speaker. I'm indeed pleased this afternoon to introduce to you and to my colleagues in the Assembly, a group of 11 grade 12 students from the community of Lebreton in the beautiful Qu'Appelle Valley. I welcome them here today. I'll be meeting them a little later on this afternoon, and I would ask all my colleagues to please welcome this great bunch of students to this Assembly this afternoon.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Maidstone Trade Fair

Ms. Stanger: — Mr. Speaker, Saskatchewan people take tremendous pride in their community spirit. They know the value of working together to make this province a model for the rest of Canada. Just as importantly they know, too, the value of coming together to have fun.

This weekend, Mr. Speaker, the Maidstone arena played host to the 13th annual Maidstone Trade Fair and Silent Auction. The fair included exhibitors representing every facet of life in Maidstone, including arts and crafts, agriculture, recreation, beauty, and finance.

There was musical entertainment on Saturday by the Miller family and on Sunday by the Olson family. Fans of our beloved

Saskatchewan Roughriders had an opportunity to meet one of the province's football heroes, running back Robert Mimbs, at the Team Health booth.

Mr. Speaker, none of this would have happened without the time and energy put forward by so many enthusiastic volunteers. The Maidstone Chamber of Commerce and their president, Connie McCulloch, who is a friend and a hard worker for the community, deserve particular mention for sponsoring this year's event.

Another group worth mentioning is the Maidstone Historical Society, which uses the profits from the silent auction to fund the local museum and development. Mr. Speaker, I ask you and this Assembly to join me in congratulating the people of Maidstone and their community.

Some Hon. Members: Hear, hear!

Willowbrook Veselka Dance Club

Mr. Osika: — Mr. Speaker, I'd like to take this opportunity to congratulate the Willowbrook Veselka Dance Club, which attended the Tavria Ukrainian Dance Festival in Regina just recently. Willowbrook is a small community north of Melville.

The dancers competed in 16 dances and collected medals in 13 of them. In total the dancers brought home 50 medals. About 750 dancers from 20 clubs participated in this event.

The club should be very proud of their accomplishments and I would like to invite everyone to join me in congratulating the Willowbrook Veselka Dance Club on an outstanding performance at the Tavria Ukrainian Dance Festival. Thank you.

Some Hon. Members: Hear, hear!

Nipawin to Host 1998 Saskatchewan Winter Games

Hon. Mr. Renaud: — Thank you, Mr. Speaker. Saskatchewan people, Mr. Speaker, are renowned for their community spirit. Many times that spirit is demonstrated through volunteer activities. Recently the community of Nipawin was awarded the honour of hosting the 1998 Saskatchewan Winter Games. This event, like numerous others the town has hosted, will require an extraordinary number of volunteers to ensure success.

This is the first time Nipawin has had the privilege of hosting the event since its inception in 1972. Competing against three other communities, Nipawin was chosen, in part because of its ability and reputation to successfully host local, national, and international events.

Mr. Speaker, the approximate 1,500 volunteers that are needed to stage the games illustrate the commitment and dedication of the community and its people to host such an event. Not only will the games enhance the community's local economy, Nipawin will be able to show the rest of the province its many positive attributes which will lead to additional returns.

Mr. Speaker, I would like to take the opportunity to

congratulate the community of Nipawin and district for the success it has in achieving . . . in being chosen as the location for the 1998 Saskatchewan Winter Games.

This community has proven in the past that it can successfully host such events. And I know that they will once again demonstrate their community spirit, pride, in hosting the upcoming winter games. And I know that I will see everyone in Nipawin in February of 1998.

Some Hon. Members: Hear, hear!

Trade Mission Benefits Schulte Sales of Englefeld

Mr. Johnson: — Thank you, Mr. Speaker. Mr. Speaker, there's been a lot of talk lately in this House about the value of trade missions to other countries, particularly the recent trade mission to Africa by our minister for Economic Development.

Well, Mr. Speaker, one business, Schulte Sales of Englefeld, couldn't be more pleased with that mission.

Schulte manufactures large rotary mowers and rock pickers. Their president, Jim Carnago, estimates that the company exports over 60 per cent of their product. For that reason, the search for new markets is very important to the success of Schulte, and maintaining of the jobs for its 105 employees.

On a recent trade mission, Schulte reached an agreement in principle with South Africa's based Falcon Equipment to act as Schulte's distributor in that country. Officials with STEP, the Saskatchewan Trade and Export Partnership, made the initial contact with Falcon on Schulte's behalf, something the president of Schulte believes helped to speed up the process considerably.

Mr. Speaker, the success of this trade mission proves that by working together, Saskatchewan people compete with the best in the world, and I ask you to join me in congratulating Schulte Sales on their success.

Some Hon. Members: Hear, hear!

Moose Jaw Regional Science Fair

Ms. Murray: — Thank you very much, Mr. Speaker. Mr. Speaker, one afternoon last month I found myself surrounded by creative, innovative, and ingenious people.

An Hon. Member: — Here we are.

Ms. Murray: — Right. Now you may think I was in this Chamber, Mr. Speaker, and those epithets certainly apply here, but actually I was at Peacock Collegiate in Moose Jaw attending the Moose Jaw regional science fair. Gathered there were young men and women from three school divisions — Buffalo Plains, Thunder Creek, and Moose Jaw public — to display their projects.

Mr. Speaker, I think my colleagues would have been as impressed and delighted as I was at the creative genius of this group. In my school days my projects at science fairs involved white rats running around in mazes, but at this science fair, Mr.

Speaker, the first display I visited discussed gravitationally interacting clusters.

So my congratulations to all those involved in organizing this annual event, especially Rhonda Phillips from Lumsden High School, one of the principal organizers.

And thanks to the sponsors, particularly Sask Education, SaskEnergy, and Prairie Coal Ltd.. And a very well done to all student participants. This science fair is truly a tremendous investment in the future. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hip and Knee Replacements Available in the Battlefords

Ms. Murrell: — Thank you, Mr. Speaker. Mr. Speaker, much has been said in this legislature about the availability of medical services for people in rural Saskatchewan. Today I am pleased to note that a service that once required a trip to Saskatoon for the people of north-western Saskatchewan will now be available at the Battlefords Union Hospital.

Mr. Speaker, hip and knee replacement surgery is now available in the Battlefords. Having this procedure done locally does more than save patients a trip, Mr. Speaker. By having this surgery done locally, patients also benefit from a pre-operative therapy program, one which is started with the patient before the surgery and continues on once the patient is discharged. Pre-operative therapy programs ensure that the patient is trained in the exercises necessary for recovery, that they have the necessary equipment at home, and that discharge is timely and comfortable for the patient.

Mr. Speaker, pre-operative therapy is the kind of planned medical treatment that prepares people for a quick recovery. It gives people a real chance to ensure that they resume their normal lives as quickly as possible. Community participation through the locally elected district health board made this expansion of service possible.

This is just another example, Mr. Speaker, of how health reform is benefiting the people of the Battlefords and all of Saskatchewan people.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Prosecutions Review Report

Mr. Hillson: — Mr. Speaker, we now have the Martin-Wilson report, for which I thank the minister. However, it's now clear that the mandate of the inquiry was so narrow that the inquiry was precluded from looking into the very problem cases which had spawned demands for the inquiry in the first place.

Furthermore, because of the directions given to the inquiry, they spoke almost exclusively only to employees of the justice system. Victims' rights groups, those wrongly accused in Martensville and other cases were not consulted. The general public was by and large excluded from the process.

In view of these oversights, does the minister agree that some broader process is still needed in order to lay to rest the questions that the public has? Particularly as to why so many innocent people got caught up in allegations over Martensville which turned out to be baseless. Will the minister agree to a broader process?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I'd like to thank the member for the opportunity to respond to that particular question. This whole matter was set out very clearly in the mandate that we gave to Mr. Martin and Mr. Wilson. It was not an inquiry, it was an operational review of the prosecutions division.

As the member well knows, as a lawyer, the matters are before the court and specifically the cases that he is talking about. Those matters are still before the court in a number of appeals and other pieces of litigation surrounding the various incidents and so it's inappropriate for me to comment at all. And I think practically, the answer is that we are waiting for all of that process but we have no intention of setting up an inquiry.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Mr. Speaker, it is clear from the report that at least some of the problems associated with our justice system are of the minister's own creation. On page 80 of the Martin-Wilson report it states that when the minister made remarks to the effect that too many people were being incarcerated, that this created problems for our prosecutors because when they would request a prison term for an offender, the judge would ask them if they were going against the minister's stated policy.

Will the Minister of Justice comment and tell us what he intends to do about this perceived interference with prosecutors and their day-to-day work, and how they will be given a free hand to call and ask for sentences as they deem appropriate.

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I'm frankly quite surprised by the member's question, given his long experience at the bar. But what I would say is that in this job I have worked to my utmost to make sure that the prosecutors have their complete independence. And I would challenge anybody to show otherwise or to make any comment about that.

Now practically, what happens in the justice system is that the department of public prosecutions has a role to play in presenting the evidence to the court. And when they do that, they are doing that in an independent fashion, and they're doing it in a way that Mr. Martin and Mr. Wilson have said is competent, very careful, and is of the match of any other prosecution service in Canada.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Mr. Speaker, as one the people who was interviewed for this report, I concur with the conclusion that our

prosecutors are by and large competent and professional.

Some Hon. Members: Hear, hear!

Mr. Hillson: — However we still have the problem that a few years ago reports coming out of our justice system led many people to conclude that satanic child abuse was a serious phenomenon and problem in this province. In the wake of those cases falling apart, we now have many lawsuits against our prosecutors.

The report says that morale of our prosecutors is very low because there has been no clear, definitive statement that the Minister of Justice will stand behind our prosecutors and will save them harmless for any possible claims which may be made against them in any judgements which may be entered against them. Will the minister now publicly state in this House whether the government will back its prosecutors in the suits they now face, or will those prosecutors be left to hang out to dry?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I want to answer the question on behalf of the government. I think the hon. member knows, as a member of the law society and as a member of this House, that in the execution of functions by any department, whether it's the Department of the Attorney General or any department, in the absence of any evidence of gross, wilful malfeasance or negligence or some high act of impropriety, the government always stands behind its employees acting in good faith. And that is the case particularly with the issues that the member raises opposite. That has always been our position, and it is the position throughout the British parliamentary system.

Before I take my place however, and the reason that I get up is on the question of political interference and the last question. Let's be clear about the rules of this, Mr. Speaker. If in the last question the hon. member from the Battlefords gets up and says that because the Minister of Justice or some other minister has made a comment pertaining to a policy issue on the area of Justice, that that amounts to political interference, then be clear about it. Don't get up and ask us questions about young offenders or people stealing cars or about the problem of child prostitution in the same argument — saying on the one hand that it not political interference if we respond, and on the other hand, when we do respond, saying that it is political interference.

You've got to clean up your act. Stop political interference.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Mr. Speaker, may I respectfully point out to the Premier that it was not me who said the minister's comments were causing problems for our prosecutors, it was the Martin-Wilson report that said that.

One of the items addressed in the report which has concerned me greatly over the years is the treatment of women who are victims of spousal abuse. And of course the report pointed out that if a woman reports abuse by her partner and then

subsequently decides she does not want to cooperate with the prosecution against her partner, she is often the one who ends up to be charged by the justice system for mischief or obstruction or possibly perjury. So that while her partner goes scot-free, she is the one in trouble because of directives from the minister. And this report has said that that directive should be removed.

I'm going to ask the minister if he will now end that barbarous practice of turning the tables on women who initially charged abuse and then don't cooperate; so that they will not be the ones in trouble.

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Thank you, Mr. Speaker. As is quite clearly set out in the recommendations and responses that we have from the Department of Justice, all of the ministerial orders as well as a number of the head office policies, are being reviewed very carefully, including the one that the member refers to.

And when I have received some advice from the department of public prosecutions as it relates to all of these various policies, then I will be making whatever appropriate decisions should be made. But at this time I cannot respond to your question.

Some Hon. Members: Hear, hear!

SaskTel's Failed United States Venture

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, it has been reported that SaskTel has cost the taxpayers of Saskatchewan some \$16 million because of a botched investment in the United States.

About two years ago the Premier announced with great fanfare the joint venture with NS Telecom Group, and now we find that they're closing their doors in a form of receivership.

On February 20, 1996, barely a year later, the government by order in council, converted \$3.03 million worth of loans to equity. And in addition to that, after they should have known at that time that that kind of process generally spells trouble, they also then advanced an additional \$6 million into equity to keep this company afloat.

Will the minister explain how she's now sent good money after bad and what the status of this investment is?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, I'm very happy to have the opportunity to provide an explanation. This is part . . . the investment in NST was part of the diversification of SaskTel's portfolio of investments made necessary by the decline in long-distance rates by 50 per cent since 1990. It was seen that there was a goal of reaching a certain percentage of income revenue from outside of telecommunications activities and we're on track to reach that.

We have, through the diversified portfolio, brought in almost

\$300 million worth of revenues through successful diversified enterprises into Saskatchewan as in the last 10 years. And this happened to be an investment which was not as profitable. There was a lot of activity . . . there was a great deal of activity in fibreing up the whole United States, but it's very low margin and we felt that it was not a good investment of the taxpayers' money — so we planned for an orderly shutdown.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Mr. Speaker, this is the first time that I've heard of a \$16 million pill being called a less than an acceptable margin of profit, or a low return. I mean there's no way around this, is that this government lost \$16 million on one of their ventures.

My question is, Minister, is there any recourse that you have to recover any or part of this investment that has been lost, either from your partners or from other avenues that you may have, in order to recover some of this \$16 million that you blew?

Hon. Mrs. Teichrob: — Mr. Speaker, first of all, this is an investment by SaskTel in their diversified portfolio. This \$16 million would represent less than 10 per cent of the profit that was made on the LCL (Leicester Communications Limited) venture, for an example.

We have written off in 1995, when there were start-up problems, some \$2 million and we wrote . . . the balance has been booked and written off in 1996. So it has all been accounted for and the venture has now been wound down, Mr. Speaker.

Some Hon. Members: Hear, hear!

Prosecutions Review Report

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my questions as well are to the Minister of Justice.

Mr. Minister, it appears you've adopted some of the Liberal leader's advice. When you're having difficulty, blame the media and the opposition. Just make sure you don't take any responsibility yourself.

Well, Mr. Minister, blaming others for mistakes made in the prosecutor's office will not make the questions or the problems go away. Mr. Martin's review overall says that Saskatchewan prosecutors are doing a good job, and I agree with that.

The problem, Mr. Minister, is that there are a number of high profile cases where our Justice department has dropped the ball. And, Mr. Minister, you didn't see fit to allow Mr. Martin the opportunity to find out the reasons why our system failed in many cases.

Mr. Minister, why didn't you get to the real meat of this problem and tell Mr. Martin to look into specific cases, and how do you expect the people of Saskatchewan to accept an incomplete report?

Hon. Mr. Nilson: — Thank you, Mr. Speaker. As for taking a

page out of the Liberal book, it seems like this question is very similar to the first one that was asked previously.

It was very clear when we went ahead with this particular operational review that we were not in a position to specifically examine the cases that the member refers to because the matters were before the court. And as I stated previously, these matters continue to be before the court, and so it would not be appropriate at this time either.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Minister, no matter how competent and diligent our prosecutors are, the fact remains that your department is being sued left, right, and centre as a result of cases gone bad. Adding a few prosecutors, a pre-charge screening program, some laptop computers won't address the 180 charges that were laid in the Martensville case with only a couple of convictions. More money for communications and regional training for prosecutors won't make the Latimer case go away.

Mr. Minister, the public want answers to these specific cases, and I believe they deserve answers. Mr. Minister, will you allow an inquiry into cases like Martensville so we can once and for all clear the air? So we can find out what went wrong and why? Will you do that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, as I have said and as my predecessor said, there won't be an inquiry about Martensville. These matters are before the court — the Court of Appeal. The Supreme Court of Canada in certain cases has been reviewing the cases mentioned by the member and we will wait until all of these proceedings are finished.

Some Hon. Members: Hear, hear!

Gaming Commission Contracts

Mr. Heppner: — Thank you, Mr. Speaker. My question is for the Minister responsible for Gaming. Madam Minister, if the news would have been good news, you would have been singing it from the highest hill. But it's not. I hate to say I told you so, Madam Minister, but I think it's time you and your government got out of the casino business altogether.

According to the Gaming Commission's annual report, your favourite bus company and Holland Casino consultants are raking in some pretty big money. We can't say the same for Saskatchewan taxpayers. A half-million dollars to Mr. Canada in three months for an untendered contract; over 2 million for software from Holland Casinos, plus a couple of hundred thousand dollars in salary and travel expenses for Holland staff; in addition to one and a half per cent gross in net profits for each; over \$400,000 for your friends at Phoenix Advertising; about a million in vouchers to entice people to gamble — no wonder the casino isn't making any money.

Madam Minister, where's the \$20 million profit you promised Saskatchewan taxpayers? When are you going to stop signing

sweetheart deals and sell the casino to someone who can run it properly?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you, Mr. Speaker. I think what you've illustrated by your comments is that again you can't tell the difference between a good business deal and a bad business deal.

The Speaker: — Order.

Hon. Ms. Crofford: — Thank you, Mr. Speaker. Eleven hundred direct and indirect jobs; 29.1 million to the GDP (gross domestic product) of the province; as recently as yesterday in the *Leader-Post* downtown merchants quoting the casino as contributing significantly to their bottom lines; hotel attendance at record rates; 500,000 to the city in taxes — the economic equivalent of two Grey Cups, seven Big Valley Jamborees. I don't know of any business that would complain about these kind of results.

Some Hon. Members: Hear, hear!

SaskTel's Failed United States Venture

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, my question today is also to the minister of SaskTel. What was touted by the Premier two years ago as SaskTel's largest ever international deal seems to have turned into Saskatchewan taxpayers' largest ever bath, to the tune of 15 to \$16 million, Mr. Speaker. It sounds like this project never made a profit ever.

Madam Minister, you are responsible for a flopped deal in the U.S. (United States) that has cost taxpayers a bundle of money in this province. Last February when this project was losing money, Madam Minister, your government increased the risk of Saskatchewan taxpayers by throwing in another \$9 million into the pot.

Madam Minister, what were you thinking of? Why in the world, after you were already losing money, did cabinet pass those millions of dollars through orders in council so that you could own about 90 per cent of this company that was losing money? Why did you gamble even more taxpayers' money in this boondoggle? Or are you just thinking about now trying to go to work and double your money in Guyana?

Hon. Mrs. Teichrob: — Mr. Speaker, I find it really interesting that members opposite in the Tory caucus would ask questions about our financial management. The diversified investments that SaskTel has are held separately from the telephone company in a holding company. The holding company overall, Mr. Speaker, has delivered almost \$300 million in revenue into this province. So 16; it's reduced by 16.

The order in council that was passed last year was a conversion of an investment into equity to give us a majority interest so that we could have access to the financial details, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I have another question for the minister. It seems, Madam Minister, that your government has got gambling fever. Now I assume that before risking millions of dollars of taxpayers' money that you would have done some homework. I think that would be natural. That means that there should have been a feasibility study, some research and background that should be provided for the members of this Assembly so that we can find out exactly what went wrong with this deal. And something definitely did go wrong, Madam Minister. When SaskTel senior vice-president says there's plenty of business available in the market yet the NST quickly turns into a high volume, low margin company, something went wrong.

Madam Minister, I'd like a copy of the feasibility studies and the research that you have done in order to justify risking these millions of dollars of taxpayers' money into this adventure and give us an explanation of how you lost all of these millions of dollars. How did you get snookered, for example, Madam Minister, by the B.C. (British Columbia) company that got you into 87 per cent of the risk and the loss, not just your original amount?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, some interesting lessons have been learned through this investment. And I find it amazing for the members from that side of the House, Mr. Speaker, would talk about \$16 million when they spent a billion dollars a year more than they took in, leaving us with \$15 billion in debt, Mr. Speaker.

Some Hon. Members: Hear, hear!

Gaming Commission Contracts

Mr. Osika: — Thank you, Mr. Speaker. These issues involving public funds are too important to just let go without some answers and some reports that should have been tabled a long time ago. Now as far back as a year ago, I've been asking for information with respect to some of the secret contracts entered into with the Saskatchewan Gaming Corporation and some of the contracts they've let out.

Finally, in 1995-96 annual report tabled yesterday, we do find some revelations. However, we can't rely on that as being accountable, Mr. Speaker, considering we are already well into the 1997-98 fiscal year. Why has it taken so long? And I would like to ask the minister, how much in fact has been paid to Mr. Canada Touring for 1996-97 fiscal year?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you, Mr. Speaker. As the member will remember, he did ask for the contract. We did tell him that that was privileged business information and the refusal was upheld by the province's Freedom of Information Commissioner.

Some Hon. Members: Hear, hear!

Mr. Osika: — Mr. Speaker. Mr. Speaker, we recall that the Mr. Canada Touring contract has been kept secret from Saskatchewan taxpayers who, by the way, are in fact footing the bill. This is a publicly owned casino, Mr. Speaker, and therefore the residents of this province deserve some answers. In light of the revelations of this recent report, will the government commit to tabling the 1996-97 annual report before the end of this session or will the minister finally release the details on all of the secret, exclusive contracts it has signed with out-of-province companies such as Mr. Canada Tours?

Hon. Ms. Crofford: — Thank you, Mr. Speaker. All of our reports are tabled as is required by the legislature . . .

An Hon. Member: — On time.

Hon. Ms. Crofford: — On time, duly accounted for, signed off by the auditors responsible.

I'll just say that Mr. Canada has more than delivered on what we expected from him. And I ask you to consider the very competitive nature of the gaming business, and you compare an ad for three days in sunny Las Vegas and three days in Regina in the dead of the winter that we've just had and I would say that Mr. Canada has done an excellent job of attracting people to our province.

Some Hon. Members: Hear, hear!

Political Donations Report

Mr. Osika: — Mr. Speaker, yesterday this government released a report on the Crown prosecutions branch after having the report in hand for almost one month. This House is now awaiting the release of another report, Mr. Speaker, from the province's Chief Electoral Officer into political fund-raising practices. His investigation began after it was reported that the Progressive Conservatives had access to a two and a half million dollar secret trust fund made up of anonymous donors. Soon after it was revealed that Tommy Douglas House had contributed hundreds of thousands of dollars worth of anonymous political donations to the New Democratic Party.

Given the fact that the Chief Electoral Officer is officially an employee of Executive Council, will the Premier indicate to this House whether a report on political fund-raising has been turned over to him, and if so, when will it be made available to the public?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, we have not received the report in question and we look forward to receiving it, as does the hon. member.

Some Hon. Members: Hear, hear!

Whistleblower Legislation

Mr. Hillson: — Mr. Speaker, the debate over whistle-blowing legislation was rekindled a couple of months ago when the informant in the Tory fraud scandal indicated that he was afraid

to come forward for fear he and his wife would lose their government jobs and be held to be in violation of their oath of confidentiality.

Clearly there is a need for some amendments for the oath of confidentiality and the Minister of Labour and the Premier both indicated that they would support some changes. Later on today I will be introducing an amendment to the government whistleblowers' Act legislation to amend the oath of confidentiality, which will provide employees with protection who report on illegal activity.

Will the Minister of Justice indicate whether the government is prepared to support this legislation?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, we'd like to have a look at the legislation before we indicate whether or not we would support it. We have been doing some internal research with respect to this question. We did some a few years ago. I decided at that time not to proceed with it. The Premier has indicated we are considering it again and we will, but as far as the member's question is concerned, I think that even he would agree — even he would agree — that it is manifestly unfair to ask us if we will support a piece of legislation that we haven't even seen.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 218 — The Naming of Northern Municipal Airports Act

Mr. Belanger: — Thank you, Mr. Speaker. I move that Bill No. 218, entitled The Naming of Northern Municipal Airports Act, be introduced and read a first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 219 — The Government Whistleblowers' Act

Mr. Hillson: — Mr. Speaker, I move that Bill No. 219, The Government Whistleblowers' Act, be now introduced and read a first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 45 — An Act respecting a Collective Bargaining Agreement between IPSCO Inc. and United Steelworkers of America, Local 5890

Hon. Mr. Mitchell: — Mr. Speaker, before orders of the day and by leave of the Assembly, I move that Bill No. 45, The IPSCO Inc. and United Steelworkers of America, Local 5890, Collective Bargaining Agreement Act, be now introduced and read the first time.

Leave granted.

Motion agreed to, the Bill read a first time and, by leave of the Assembly, ordered to be read a second time later this day.

SECOND READINGS

Bill No. 45 — An Act respecting a Collective Bargaining Agreement between IPSCO Inc. and United Steelworkers of America, Local 5890

Hon. Mr. Mitchell: — Mr. Speaker, I rise in support of the Bill that has just been given first reading. I'm confident that all hon. members will be able to support it.

I want to thank the members opposite for agreeing to waive the usual notice provisions of this Bill and allowing it to proceed this afternoon. Their spirit of cooperation in moving this legislation through quickly is much appreciated, and I want to acknowledge it and say how important I think it is that we have this degree of consensus about this important piece of legislation. It's a demonstration of how we can work together in this legislature for the benefit of the people of the province.

My remarks today will be brief and my purpose in speaking is simply to provide members with some background on this Bill, describe exactly what the Bill does, and outline the benefits of passing this Bill.

We are of course dealing with an exemption from section 33 of The Trade Union Act. In simple terms, subsection (3) of section 33 effectively limits the length of collective agreements to three years. An employer and union may agree to a longer contract but either side can give notice to bargain a new agreement after three years.

Mr. Speaker, there are particular circumstances that make the Bill before us most timely. IPSCO and the United Steelworkers of America have signed a five-year agreement. Both parties want a collective agreement that extends beyond three years. And the IPSCO-Steelworker agreement is contingent upon this legislature passing a Bill that will extend or make legal their collective agreement for the full term of the collective agreement.

There are some very good reasons for us to pass this Bill, Mr. Speaker, including if we uphold the IPSCO-Steelworker agreement by passing the Bill, it will trigger an immediate investment of about \$25 million in capital projects at the Regina steelworks. And IPSCO will further invest an average of \$17.5 million in each year of the agreement at Canadian operations that are certified by the Steelworkers.

Mr. Speaker, there's more. The agreement provides a pay package in line with industry standards. It upgrades pensions and other benefits, and it will provide access to funding to assist employees relying on supplementary unemployment benefits. Of course for all this to happen we need to pass the Bill that is before us, because quite simply if we don't pass the Bill then the agreement that I've just described will not go ahead.

The Bill before us demonstrates our willingness, the willingness of all parties in this Assembly, to respond to the particular

needs of the working community as they arise, and that we can respond positively to the needs of both parties at the labour relations table.

Mr. Speaker, the agreement is a good deal. It's good for the employer. It's good for the employees. It's good for the community.

The employer, IPSCO, will benefit from a longer period of stability. It will have a competitive collective agreement. It will be able to reassure its customers that its steel supply is reliable into the next century. And it clears the way for IPSCO to make new investments in Saskatchewan. And I don't think anyone here today would quarrel with that idea.

As for the employees, members of the United Steelworkers of America, they will also benefit from a longer period of stability and will have more secure jobs. Their compensation package will be improved. The members relying on supplementary Unemployment Insurance benefits will be helped.

By signing the agreement, the Steelworkers are showing that it too is more flexible and open to new ways of doing business. And again, I don't think anyone here would take quarrel with that idea.

For the community, Regina and Saskatchewan, this agreement brings benefits from new investments in IPSCO's steelworks here, and benefits from being home to a more stable workforce. Other Steelworker certified Canadian operations at IPSCO will also see new investment as well. And surely no one in this Assembly would object to that.

So, Mr. Speaker, it's a good deal for all concerned, and that's why I'm confident that all members of the Assembly will be able to support this legislation.

Now as regards the Bill itself, Mr. Speaker, a few points need to be clearly understood. We are dealing here with just one collective agreement. And by passing this Bill we can all show our willingness to support investment and jobs in the province.

In concluding my remarks, Mr. Speaker, I want to stress that the amendment before us contributes to labour relations stability in an important industry in Saskatchewan. It indicates our flexibility and our willingness in this Assembly to work with both parties to the agreement. It is an example of how Saskatchewan is investing in working people by responding to their needs. And it shows our willingness to support jobs and investment in the province.

This legislation will allow the five-year IPSCO-United Steelworkers collective agreement, which has benefits for all involved, to come into effect. And I don't think that hon. members in this Assembly can quarrel with the intent of the Bill nor do I think there is a simpler way to get the job done.

It is then, Mr. Speaker, my pleasure to invite all members to join together in support of this Bill. And in so saying, I move second reading.

Some Hon. Members: Hear, hear!

Mr. Aldridge: — Thank you, Mr. Speaker. It is my great pleasure today, Mr. Speaker, to express my full support, and the support of the Liberal opposition, for the IPSCO and United Steelworkers of America collective bargaining agreement Act, Bill 45. This Bill will approve the five-year agreement between IPSCO and the United Steelworkers, local 5890, ensuring stability for the business and the workers. In this case both parties want this contract and both will benefit from it.

As we all know, the Liberal opposition had raised some serious concerns with the amendments to The Trade Union Act as proposed under Bill 37. And those amendments would allow for extended contracts between unions and employers. But before such an across-the-board decision is made, more time would be needed to study those implications. But IPSCO and IPSCO workers don't have that kind of time. They have a five-year contract on the table and the delays caused by the three-year contract limits imposed by existing legislation are hurting the workers and costing them benefits.

As the Labour critic for the Liberal opposition, I'm happy to support a Bill that will secure a contract negotiated in good faith — a contract that is good for both the workers and the business. Seven hundred and fifty people will be covered under the IPSCO agreement. That means 750 secure, well-paid jobs. Workers gain significant bonuses, pension improvements, and pay increases. And, Mr. Speaker, I might add with respect to pension benefits, these are improvements to a fully funded pension plan as well.

The company gains stable employee-employer relations. I'm told that the current trend in the steel industry is towards longer-term agreements and they need stable employer-employee relations in these circumstances. A five-year contract allows IPSCO to plan its future and take advantage of current market trends. And it's not just IPSCO and the workers that benefit, a prosperous steel industry benefits all of Saskatchewan. That means significant spin-off effects for the rest of the economy. As we've heard the government mention this afternoon, the benefits are substantial to the province. So it truly is a win-win-win situation.

We are pleased to see that the government has finally acted to approve the IPSCO contract. The Liberal caucus was concerned about the delays caused by government legislation. When IPSCO and its workers ratified the agreement in January, they were demonstrating the true Canadian values of compromise and understanding, while I might add since then they've also exhibited a good deal of patience.

We're glad that the NDP government is finally doing what IPSCO and its workers have long said needed to be done.

In closing, Mr. Speaker, I would just like to thank representatives of IPSCO and local 5890 for their discussions with us in fully informing us of the impact of the situation. And I'd also like to commend them for those efforts.

And it's my pleasure to take my place at this time and allow this legislation to proceed without any further delay.

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, we certainly agree with the opposition and the government in terms of this piece of legislation. We believe it's good for the . . . good piece of legislation before the legislature today. It's good for IPSCO, it's good for their employees, and it's certainly good for the province's economy.

It provides IPSCO with labour peace. We understand that they are going to embark on many new contracts and future investment within the province. And that certainly is good for all concerned. It will provide labour peace. And we certainly congratulate the government on listening to the management of IPSCO, on bringing this important issue forward.

It also further illustrates that business and labour can make their own arrangements, further illustrating the futility of Acts like The Labour Standards and Trade Union Act, and one of the many reasons why those Acts should be repealed.

Business and labour can manage their own affairs without having to have the likes of the government involved in them, and I think this is clearly an indication that that kind of thing can be done. You can have harmony in terms of labour relations between companies like IPSCO and their employees.

So we fully support this piece of legislation and would want to see its speedy passage, and congratulate IPSCO on their future investment and congratulate the employees on their record of achievement in this regard as well.

Some Hon. Members: Hear, hear!

Motion agreed to, the Bill read a second time and, by leave of the Assembly, referred to a Committee of the Whole later this day.

COMMITTEE OF THE WHOLE

Bill No. 45 — An Act respecting a Collective Bargaining Agreement between IPSCO Inc. and United Steelworkers of America, Local 5890

Clause 1

The Chair: — I would ask the minister to introduce his official, please.

Hon. Mr. Mitchell: — Thank you, Mr. Chair. With me today is Sandra Morgan, the deputy minister of the department.

And while I'm on my feet, Mr. Speaker, may I formally and on the record thank the Liberal opposition and the Conservative opposition for the approach that they've taken with respect to this legislation.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 45 — An Act respecting a Collective Bargaining Agreement between IPSCO Inc. and United Steelworkers of America, Local 5890

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

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

STATEMENT BY THE SPEAKER

Substitution Motion Ruled Irregular

The Speaker: — Before orders of the day, the Chair has a ruling to provide to the House. Yesterday the Government Whip moved a motion proposing to substitute the name of the member for Regina Wascana Plains for that of the member for Moose Jaw North on the list of members composing the Special Committee on Nominations.

Paragraph 566(3) of the sixth edition, Beauchesne's, states in part that:

It is the Speaker's duty to call the attention of the mover and of the House to the irregularity of a motion . . .

After reviewing the *Journals* for February 29, 1996, wherein the original five members were appointed, I find that the Government Whip's motion is irregular — firstly, in that it purports to remove the member from Moose Jaw North despite the fact that he is not a current member of this committee; and secondly, in that the motion has the effect of increasing the membership of the committee to six in contravention of Rule 94(1), which stipulates that the Special Nominating Committee shall consist of five members.

I therefore rule that the Government Whip's motion is irregular and inoperable and order that it shall be of no force or effect.

Order.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Kowalsky: — Mr. Speaker, in the interest of open, accountable, and responsible government, I am pleased to submit the answer to this very penetrating question.

Some Hon. Members: Hear, hear!

The Speaker: — Item no. 1 is answered. The answer is provided.

SEVENTY-FIVE MINUTE DEBATE

Utility Rate Review Process

Mr. Gantefoer: — Thank you, Mr. Speaker. I am pleased to initiate the discussion on the seventy-five minute debate on the

issue of the public utilities review process . . . (inaudible interjection) . . . Mr. Speaker, I understand that everybody would like to go home after we've had such a productive day and actually moved a Bill, and I recognize the feeling. But I have to tell you that it has been an agreement that the House Leader and I have had that we would use the time for private members' day constructively and appropriately and allow members to have the time to debate issues that are before the province and this House.

Mr. Speaker, I think one of the cornerstones of the whole issue about a Crown utility review process has been outlined in many times and on many occasions, including the former premier of the province, Mr. Allan Blakeney, who said in 1996 that the government not only must have a fair and open review process, that they must consider reorganizing how the current process works in charging fair rates to customers.

It's interesting to note that over the past short while in the review process that's currently in place, there were, for example, six meetings held in the SaskEnergy around the province which involved no more than 70 people totally. And for the 1 800 information line that was set up in order to allow direct access by consumers, there were only 39 calls received, and there were two written submissions.

People, public groups like the consumers' association and the taxpayers' association, have called the review process nothing more than spin-doctoring by the government. The sparse and short attendance that we have on this thing seems to indicate that indeed this attitude is shared by the public because there's so little participation in the whole exercise.

Clearly this process is open to government manipulation. Because it seems that it is totally unfair when a Crown corporation compiles and packages the results, conducts the information for cabinet, and is the initiator of the whole process. Clearly people have voted with their feet and have shown their contempt for this process by staying away from it and not participating in it and by not giving it credibility in such a way.

It further builds the people's cynicism about this whole process when SaskPower president, Jack Messer, concluded that the public hearings were of no real value since there's no mystery that the general public does not like price hikes. So to have that kind of contempt of the whole process illustrated by the president of SaskPower, whose corporation is in charge of doing the process at great cost, we end up very easy to understand that the process is bogus because it doesn't do anything.

Public input is meaningless unless it is informed. And public accountability is meaningless unless there's a real possibility of changing the final outcome. The experience has shown that time and time again with this process, all that happens is we go through an expensive public relations exercise and at the end of the day the government simply rubber stamps what they were going to do all along.

You know, I find it very concerning that over \$600,000 was spent on the SaskPower review and that there was a further

SaskEnergy review which also would have cost a significant amount of monies; and that this money should have been better spent in either, number one, having a better and fairer and more open and accountable process, or number two, it could have been spent better in the general revenues of this province where they're sorely needed in many areas.

The SaskEnergy vice-president of gas supply, Ken From, in response to a question at a meeting in P.A. (Prince Albert) about whether public comments would be noted by the cabinet, stated he did not know how much weight public consultation would carry with the cabinet. What cabinet does is beyond the control of SaskEnergy. So the question is, is why the Crowns are spending money to find out something they already know and have decided before they ever left Regina for consultation.

It is interesting to wonder how long SaskEnergy and SaskPower are going to be out of sync with the rest of the industry. And we have to know if the figures and all the information that is being used in the calculation and justification of those proposed rate changes are indeed based on solid energy industry standards.

The importance and competence of this is so critical to what we're going to do, Mr. Speaker, if we're not only going to restore confidence of the people into our Crown corporations, we have to also know that the confidence of the people in their elected representatives is important.

Mr. Speaker, we've moved through various different models of reviewing the rate hikes of the Crown corporations over the years, and I think that every government has struggled with what is the most appropriate way of doing this, recognizing that what we have with our Crown corporations is in essence government monopolies. And so it's not that everything is operating in a free and open competitive environment, it's operating in a monopolistic environment that makes things a lot more critical for the consumers of this province to understand how this should work and how it can be done fairly.

We have to also recognize, Mr. Speaker, that some of the models of doing this review have proved to be very expensive and very cumbersome. And for that reason it is understood that we have to move to a system that recognizes the objectives not only of the government and the Crown corporations, but also legitimately recognizes the issues that have been brought forth and the concerns that have been raised by the stakeholders, the special interest groups, and the people of this province as well as the consumers of the services of the Crown corporations.

Mr. Speaker, CIC (Crown Investments Corporation of Saskatchewan) spokesman John Millar noted in the *Leader-Post* on February 12, '97 that a review of Crown corporations in '96 "found a growing demand for public scrutiny of the utilities, and that the Crowns need to increase their transparency when setting rates."

I know that it is true that the Crowns always say that they're in a competitive environment and that there has to be some discretion in terms of all the information that's put on the table, and therefore we need to come up with a meaningful review process that recognizes the privacy and needs for discretion, but also needs to have that transparency occur so that people of the

province recognize that there is a process of meaningful, true review of the requirements of a Crown corporation to request a rate adjustment.

And so, Mr. Speaker, what we would like to propose, because the government is constantly asking us what we would do instead . . . and so in this debate we want to indicate what we would do.

Mr. Speaker, we believe that we have existing people who have the confidence of the people of Saskatchewan. They're called the MLAs (Member of the Legislative Assembly) in this province, Mr. Speaker, and we represent every constituency, all parts of the province, and all political persuasions. And so, Mr. Speaker, I think that we have a good base about who should be empowered to review these rate hikes in the province of Saskatchewan.

And so what we are proposing is that there is a body to be made up of members of all parties of this Assembly to sit as a standing committee to review the rate hikes of the Crown corporations.

We think in addition, that there should be members added to this committee from various interest groups — interest groups like the Consumers' Association of Canada, the CFIB (Canadian Federation of Independent Business), the Saskatchewan Chamber of Commerce, the Canadian Association of Petroleum Producers, and the Saskatchewan Federation of Labour.

We believe that this body could sit whenever rate hikes were proposed by any of the Crown utilities and could call, upon request, such experts and independent consultants as may be required, to recommend if a proposed rate change should be accepted or rejected. That's the way the federal boards work, like the CRTC (Canadian Radio-television and Telecommunications Commission), Mr. Speaker.

The recommendations that would be made by this independent body upon reviewing all this information and researching all the input and receiving meaningful dialogue from the consumers, the recommendation as to the appropriateness of the price adjustment, Mr. Speaker, we believe should be binding on the utility unless directly overridden by the cabinet. Such a process, we believe, Mr. Speaker, would go a long way to overcome the cynicism that exists about the current review process.

And therefore, Mr. Speaker, I would like to move:

That this Assembly recognizes the government's current 45-day public review process for proposed rate changes for Crown utilities as nothing more than an expensive public relations exercise that lacks the confidence of the people of Saskatchewan; and further, urges the government to immediately establish a review committee consisting of members of all parties, as well as industry and consumer representatives, which would provide far more accountability than the current process.

I'd like to move that, seconded by the member from Saltcoats, Mr. Speaker.

Some Hon. Members: Hear, hear!

(1445)

Ms. Lorje: — Thank you, Mr. Speaker. The motion from the member for Melfort-Tisdale actually seems to have some assumptions built into it that are worth examining, so I am very pleased to be able to speak to this motion.

The first assumption that he makes is that utility rates ought to be publicly reviewed. I agree. But I also want to emphasize that it's not just publicly owned utilities that need to be under the spotlight. We've just come through a disastrous period of flirtation with so-called privatization, as if putting the profits and priorities of utilities into the hands of a concentrated few so-called risk takers is somehow going to magically solve all of society's problems.

The answer to that of course is borne out by the results. Here in Saskatchewan we're faced with the very real possibility that our Saskoil Crown, reincarnated as Wascana Energy, may be bought up by a multinational. Thank heavens we have The Wascana Energy Act so that we can at least keep the head office here.

We're proud of Saskatchewan and we don't want to become simply a branch plant for a multinational. Nevertheless, the experience with Wascana Energy should serve as a cautionary tale for privatization boosters.

Similarly in Ottawa we have our former royal post office changing rates, services, and terms and conditions without public consultation. And in Britain a few former water company executives have become instant millionaires with little or no effort beyond schmoozing with a few political cronies. All the while, their customers are paying more and more for less and less. If that's privatization, I don't think we're interested in it, thank you.

But let's start out with the assumption that the public, as purchasers of various utility services, have the right to demand greater accountability over rate setting of all utility companies, not just the publicly owned ones. Further, let's make the assumption that greater public scrutiny is necessarily a good thing.

That's a great leap of logic, as members know, having watched the spectacle of the old PURC (Public Utilities Review Commission) process in the '80s. That independent commission set rates that defied and denied the priorities of the government of the day. They set up a costly, cumbersome, litigious process that only let light shine in for a few consultants and experts.

The public was effectively shut out because the whole process became bogged down in detail, jargon, and technocracy. Anyone who ever sat through a PURC hearing, as I did several times in the '80s when I was on Saskatoon City Council, knows all too well the flaws and the wrinkles in the PURC process.

That point was driven home to me graphically this past January when I attended a seminar in Washington. The seminar was to

prepare utility companies — public, private, municipal, and co-op — for deregulation. These executives all agreed on one point: PURCs are costly and do not serve their original purpose.

One private electrical utility executive told me that a PURC hearing added hundreds of thousands of dollars of cost to his company, simply to prepare for the hearings. And it delayed any rate increases or decreases by several months. In the meantime his competitors had swallowed up his customer base, and all the advantage that he should have had by being nimble and flexible in the private sector was gone.

PURCs don't work in the States, they didn't work here, and we should be very leery of turning back the clock. The current motion implies that the current 45-day review process is an expensive public relations gesture. Nothing could be further from the truth. It is a genuine attempt — a genuine attempt, I say to the members opposite — to recognize that the public both wants and deserves greater accountability and transparency in the rate review process.

Some Hon. Members: Hear, hear!

Ms. Lorje: — It's experimental as yet. Only two utilities, SaskPower and SaskEnergy, have gone through the process. But we've already learned valuable lessons from the effort. The 45-day process is dramatically less expensive than the old PURC process. It is dramatically more accessible to the general public. Instead of formal hearings in closed, stuffy, smoke-filled hotel rooms that intimidate the average utility customer, there are easily accessible telephone concern lines.

There are four public hearings held during the 45-day process. There are public notices in daily and weekly newspapers. And there are numerous avenues available to the public to review the rate proposals and make comments.

After that the recommendations go to cabinet for final approval. The public has considerable opportunity to complain; the Crowns have considerable opportunity to explain; and the politicians have considerable opportunity to balance conflicting concerns and priorities in a way that reflects all sorts of agendas and goals, not just the narrow ones of the Crown utilities.

The process may still be imperfect. It's experimental, and it may need more refinement, but members opposite should give it a chance rather than running around pretending they've somehow found the Holy Grail. Their current proposal is no more a perfect solution than any that have preceded it.

If the ultimate goal is to simply freeze utility rates so consumers are always happy, then just say so. But if the goal is to have a healthy and forward-looking utility company that provides good services to the public, is fair and balanced in its rate structure, and provides the people of Saskatchewan with a reasonable return on investment, then we need to consider very carefully the process by which we review utility rates.

This current notion speaks to a LURC, a legislative utilities review commission. Curiously, that's exactly the notion that the third party put forward in the last session. I assume that the fact that the Liberals are now sponsoring this motion means that we

can look forward to more instant wisdom from the Grits that is actually nothing more than recycled Tory notions. That's me-too politics with a vengeance. Where's the leadership? Where's the vision?

And what would this so-called LURC accomplish? Well for starters it would likely end up being just as cumbersome and expensive as the old discredited PURC. It is naïve, members opposite, it is naïve to think otherwise. You can't set up a formal process like a rate review commission without also going the whole 9 yards and making sure the process is reasonable. There will be a duty to have a fair hearing, not just for consultants and experts, but for the little guys. There will be costs involved and the difficulty of choosing industry and consumer representatives in a fair and open matter.

There's a great danger that a LURC will become even more cumbersome and legalistic and consultant-driven, rather than consumer oriented. And it may simply become an opportunity for scoring political points rather than ensuring that we have healthy, competitive, public utility Crowns.

Now I'm not totally dismissing the motion from the members opposite. I think it has some merit, but I want to note that government is currently involved in a larger, more macro-oriented Crown review process. They're reviewing all options to keep the Crowns healthy and vibrant with a view to ensuring that the people of Saskatchewan get the best possible return on their investments regardless of ownership structure or challenges. The Crown review process is considering all these factors, and the matter of utility rate review is only one of those factors.

So I thank the members opposite for their suggestion, and I say it is a suggestion but it's only one. There's many others — there's PURC, there's son of PURC, there's LURC, there's even JURC, a judicial utility review commission.

There's still more options. We could refer the whole process to the existing Crown Corporations Committee. We could have more public meetings in the 45-day review process. Or we could have regular utility rate increases tied to the CPI (consumer price index). Even, heaven forbid, we could adopt the notion of privatizing everything and letting the free market decide how much consumers will pay for utilities. All options need to be considered.

So it seems to me that the best thing that this Assembly could do today with this . . .

The Speaker: — Order. The hon. member's . . . (inaudible interjection) . . . I will allow an amendment to be put, only if it's put directly now with no further debate.

Ms. Lorje: — I would make an amendment:

That we strike all the words after "this Assembly recognizes that" and substitute the following:

That this Assembly recognizes that various options to provide greater accountability and public control over utility rate reviews have been experimented with, including

the costly and cumbersome Public Utilities Review Commission; and that this government is to be commended for looking at alternatives to this process; and further, that this Assembly looks to the Crown review process for suggestions and ideas to provide even greater transparency and public involvement in the utility rate review process than is achieved through the current 45-day review process.

I move that, seconded by the member from Regina Sherwood.

Some Hon. Members: Hear, hear!

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to rise this afternoon and speak to this very important issue and, more directly, to speak to the amendment by my hon. colleague, the member for Saskatoon Southeast.

My remarks this afternoon, Mr. Speaker, will deal with this issue first from a historical basis, talking a little bit about the past historical developments in this area. I'll then talk a little bit about the current process that's in place. I will also, if time permits, talk a little bit about some . . . be talking about Saskatchewan Crowns review that took place and their comments on this issue, and go from there.

Mr. Speaker, Saskatchewan . . . First of all, in history, Saskatchewan has experimented with PURCs, types of PURC — mechanisms — in the past.

In March of 1982 the government of the day appointed Chief Justice Culliton, a one-person commission, to review SaskPower's gas and electricity rates and to consider opportunities for public participation in rate setting.

(1500)

The commission was just becoming operational when the election occurred in that year, and the commission was put on hold. And later in the year, after the election, it was replaced by a comprehensive Public Utilities Review Commission, chaired by Judge Ernie Boychuk.

This Public Utilities Review corporation, Mr. Speaker, was an independent body with the responsibility of overseeing rate changes proposed by the monopoly utilities in the province.

The government in place at the time hoped that the existence of such a regulatory board would oblige Crown corporations of Saskatchewan — mainly Saskatchewan Power Corporation, SaskTel, and Saskatchewan Government Insurance — to be more accountable for their rate changes to the people and at that same time, Mr. Speaker, provide an opportunity for the general public to express their concerns regarding any proposed rate changes.

Previously, as we're all aware, rate proposals were approved by the provincial cabinet which, according to the government, allowed for much political interference in the business of the Crowns. It was believed that the public wanted some kind of reassurance that rate setting was justifiable, and demanded to be more involved in the process. These public concerns resulted in

the establishment of PURC, in the PURC that I've just mentioned.

Judge Boychuk, along with members of the commission, listened as the Crowns presented their cases and ruled on whether to accept or reject the Crown corporations' applications for rate changes.

Mr. Speaker, the decisions made by PURC were originally intended to be final. However, as early as seven months after the first review meeting came into being, the government was already attempting to overrule decisions made by this Public Utility Review Commission. At least six times during PURC's existence, cabinet either overruled decisions made by the commission or ordered that specific rulings be made regarding the Crown utilities.

With this type of arrangement in place, government could blame the commission for decisions such as rate increases, and yet they could also step in and impose their power if public pressure became too strong.

Aside from these concerns regarding who had absolute authority over public utility decisions, Mr. Speaker, there were other problems that were beginning to become apparent as well.

The Consumers' Association of Canada, Saskatchewan Branch, expressed concern over the complexities of the process by which the Crown proposals were reviewed. The review process, Mr. Speaker, was meant to bring the public closer to the process. However, it did just the opposite. The proceedings became so complex and they were basically . . . that they were basically inaccessible to members of the public.

Large customers who could afford the legal fees had an opportunity to get their views heard by the commission, but the average residential and farm customer was unable to participate in these public hearings.

Mr. Speaker, another major concern was the rapidly increasing costs of the review process itself. In a letter to the chief of staff to the minister responsible for PURC, the Saskatchewan Power Corporation president at the time, George Hill, estimated that since the establishment of the commission, direct and indirect costs to the corporation, that is SPC (Saskatchewan Power Corporation), were approximately \$5 million, Mr. Speaker, not to mention the productivity lost to senior executives' time at attending meetings and other related activities.

For some time prior to the legislation being passed, the government had been suggesting that a regulatory board be established in order to protect consumers from the monopoly utilities.

However, after a brief rate freeze in 1982, some utility rates increased at a rate that was as much as two or three times that of inflation, Mr. Speaker. This did not fare well in the public eye, but of even more concern to the government was that the Public Utilities Review Commission had a very different objective than they would have hoped.

Early on in its existence, Mr. Speaker, it became apparent that

one major intent of the commission was to bring revenue to cost of services ratios as close as possible to the ratio of 1:0 — one point zero, pardon me. PURC was attempting to move the province away from cross-subsidization, whereby power bills of farm and residential customers were being subsidized by larger industrial customers.

These policies were not something that the government could publicly advocate, Mr. Speaker, if they wished to maintain the support of the electorate. In other words, the government had created a commission that was making policies the government itself could not live with, and it became time for change.

In the spring of 1987, as we know, Mr. Speaker, after approximately five years of existence, Bill No. 43 was proposed, An Act to repeal The Public Utilities Review Commission Act. There was little debate, Mr. Speaker, as to the future of rate regulation at this point. And in 1987, Mr. Speaker, the minister responsible for PURC, Gary Lane, announced the rescinding of the commission.

Lane stated the increasing costs and complexity of the review process as causes for this. Chairman Ernie Boychuk was given the responsibility of wrapping up PURC by October 1987. It was indicated shortly thereafter that the government would revert back to the previous rate-setting process, whereby cabinet reviews all rate proposals.

Mr. Speaker, the history of PURC was not a good one, or the experience of PURC was not a good one. Let's compare that with the current 45-day review process, Mr. Speaker, that currently has been adopted by the government.

Mr. Speaker, the commitment of the current 45-day review process requires Crowns to notify customers in advance before they can change utility rates, and provide at least 45 days for comment before the government can then make a decision on their rate applications.

This policy, Mr. Speaker, is one that also has other minimum requirements. These requirements require SaskPower, SaskTel, SaskEnergy, and SGI (Saskatchewan Government Insurance) that they shall notify the public of proposed increased utility rates at least 45 days in advance. The process shall also be applicable to all general, across the board rate increases for non-competitive services; i.e., those services where rates are set by the corporations themselves and are not negotiated to the consumer.

Public notice has to be given. After the corporation has reached the approval of the board for the rate increases and it has received CIC board approval to issue the notice, public notice shall consist of at least a public announcement by the Crown corporation, notices in the daily Saskatchewan newspapers and appropriate weekly newspapers, and notice, Mr. Speaker, in the *Saskatchewan Gazette*. The corporation applying for the increase shall be responsible for explaining to the public the reasons for the rate increase being requested.

The applying corporation shall also make appropriate provisions for receiving comments from the public about the rate proposal; respond, Mr. Speaker, to these comments,

provide a report to the CIC board and to cabinet which summarizes the comments of the public and the corporation's responses, and make this report in turn available to the public. The current process, Mr. Speaker, also requires Crowns to hold at least four public meetings during the 45-day review process.

Mr. Speaker, any rate review process should meet some minimum tests. They should be low cost, they should be accountable, they should be accessible to all stakeholders, and they should be timely, Mr. Speaker — that is, decisions should be made rapidly.

The current process meets these criteria; however it is not perfect — however this process is not perfect — and if talking about Saskatchewan's Crown Committee report takes this into

...

The Speaker: — Order, order. The hon. member's time has expired. Debate will continue.

Mr. D'Autremont: — Thank you, Mr. Speaker. It's a pleasure to enter debate today because perhaps as the member from Saskatoon Southeast says, we are searching for the Holy Grail. Well, Mr. Speaker, we don't need Sir Galahad to wander all around England because we have the solution. We have the Holy Grail here.

I'm very pleased to see that the members of the official opposition are proposing this particular piece of motion because it's an exact copy to Bills that we have presented to this House for the past three years. Although, Mr. Speaker, I think you have to recognize that a copy is never as sharp as the original. Therefore, Mr. Speaker, I would like to talk a little bit about the original.

Mr. Speaker, our proposal which the members of the official opposition have picked up on is to provide a legislative utility review commission because there is definitely a need for the public to have direct input into the operation of government . . . (inaudible interjection) . . . Now the member says that we have to have accountability — the member from Regina Sherwood — accountability, and that under the previous PURC, which was disbanded in 1987, that they were not accountable, that they were trying to make government policy while not being in the government. But under the LURC proposal that we have presented, Mr. Speaker, in legislation before this House three times, the accountability would be in place because, Mr. Speaker, we are talking about MLAs being the committee, a majority of which would be government members, Mr. Speaker.

So perhaps their Premier does not have the comfort and confidence in his back-benchers to not follow government procedures, that they would be going off in some direction as rugged individualists, which the member for Saskatoon Southeast likes to use for a term — rugged individualism. Perhaps that's what the Premier is afraid of — that his back-benchers will somehow, Mr. Speaker, become individuals, will speak up for their constituents and for themselves and not follow the party line.

I can understand that, if that's what the Premier is concerned about — that he might actually have some people on the back

benches who think for themselves, you know. And if that's his concern, then perhaps he is right to feel that way. I'm not sure that he has any of those, Mr. Speaker, but perhaps he does.

Mr. Speaker, the Provincial Auditor agrees that there is a great deal of concern to be expressed about the operations of the Crown corporations and their accountability and the methods they use to setting up their rate structures. The member for Rosetown put in place this 45-day review process as the head of CIC.

Mr. Speaker, everyone in this Assembly, everyone in the public, and everyone in the Crown corporations know and recognize that this is simply a sham. It is a false front on the decisions that have previously been made by the cabinet.

The member from Saskatoon Southeast says that it goes from the public to the Crown corporations to the cabinet for a final decision. No, Mr. Speaker, that's not how it works. It goes from the cabinet. The cabinet says: Jack Messer, we need some more money out of SaskPower. Now here's how you're going to do it. You're going to go out there and you're going to raise SaskPower's rates.

And so Jack then says, well I guess I got to do it. Crown corporations . . . CIC, needs a bigger dividend.

So he goes out and says, well we have to equalize rates. We have to raise up rates for residential, we have to raise up rates for farmers, we have to raise up rates for small business; so that we can bring in more money to pay a larger dividend to CIC which in turn rolls it over to the Consolidated Fund of government. It doesn't come from the consumer, Mr. Speaker. It doesn't come from the corporation. It comes from cabinet. And the corporation takes it to the public in their 45-day review process, and they don't say, what do you think of this. They say, here's a number to phone and we won't tell you why we're doing this. Don't ask us any questions. We can't answer questions, but we won't tell you how you're going to do this.

The fact is, Mr. Speaker, when SaskEnergy had their 45-day review process just a few scant months ago in Regina, — 180 to 190,000 people — they had 9 people came out to the meeting. And I happen to know one of the people that attended the meeting, and that person only wanted an opportunity to talk to the president of SaskEnergy — nothing to do about the rates. So it was not, Mr. Speaker, any sort of an exercise of public input and public consideration.

Mr. Speaker, the LURC process would allow members of this Assembly, who are already on the government payroll, who already understand the implications, who are responsible to their constituents, Mr. Speaker, to review the processes, to be able to ask questions related to the Crown corporations before they raise the rates, not after. Not a year later, not two years later, but before the rates are raised, Mr. Speaker, which is timely. That is timely — not two years later.

The Crown corporations would have to come before the committee and explain why they need the rate increase, and simply because their putting \$31 million down a tube in Guyana is not good enough, Mr. Speaker. Or because they lost \$16

million in a cable venture in the U.S., Mr. Speaker, is not a good enough reason for raising the rates in Saskatchewan to Saskatchewan consumers, Mr. Speaker.

(1515)

Mr. Speaker, the Provincial Auditor says that 40 per cent of the government's expenditures and budgets are not represented in this Assembly. Mr. Speaker, if there was a legislative review committee, I believe the members of this legislature would have an opportunity to review that 40 per cent before those rates are increased. And that's way, Mr. Speaker, this particular committee . . . this particular institution is needed, Mr. Speaker.

One of the things that a LURC would do, Mr. Speaker, would be to prevent the government simply raising the rates for revenue generation as it goes into an early part of a mandate, a four-year mandate, and then lowering those rates, or balancing those rates towards the tail-end to utilize . . . or make the public feel more comfortable about what is happening because they haven't had a rate increase for a year or so.

It reminds me, Mr. Speaker, of the SGI situation where the minister for SGI said, three years with no-fault insurance; we won't raise the rates. And then the minister is looking at raising the rates now, after two years — oh well, you have to include the time that we were thinking about it, Mr. Speaker. Well I'm not sure if he was. If that was the situation why we didn't get a rate increase the next year. Perhaps the minister doesn't think very long before he implements programs . . . (inaudible interjection) . . . As the member from Regina Victoria east, university area, is commenting, that was before the comet came.

Well, Mr. Speaker, I will not be supporting the amendment, but I will be supporting the original motion.

Mr. Thomson: — Thank you, Mr. Speaker. It's always a pleasure to follow up where the Conservatives have left off because I think it's important that we put things back in perspective.

Now I appreciated listening to the member opposite talk about a LURC, and I have to tell you, when it comes to lurking, that's one thing I have come to understand the Tories are good at. Whether it's lurking in the back rooms, the dark alleys of politics, they know something about this, but when it comes to protecting consumers and utility rates, I am not prepared to accept their advice, thank you very much.

Mr. Speaker, let me address the motion proposed, which the member from Melfort has put forward. And I'm going to stay extremely positive today as I address the good things that this government is doing to protect consumers. But it is important for us to take a look at what the Liberals', and I would say the Conservatives', alternative is here.

The Liberals are proposing a review commission consisting of representatives from three political parties, industry people, and consumer groups. Well this is a worst-nightmare scenario with this original LURC proposed by the Tories. It's based on the assumption that the public lacks confidence in the current 45-day review process. I don't believe that's true.

Let's just take a look at this. The argument the member for Melfort puts forward is that, because people do not come forward, they are not somehow confident in the process. Well how does this work? How can that be true? Is it not simply that maybe they accept that the decision is a good one? Is it perhaps what we call tacit consent? Or is it . . . I can even accept there may simply be a lack of interest. Lack of confidence, I don't buy.

Mr. Speaker, I think one of the reasons why the Liberals want to put this forward — and certainly we know why the Tories would — is simply for political grandstanding. This legislative review . . . utility review commission would be nothing more than a political soapbox for opposition members to stand up on and play partisan political games with.

They say that the reason we have the current process is because it serves the government's objectives. I challenge any members opposite to find a single government member that is happy about raising utility rates. There isn't one, not one. And when we support an increase in rates it's because it is in the best interest of the corporation that is run for the benefit of this province.

Mr. Speaker, I think that what we are dealing with here is not a problem with the process; what we're dealing with here is a problem that the Liberals and Tories have — been unable to score political points in terms of utility pricing in this province.

So what does their solution do? Well let's look at how they fix this. Accepting that they put forward this recommendation, I'll tell you what it does. The member from Melfort says that his process in fact will correct the spin-doctoring this government does. It will simply replace it with the witch-doctoring that the members opposite want to do. Because this committee will provide us with absolutely no new or credible process to deal with rate increases — not one.

What it does is it politicizes the process, for starters. It adds more politicians into the process, which I ask, how does that improve the impartiality of this committee? How does it improve transparency by giving Liberal representatives and Conservative representatives a soapbox? Well it doesn't. It has nothing to do with that. How does it improve accountability? How does providing an opportunity for the members opposite to stand up and grandstand improve accountability?

Mr. Speaker, one thing that we heard time and again during the Crown corporation review that the member for Regina Sherwood spoke of, is people throughout this province said they wanted to depoliticize this process. They wanted to depoliticize the way the Crowns are dealt with in this province.

I tell you that it is the most strange logic to say that the way you depoliticize the process is to add more politicians into it. Now how, by adding partisan representatives into a review process, do we depoliticize it? That is the twisted logic of the members opposite, Mr. Speaker.

Now they may say well, you know, but we'll counterbalance our own negative influence — the negative influence of the

Liberal Party and the Conservative Party — by adding in industry and consumer groups. Okay. I simply wonder though, by adding in the very opponents, special interest groups that we would have in this, by adding them onto the committee, are we not simply putting forward a mechanism where rather than dealing with what is necessarily right, in terms of a pricing structure, we will end up coming out with some sort of a compromise or a negotiated result that is simply politically correct.

Doesn't it simply put forward a scenario where we'll do more horse-trading, in terms of sorting out what the pricing should be? Or is it simply one where they'll stack the committee so we're constantly dealing with a minority report?

Mr. Speaker, the proposals put forward by the members opposite simply don't work. They're not particularly logical in terms of the arguments they've laid forward. Beyond that, I don't think they meet the tests laid out by the member for Regina Sherwood.

The key things that we have to look for in terms of utility rates, and the rates in particular, is they must be fair and equitable. I think they must be affordable and they've got to be sustainable.

An Hon. Member: — Justifiable.

Mr. Thomson: — And as the member for Saskatoon Southeast says, justifiable. Agreed. Certainly justifiable. So let's take a look at how this impacts on two of our most significant Crowns that are involved in the process right now.

SaskPower is facing deregulation of its market. The members opposite may disagree. We know the Tories agree with it because they're the ones who have set it in motion. Deregulation has meant, in order to get ready for that, we have to deal with what was always one of the pillars of the reason we had the Crown corporations, and that was cross-subsidization. Mr. Speaker, because of this situation moving towards deregulation, cross-subsidization has to be reduced.

Now let's just remind people what that is. We are dealing with a situation that for every dollar it costs to create the power, farms are paying 77 cents for a dollar's worth of power; residences are paying 85 cents; but the large commercial users are spending as much as \$1.20 for every dollar of power that they use. That's the problem that has got to be corrected.

This is the inequity. This is the unfairness of the system that has got to be straightened out so we can get ready for deregulation; so we can get ready to open up our market; so we can get ready to allow ourselves to compete in this new global market. That's the basic situation.

What we're talking about here also is a situation where we need to make sure — and I know the members opposite don't agree with this — but we need to make sure SaskPower remains a profitable Crown utility. Now the Tories would certainly, I think, prefer a model like we saw in Manitoba, which is where the Crown corporations are not allowed to run profits. They're essentially operated just as a non-profit organization.

It has led to a situation which simply means privatization.

Because if you do not allow a Crown corporation to operate in the normal business environment, if you don't allow it to capitalize and recapitalize and put money away now, it will have to be privatized to go out to the market to rebuild its infrastructure. This is a simple concept; a simple concept.

And if you . . . You may say it's not so. Simply take a look at Manitoba and what's happened with Manitoba Tel, I say to you, Mr. Speaker. Because that is a situation they found themselves in, with not enough money to recapitalize and as a result they had to privatize themselves. That was the Tories' alternative and I would argue that's the Liberals' alternative.

SaskTel's in much the same situation as they're moving into competition in their pricing structure. And I think it's interesting to look, to say, well what we need to do is to set up this legislative review committee because we can't trust the Crown corporations to be properly priced. Well SaskTel's doing a pretty good job if you ask me. They're doing a good job of looking after consumers. And we've seen that.

I think it's also a good sign that in fact our public utilities can compete in a competitive environment and I think we should take a look at that as we start examining SaskPower's situation and SaskEnergy's more closely.

Mr. Speaker, the other question which the members opposite do not address is if they are going to set up a utility review commission, does it simply deal with Saskatchewan's provincially owned Crown corporations and Crown utilities or does it also deal with all public utilities? Are we going to start calling the city of Saskatoon in before this to explain their pricing structure? Are we going to call in Swift Current? Are we going to call in every municipality to explain to us what is happening in terms of their water pricing? Or are we going to call in Williston electric when they start to sell power into this province? I'd like to know, what is the scope of this committee?

This is yet another half-baked Liberal idea which has not been thought out, which cannot be . . . It is simply as the member for Saskatoon Southeast said, it may be environmentally friendly because it's been recycled from the Tories, but I don't think that it is any better than it was when it was initially proposed. It's not workable.

Mr. Speaker, I would say . . . and I think the member for Saskatoon Southeast put this well — she said our approach to Crown corporation pricing is a macro-oriented approach. I would say to you that the opposition is putting forward a mackerel-oriented approach because it is a red herring that they are attempting to drag across the trail to detract from the real agenda, which is privatization. It is a privatization agenda they're putting forward. And if there is any doubt of it, I simply need to remind the Liberals of their leader and yet another of his excellent statements, the good Dr. Melenchuk, who says that he supports . . .

The Speaker: — Order, order. The hon. member's time has expired. Debate continues.

Mr. McLane: — Thank you, Mr. Speaker. It is indeed a pleasure to enter to this debate and in particular to the JURC's

proposal from across the floor along with the PURC's proposal and all those urky ones that we've heard about.

So of course we all realize that this 45-day review scam was started shortly before the last provincial election as an election ploy, along with several other things, Mr. Speaker, such as the hurt-is-over scenario in the health care system. We heard the Premier and the candidates around the province talking about that. We also heard about the balanced budget, Mr. Speaker, but what the government didn't tell us then either was that it would be the GRIP (gross revenue insurance program) money from the farmers of \$188 million would indeed balance the budget.

So as with those scenarios, Mr. Speaker, the 45-day review process wasn't very well thought out and there was no guidelines for it. Here we are some two years after the fact, Mr. Speaker, and still there are no guidelines and the process is just as meaningless as it was when the Premier announced it some time ago. Absolutely nobody, Mr. Speaker, is satisfied with this process, except of course the NDP (New Democratic Party) caucus. Cabinet certainly doesn't want to have a change because what the process boils down to, Mr. Speaker, is now that cabinet rubber-stamps the decisions that have been taken before the reviews even start. So that in itself creates the sham and the people of this province have seen through it a long time ago.

Since 1995, Mr. Speaker, three Crowns have increased their rates. In August 1996, SaskTel announced it would start charging for directory assistance, Mr. Speaker, if you can imagine. Just another indirect tax on the people of this province. This change raised an extra \$4 million annually, Mr. Speaker, on the backs of the people of Saskatchewan. Yet it was not subject to the 45-day review process, because in the government's view and in their words, these were special charges and were never intended to be reviewed. Very interesting.

No wonder the NDP did not issue any guidelines for the process when they made the promise in 1995. They wouldn't want any guidelines. This way the government is free to interpret and manipulate the process as it sees fit and as its interests dictate.

(1530)

The first actual encounter with the review process involved SaskPower, which in 1995 wanted to raise electricity rates by 11 per cent for residential customers and 14 per cent for farm customers so it could lower the rates for selected industrial customers. Once again, what this government has done there, Mr. Speaker, is it's pitted residential, farm customers against the industrial customers.

And of course we all know what happened in that process. Everyone was at each other's throats, to provide the environment for uncomfortable debate by many of these groups.

The first thing that we learned about this process, Mr. Speaker, is that it would be conducted by the proponent of the rate increase — a lot like, let the fox guard the chicken scenario, Mr. Speaker. SaskPower decided who would be consulted and what questions they would be asked. It was then up to SaskPower to

compile and package the results for cabinet consideration.

Now I'm sure when SaskPower came to cabinet and said well, if you want a nice tidy profit on the backs of the taxpayers of the province, then you'd better let us raise the hikes here and we'll get on with this . . . Don't worry about how the corporation is operating, Mr. Premier, Mr. Cabinet Members, just raise the rates and we'll get on with this.

The next we learn was that the term, public review, should not be confused with public consultation. SaskPower President Jack Messer concluded public hearings were of no real value since it is no mystery that the general public does not like rate hikes. Well the purpose of a review to me would be that if the public is to say we don't want our rates to go up, then let's not put them up. Mr. Messer says no real value to those comments. The public doesn't want it; they just don't understand the process.

This came from a public servant who stated that as president of a multibillion dollar company he has more important things to do than insure compliance with government disclosure requirements. He should maybe have talked to the Premier and the cabinet before he made that comment and saw what direction the people that have been elected by the citizens of Saskatchewan really wanted.

Instead of public hearings, SaskPower launched a massive advertising campaign to persuade the public about the virtues of rate re-balancing and invited feedback by way of a toll free line and questionnaires mailed to customers. It asked if people agreed if the corporation had a responsibility to prepare itself for the arrival of competition in the year 2000.

Well what a question to ask, Mr. Speaker — of course any corporation shouldn't have to ask its shareholders if it wants them to be ready to move into a new era.

Unfortunately, the company didn't bother asking whether we would prefer to have our 11 and 14 per cent increases phased in or imposed immediately in order for the NDP to avoid any rate increase in the second half of its mandate. If you have rate increase early in the mandate, nearing an election you don't have to have the uncomfortable situation of having rate increases.

The purported SaskPower review also taught us not to put too much faith in those who offer assurances that no decisions have been made. SaskPower minister, the SaskPower minister or the minister responsible for SaskPower said this is not a done deal. But 45 days later cabinet approved the deal.

Now, Mr. Speaker, this process, the review process for SaskPower, cost the taxpayers of this province about \$660,000. Now at the end of the review, Carole Bryant, the same Carole Bryant who received a 26 per cent raise in salary over three years, announced that the process would cost only \$500,000. Now there's a slip there of \$160,000 — about a 32 per cent difference.

Now how can people have any faith in a corporation that can't even figure what a simple half-million dollar survey is going to cost? How would they have any faith in those people running a

huge corporation that takes in billions every year, Mr. Speaker?

Saskatchewan is the only jurisdiction in North America that does not have an independent public utility review. And the question . . . it begs the question, Mr. Speaker, what makes Saskatchewan so unique that there is no need for an independent review. Surely it is not the Crown Corporations Committee, which the NDP caucus seems to believe is the only guardian of the public interest necessary against predatory utility rate increases.

But listening to the members opposite, Mr. Speaker, I wonder what the alternatives are. We've heard many proposals. We've even heard the member from Saskatoon Southeast talk about maybe even considering supporting our motion, but very quickly moves an amendment; so I guess that's out. But what the members opposite need to understand, Mr. Speaker, is that they are badly out of touch with reality. They are out of touch with what the people in the province want. The people in this province want services provided to them in an efficient and timely manner, and the members opposite don't seem to understand this.

So I'd ask the members to swallow their pride in the interests of the people and establish an independent body, which incidentally, Mr. Speaker, was advocated by the former premier of this province, Mr. Allan Blakeney.

Mr. Trew: — Thank you, Mr. Speaker. I'm very pleased to stand and enter this debate today in support of the amendment that has been put forward by the government side that basically, summed up, says that various options have been tried with respect to public review of utility rates, and that we will keep looking for ways of better involving the public and of better bringing on more transparency. And after all, that's what this legislature, I think, is all about here today, and certainly it's what we have been trying to do.

And it's in many ways a tough task, particularly when you have the public that understands that the job of the cabinet members and government in running the Crowns is to run these Crowns as efficiently and as effectively as they possibly can on behalf of the people of Saskatchewan, in the interests of those very people of Saskatchewan.

What this question is really all about is process. And if the goal is to get more effective public input, there's just two points that I wish to make. One, we have a process in place now that very much is attempting to do that. Secondly, with Saskatchewan Crowns we additionally have the accessibility of MLAs and cabinet ministers with respect to any decisions that those Crowns make. Not that cabinet ministers are ready to leap into the fray of daily decision making, but it is certainly a point of contact and ultimately we — that is, government, we legislators, we people of Saskatchewan — have the ultimate responsibility for how our Crown corporations operate.

Interestingly I haven't heard a single opposition member talk about petroleum prices or gas prices. And I wonder why there isn't a call for some sort of a public review agency into gasoline prices. This is a question that my constituents are concerned with, people all across the province are concerned with. I know

farmers are just heading into seeding, and I would be astounded if the oil companies don't follow the same pattern that they have for a number of years now, and that is a boost of 3, 4, 5 cents a litre in the price of diesel fuels, gasoline, and oil products.

But not a peep from opposition members about the oil cartel and about their gouging; not a peep about their buddies. It just strikes me as very odd that when we have a transparent, open, democratic process with respect to Saskatchewan Crown corporations, there's a big cry. And it's good that we should want to be more open and more transparent, Mr. Speaker. That's always a good idea. But it strikes me that with this balance we should also be pointing where there is real problems, where people are in fact being gouged on a daily day.

Mr. Speaker, it has been my pleasure to briefly participate in this, and as I understand it, we're about to head into question period which I'm going to be delighted to enter into.

Some of the questions that come to mind is, you know, exactly who is going to be on this committee? I see the member for Melfort in his motion . . . and I read the motion very carefully, and it looks incredibly vague to me. Who's going to be on the committee? Who's going to pay the salaries or the expenses or the retainers? What will this cost? And who will they report to?

We set up a handy-dandy committee. Well who does the committee report to?

An Hon. Member: — The House.

Mr. Trew: — The House, I hear the answer. The House. Well who does the cabinet ministers report to? The House. We have in Saskatchewan the most democratic process . . .

The Speaker: — Order, order, order. The hon. member's . . . the time for the 65-minute debate under rule 17 has now expired, and the House will now entertain 10 minutes, up to 10 minutes of questions and comments by members.

Mr. Thomson: — Thank you, Mr. Speaker. My question is for the member from Arm River. I listened to his comments with interest but I didn't understand — does he support the continued cross-subsidization and pricing scheme of SaskPower? And if not, if he wants to support the removal of it, what is his strategy to help do so?

Mr. McLane: — Thank you, Mr. Speaker, and thank the member opposite for the question. The thing that I do not support is the sham 45-day review process that your government has entered into.

It's proven that it doesn't work. The numbers of people responding to your survey indicate that the process is flawed and doesn't work, and the people see right through it. Six public meetings held around the province last month, it says in this article from the Regina *Leader-Post*, attracted about 70 people — 70 people, Mr. Speaker, is all that this process attracted. So what I don't support is this sham of a 45-day review process.

And, Mr. Speaker, while I'm on my feet if I may take the opportunity to ask the member from Saskatoon Southeast a question. If I was allowed to do that, Mr. Speaker, if I was allowed to do that, Mr. Speaker, I would have a good question to ask her and maybe . . .

The Speaker: — Order. The member's time has expired.

Mr. Gantefer: — Mr. Minister, I too would like to join in the question and answer period, and although we do get an opportunity to ask questions in question period, I hope that the members opposite will feel some of the frustration about not getting the answers they want.

Mr. Speaker, the member from Regina South made a point that I found just a little bit disturbing. Given the fact that we had the good fortune of spending approximately a year together on a legislative committee, he made the comment that a legislative committee is nothing more than a forum for members to grandstand, or something of that nature, in it.

And I do take some exception to that because we conducted a very extensive process in the Public Review Committee and the Public Accounts Committee that did not do that, that we operated very effectively. And I ask the member, how does he justify his remarks and his accusations given the record that we had on, for example, the Public Accounts Committee?

Mr. Thomson: — Thank you, Mr. Speaker. I'm happy to answer that question. I was in fact quite pleased with the strong chairmanship shown by the member from Melfort. Unfortunately the member for Thunder Creek was seldom able to contain his partisan bias as he probed into these issues and used the committee for his own soapbox. So I simply base . . . in fact I do base my comments on that evidence.

Mr. Trew: — Thank you, Mr. Speaker. I direct my question to the member from Melfort. Who exactly do you see paying for this public review committee that you have proposed? Where does the buck stop? About how much will this review committee cost? How do you see their expenses? Or are we going to have a number of people doing it out of the goodness of their heart, volunteering this? What's it going to cost and who signs the cheque? Where does the buck stop with this?

Mr. Gantefer: — Mr. Chairman, thanks for the question. I think that in my remarks the comments were very clear. The buck always stops in the democratic process in the legislature of the jurisdiction, and so the buck would stop with the provincial Assembly, as it does in other issues.

And when we propose that this be a committee of the provincial legislature, it would be comprised of . . . mainly of MLAs who are already, if you like, on the public payroll in terms of their remuneration being covered. And what we have to only consider is what additional funds over and above what would be required already by the members on both sides of the House being part of this committee.

We've suggested that there would be representatives from consumer groups, the oil and gas industry, and stakeholders of that nature. And there would have to be a remuneration for

those type of people. And that is only in comparison to the \$660,000 that is already being spent on this process right now. We submit it would be a more effective and less costly experiment than what we have right now.

(1545)

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the member from Regina Sherwood who seemed to be left out in the questioning, so I didn't want him to feel out of place.

I attended the Crown corporations review committee panel that was held at the University of Regina here last fall. And it was very interesting to note the comments made by Allan Blakeney, former NDP premier of this province. And while a number of times in debate in this House the members opposite rattle Tommy Douglas's bones, for somehow in this particular debate they ignored Mr. Allan Blakeney.

Mr. Member, how do you respond to Mr. Blakeney's comments that either a LURC or a PURC was indeed not perfect but needed in this province to review the operations and the utilities rates of the Crown corporations?

Mr. Kasperski: — I thank the hon. member for the question. I think in my remarks on the subject I would like to respond this way. That it's important to remember that any public review process of rates has to be low-cost, it has to be accountable, accessible to everyone, and timely. I think those are issues I raise . . . I think those are issues that have to be carefully considered when we do this. And in my remarks I made reference to the fact that the current review process meets most of these.

This is not to say, however, that this is not a perfect process that might not need some revisions. And I think during the task conference that the hon. member from Cannington talked about there were some issues and some suggestions raised about rate transparency and other things, Mr. Speaker.

My point is that this can be done without going to — back to — a full public PURC type commission and can be done cost-effectively.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, I would like to speak to the point raised by the member from Melfort where he makes a fundamental error, and a fundamental error in . . .

The Speaker: — Order, order. I must remind the member not having participated in the debate, he is permitted to put a question but not to make a comment.

Mr. Kowalsky: — Mr. Speaker, I want to ask a question of the member from Melfort with respect to his fundamental . . . a fundamental error that I believe he has made with respect to assuming who it is that is responsible for the affairs of operating the government.

Would you not agree, Mr. Member, that it is the — within the

British parliamentary system — that it is the people in this Legislative Assembly that make the laws and who then bear the responsibility by their virtue of their elected position. But when it comes down to the operation of the budget and the operation of the clowns . . . the Crowns, that under those conditions . . .

An Hon. Member: — The clowns?

Mr. Kowalsky: — Not just the clowns on that side, Mr. Speaker, not just the clowns on that side. The operation of our Crowns that that responsibility lies solely with cabinet, solely with cabinet who is then responsible to this legislature. And therefore your LURC, your proposed LURC would not be able to be responsible in any way because they cannot be accountable to anybody.

It is the Crown who is responsible, the Crowns are all responsible to the cabinet. Would you not agree with that?

Mr. Gantefer: — Thank you, Mr. Speaker. It's always a pleasure to answer questions. Ultimately in my opinion — and I don't really want to get into a parliamentary debate — but executive council is in addition answerable to this Assembly. All 58 of us ultimately are the Assembly who are answerable to the people of this province.

And so there is no way in my mind that you cannot ultimately say that this Assembly is ultimately responsible. And by making this committee a part of the Assembly, answerable to the Assembly, we would then be in a position to make sure that's done right.

The recommendation of the committee would be binding unless the cabinet directly overturned it. That was proposed in my questions as well so it allows for that ultimate executive decision making in order to overturn the decision of the committee if that was necessary.

Mr. Johnson: — Thank you, Mr. Speaker. I'd like to pose a question to the member from Arm River whether or not his remarks in the Assembly on this particular motion were not supporting his leader, Melenchuk, in basically suggesting the sale of the Crown corporations, and has very little to do with the actual pricing of the product being delivered.

Mr. McLane: — Mr. Minister, thank you for the question from the member. Mr. Speaker, the debate in here today is really about the public review process and how indeed it is a flawed one. We've talked about the cost of the SaskPower fiasco, I guess, to the tune of \$660,000 of taxpayers' money to do what, Mr. Speaker? To have the people tell SaskPower they don't want their rates increased and then go ahead and do it anyway? So I think the whole process is flawed and the debate here is about what's to replace the process of the 45-day review.

And I haven't heard the members opposite give us any concrete ideas as to what will replace that sham, and the people of Saskatchewan would probably like to know what's going to happen.

The Speaker: — The time for the rule 17 debate has expired. All hon. members will be encouraged that we'll be able to do

this again in two weeks.

Before proceeding I do want to correct a procedural . . . an advice in procedural error that I made when the hon. member from Prince Albert Carlton stood. The hon. member . . . I advised the hon. member from Prince Albert Carlton that because he had not participated in the debate he would not be able to make a comment, and it was the Chair's error in doing that.

Under rule 17 all hon. members may make a comment or ask a question, but questions can only be directed to those members who had participated in the 65 minute debate. And I want to clarify . . . Order. Order. Order. Order. Order. All hon. members' comments are appreciated, but not at this moment.

I do want to advise all hon. members that His Honour the Lieutenant Governor is here to provide Royal Assent. Order.

ROYAL ASSENT

At 3:53 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 45 - The IPSCO Inc. and United Steelworkers of America, Local 5890, Collective Bargaining Agreement Act

His Honour: — Under Her Majesty's name, I assent to this Bill.

His Honour retired from the Chamber at 3:55 p.m.

PRIVATE MEMBERS' MOTIONS

Motion No. 1 — National Transportation Policy

Mr. Whitmore: — Thank you very much, Mr. Speaker. I am very pleased today to put forward a private members' motion dealing with the area of a national transportation policy, Mr. Speaker. It's sadly lacking in this country, Mr. Speaker. I will be putting forward a motion that will be seconded by the member from Weyburn-Big Muddy after the end of my speaking this afternoon, Mr. Speaker.

So with that I would like to go into the discussion of why we need a grain transportation policy, or a national transportation policy. I want to focus in the area today, Mr. Speaker, in the area of grain transportation. And when we get into the discussion of grain transportation, Deputy Speaker, the questions always arise as to what's happening now, and dealing with the things that are going on, as an example, with the slowness of grain transportation in the western Canadian provinces right now.

But I think it's important when we come to talk about why we need a transportation policy, is to review the history of what's gone on in the area of particularly grain transportation, Mr. Speaker. And I have had the opportunity, I guess, over my brief career in terms of being involved in farming, to be involved in farm organizations that have been involved in the discussion of

grain transportation.

In the discussion when we talk about it, Mr. Speaker, or Deputy Speaker, is a question of philosophy. It is a question of protection; protection of grain producers who move the commodity. What we have seen, Mr. Speaker, over the '80s and into the '90s is a move towards deregulation. And I say, Mr. Deputy Speaker, a move towards no protection for producers.

When one looks back historically, and I go back to the Crow debate that took place in the early '80s and the discussion there, and I don't know if members can remember what took place then in terms of the discussion, but at that time, the Liberal government at that time, under the federal minister of Transportation, Jean-Luc Pepin, proposed major changes to the Crow program that was established in perpetuity in 1897.

Under the recommendations that were taking place at that time, Mr. Speaker, Deputy Speaker, was a change to the system by which we would have deregulation. At the same time there was a move afoot to take away the protection in the area of branch lines; to take away that protection. And one has to note that in the '70s the protection to the branch lines occurred and were protected to the year 2000. And that was a recommendation of the Hall Commission report in 1974. So these are very significant things that are going on simultaneously.

Dealing with the Crow debate at that time, we had a system by which farmers were protected on a distance-related rate to move their commodities from western Canada. And it was good protection in terms of moving those commodities. I grant it things have changed since then, but that was what existed at that time.

The discussion then was, where do we go from here? Well the Liberal government took it upon themselves to deregulate the system. By opening the door, by taking away that protection, when they did that, by taking away the protection, Mr. Deputy Speaker, is that with that farmers were faced with the doors coming open, with the discussions on whether there should be variable rates and how those variable rate discussions should take place.

(1600)

The question of method of payment which we've had recently in terms of the final decision by the federal government in 1994 and '95, those discussions took place initially at that time, Mr. Deputy Speaker. And involved in those discussions was also the question of protection of the railways and who was . . . the question of penalties and moving of grains and things like this and who was responsible.

I remember that discussion very well. When the federal government at the time under Jean-Luc Pepin brought down their final draft legislation at that time, what they talked about, talked about variable rates, is that we would move into a variable rate system. It talked about method of payments to producers and it talked about where would we go bases the branch lines in terms of deregulating them at the same time. It was the start towards the lack of protection for prairie producers.

And I don't know if people remember at that time what was taking on in the province of Saskatchewan in 1983 in terms of those discussions. I don't know if anyone remembers the slogan that was used at that time when we're entering in the discussions of the Crow debate. The question . . . The slogan that was used at that time was: keep the Crow, let Pepin go.

And at that time producers were very fearful of these changes, particularly the question of the method of payment to producers. That was deemed at that time in history, Mr. Deputy Speaker, is that if you went to the method of payment to producers, farmers would lose their protection in terms of moving those commodities. That was always the argument — always the argument — and that argument continued to 1994, Mr. Speaker.

The interesting thing is is when we did change the method of payment that was changed by the federal government that the producers face, is now we have the deregulated system. And I don't want to say any more in terms of the condition by which grain is now moving in Saskatchewan, which is absolutely terrible.

So when we move into this area when I was talking about, before I digress, is at that time when they talked about the method of payment of producers, producers and people in the province of Saskatchewan rose up against that. There were petitions signed around the province by people in small communities, by farmers or whatever. And do you know how many individuals in this province signed that petition, Mr. Deputy Speaker? — 115,000 people signed those petitions.

I had the opportunity, I had the opportunity at that time to be part of a group of individuals who flew down to Ottawa to present those petitions to the federal minister of Transport at the time. And at the same time when we flew on that plane, Mr. Speaker, it was very interesting to know who was there representing the political parties. At the time a member of the Tory caucus, a Mr. Hepworth, was attendance by the Tories; by the NDP official opposition at that time, it was a Mr. Engel, was representing the NDP. And do you want to know who was representing the federal Liberals . . . or the provincial Liberals at that time in terms of that discussion? The representative of the provincial Liberal Party at that time was Ralph Goodale, Mr. Deputy Speaker.

And in the confines of those, in the confines of those discussions that took place where we had discussions with the minister at the time, Jean-Luc Pepin, and when the petitions were presented, all three parties also spoke at the same time, and all three parties spoke against the method of payment to producers. They all said the same thing, because it would take away the protection of grain producers in Saskatchewan. They were all saying the same thing, particularly the leader of the provincial Liberal Party at the time, Ralph Goodale. Now that's very interesting, Mr. Deputy Speaker.

I was happy to say, with the petitions, it changed the government's mind of the day, federally, not to make the method of payment change. So there was a small victory that occurred at that time which maintained protection for farmers in

grain transportation.

So after that we came with the new Act. And the interesting thing too, Mr. Deputy Speaker, the minister that finally put through the legislation in the House of Commons was Mr. Axworthy, now the present Minister, Liberal Minister, of External Affairs — another Liberal connection.

Now we move into the Tory years, both federally and provincially. But when we're going through this, what took place at the time was in the area of variable freight rates. We had hearings that took place at the time. For any grain company that wished to apply . . . or I should say that the railway companies wanted to apply for increased rates, or I should say, decreased rates on certain lines or certain points, they required them to go to a committee by which it was discussed. It had to be agreed upon by the committee. There was a hearing process that was involved and farmers participated.

And I had the opportunity to attend many of those hearings. And farmers could say whether it was good or bad and there was a decision-making body involved. But it still had an element of protection there for the producers.

Throughout the '80s and into the early '90s there was a discussion of whether there should be further deregulation. The argument was, from the other philosophical side, deregulate the system. We don't need the controls. The system will work absolutely fine with no controls. That's what we need. North Dakota is the example of the northern states. We needed a system of deregulation. We will move all the grain, great things will happen, improvements will happen to the grain transportation system, and away we go.

That was the argument over and over again by the western wheat growers' association, the flax growers' association, the canola growers' association, the cattlemen's association. And particularly the cattlemen's association because they deemed it, if it got too costly to move the grain out of Saskatchewan, he had a mountain of barley that was very cheap to feed. That was the theory. That was the theory in the '80s of why we needed to go to deregulation.

So there are a great deal of discussion that took place at the time, Mr. Deputy Speaker, with provincial governments and federal governments of the day in terms of dealing with the question of deregulation. It was a slow process, but it was an important process to try and find the best way to deal with these conflicting views.

But we had a government that changed, Mr. Speaker, in 1993. The Liberals came back. The Liberals who had initiated the program in the early '80s came back to finish the job. They came back to do the same thing. So what happened then is that when we went to this, Mr. Deputy Speaker, in terms of the question of deregulation, the Liberals went from half speed, that was going by the federal Tories at the time, to full speed.

We saw several changes, Mr. Deputy Speaker. They proposed major changes to deregulation of the system. One major change was to do away with the western Grain Transportation Agency which monitored, which controlled grain transportation in

western Canada. Gone, all under the national transportation authority which had no power, which left the system wide open. It opened up the system to the change of the method of payment, where everybody said everything would be wonderful and we would see diversification and great changes in terms of crops.

But historically, before the change took place, we've already had the boom in specialty crops, Mr. Speaker. We've already had the growth in the livestock industry. And the argument was, well you needed to take it away in order to have the growth. We already had the growth before the change.

So we take away the method of payment and we bring in the deregulated system by which now the railways are faced with no one to go to, in terms of producers' standpoint, that they can be said, well what's going wrong here? There's no way of credibility for producers to have a place or a forum by which they could talk about it. The deregulation is now in effect.

Within the deregulation system that's taken place, as I spoke of earlier, branch line abandonment and the protection to the year 2000 on branch lines in this province. Branch lines 2, a branch rehabilitation program, Mr. Deputy Speaker, that was bought and paid for by farmers as taxpayers in this country for the branch lines in this province.

But do you know what happens with deregulation? They've now made it easier for the railway system to get rid of the branch lines. They've lifted the year 2000 scenario.

So when you see this take place, Mr. Deputy Speaker, the protection is now gone. Always when we got to the question of the argument of the philosophy basis, deregulation and regulation, everybody said the system would consolidate over time; it is a natural thing that takes place. It has always been the question of pace — pace to allow for proper transition for producers to deal with the change.

Mr. Deputy Speaker, when we saw the deregulation of the transportation system, the pace has just gone crazy. It's going to be very difficult for producers now to deal with the changes in terms of the changing in the grain handling system.

An Hon. Member: — Fearmongering talk.

Mr. Whitmore: — Mr. Deputy Speaker, I don't know what it is I do. I literally don't know. But every time I stand up and speak, I always have the member from Thunder Creek and I always have the member from Wood River replying to what I'm saying. And I just don't understand. I'm being very . . . Mr. Deputy Speaker, am I not being very calm today in the House? Am I not being, you know, very calm?

An Hon. Member: — And reasonable too. You've been reasonable.

Mr. Whitmore: — Does the member say that I am a reasonable individual? I do digress a bit.

But the question of fearmongering. Mr. Deputy Speaker, look at the system that we have right now. I tell you if producers had

not made the changes to specialty crops and to other crops that are now moved by other means of transportation, by the trucking industry, the system right now couldn't handle all the grain if these changes hadn't taken place. And the argument always had been, Mr. Deputy Speaker, that the system would handle it, we could do it with consolidation, the . . . I sat in meetings where presidents of CN (Canadian National) and CP (Canadian Pacific) said, we can move all the grain any time. And they're not doing it.

An Hon. Member: — Why don't you go after them?

Mr. Whitmore: — The question is asked: why don't we go after them? My question is why doesn't Ralph Goodale go after them?

Some Hon. Members: Hear, hear!

Mr. Whitmore: — He stands up in Moose Jaw yesterday, he stands up in a riding that is . . . I don't know if the member from Thunder Creek was there or not, but the question was asked, is he going to impose penalties and fines or rewards to the railways? Yes, sometime, but not now.

Well maybe after an election. Maybe in July when the Canadian Wheat Board has moved all the crop. And you know the other thing when we talk about deregulation in the Grain Transportation Authority, and always my favourite subject, is that within the guise of this is also the deregulation of the marketing industry.

The Canadian Wheat Board is being blamed for part of the problem. Mr. Deputy Speaker, the Canadian Wheat Board is the one who's made the sales. The Canadian Wheat Board is the one who that had the foreign ships sitting in Vancouver ready to be filled, Mr. Deputy Speaker. It's the Canadian Wheat Board that had the sales ready to go for a crop that had been a little bit disappointing in terms of quality. The Canadian Wheat Board has sold it, and the railways have not delivered on their contract commitments. And I don't know what you do when the Minister of Agriculture in this government . . . in this country says we're going to act on it later. We're going to act on it later? I don't know. I don't know, Mr. Speaker.

As I said, this has been an argument on basis of philosophy. But not to leave the provincial Liberals out of the argument, not to leave the official opposition out of the discussion, Mr. Speaker, when we were home talking to our constituents during the Easter long weekend and talking about the wonderful budget that our Minister of Finance had brought forward, to people in rural and urban areas, what did the Leader of the Official Opposition, Dr. Jim Melenchuk, say about this?

(1615)

He said that, you know, well there was a plot afoot. There was a plot afoot by the members of the third party — the four farmers and the teacher — and the members of the government, to talk about the problem of grain transportation and not moving the grain. And what did he say? He said, oh, terrible. We couldn't get our throne speech off, we couldn't get our reply to the throne speech off.

My question becomes, Mr. Deputy Deputy Speaker, the question becomes then, what's more important to the official opposition? The question they couldn't get the reply off or the question of sending a message to the Prime Minister, who was in Saskatoon that day, that grain was not moving in this province and we needed to do something about. It's a question of priorities, Mr. Deputy Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Whitmore: — Where are the priorities of the provincial Liberals? As we will outline later on as a government, Mr. Deputy Deputy Speaker, we do have a strategy that we will be talking about in the not too distant future which talks about a transportation plan; which talks about protecting grain producers and other people who move commodities in this province in a partnership arrangement — an arrangement that will work in spite of what the federal government wants to do. In spite of it, we will do things that are positive to move commodities that are important to the people of Saskatchewan and to the grain producers of Saskatchewan.

And people might add, well why would a member from an urban-rural seat from Saskatoon talk about grain transportation? Mr. Deputy Deputy Speaker, we have commodities that are around the city of Saskatoon that lead to its growth and its economic boom, like the canola crushing plant which provides opportunities also to the people of Saskatoon, not just the producers of Saskatchewan. We have several potash companies around that are mining around Saskatoon, Mr. Deputy Deputy Speaker, that are providing economics to Saskatoon and to the people of Saskatchewan.

We are seeing other things in terms of greater amounts of grain transportation taking place around the city of Saskatoon. We see a major oat processing plant being established north of Saskatoon, Mr. Deputy Deputy Speaker.

Saskatoon is at the hub and at the centre of what's going on when it deals with commodities that are moving for the people of Saskatchewan. That's why it's important to me, Mr. Speaker, and that's why it's important to my constituents — because it plays an important role in the economy of Saskatoon.

So, Mr. Speaker, I'm very pleased to participate in this debate today, and I would like to put forward this motion, Mr. Deputy Deputy Speaker. I move, seconded by the member from Weyburn-Big Muddy:

That this Assembly urge the federal Liberal government to develop a comprehensive national transportation policy, in cooperation with all levels of government, and that it provide funding to the program.

I so move, Mr. Deputy Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Thank you, Mr. Deputy Deputy Speaker. I'll make a few comments just on the member from Saskatoon Northwest's speech. Or I guess that would be called a speech —

it was more, I guess, like a bit of a history lesson.

And you know, Mr. Deputy Deputy Speaker, when I first took a look at the motion that he was bringing forward, I thought, you know this isn't bad. And in fact last night when I was doing estimates with the Highways minister, I said, you know with the way this motion reads and where I thought it was going, we have no problem supporting this. And in fact, we will.

But I think what was disappointing was the fact that the member didn't get into what he should have I think gotten into with this motion. So I'll have to I guess do his job for him, what he was trying to get out.

This history lesson that we were just given though, about reliving the Crow debate, talking about method of payment, deregulation, I wonder if the member at some point would try and explain how he can give us this lesson about how we should never have made these changes, and then at the end of his speech he gets into all the benefits that Saskatoon is finding itself enjoying through agri-business that's growing in the city through oat processing plants, specialty crop booms, intensive hog operations, feeder associations popping up. Now how do you really think that came about? And perhaps it came about because there was change.

So there's no sense living 15 years ago and saying we should never have changed it, and then talk about how as a government you're now enjoying some of the benefits of what happens, or what business can do for our province once you allow this change to occur.

And sure, there's some painful parts in getting from one location to the other, as far as somebody had to give, there had to be some serious changes made in farming operations. But it's for the better, and that's proving itself out in the amount of taxes that you're able to collect as a government from these increased businesses.

Is the member wanting to introduce guests? Okay.

The Deputy Speaker: — Why is the member on his feet?

Mr. Van Mulligen: — Mr. Deputy Speaker, with leave of the members, to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Mr. Deputy Speaker, contrary to media reports that all of the state of North Dakota has been shut down by a storm this last weekend, there is in fact a portion of the state of North Dakota, especially in the north-west part around Williston, where people are able to get around.

And we're happy to hear that, because we have with us today a group of visitors from Williston, North Dakota. In particular, they're a group of grade 7 and 8 students from Newport School in Williston. There is 21 students. They're accompanied here today by their teachers, Art Gutschmidt, Isabell Owan, Marilyn Ackerson, and also accompanied by Chuck Allison.

And I wonder, Mr. Speaker, if all of the members might join me in wishing our guests, our American visitors, a very warm welcome to Regina and to Saskatchewan this afternoon. Thank you.

Hon. Members: Hear, hear!

The Deputy Speaker: — Why is the member for Cypress Hills on his feet?

Mr. Goohsen: — By leave, Mr. Deputy Speaker, to introduce guests.

Leave granted.

Mr. Goohsen: — Thank you, Mr. Speaker. I would like to join with the members of the government in welcoming people from the United States, from North Dakota. We certainly sympathize with you folks and the bad storms that you've had and the terrible blow that it will have to your economy.

You will know though that we do have the Rafferty-Alameda dams in place so that we will help to keep Minot from flooding and keep some of the water out of the Red River Valley system so that you won't wash away altogether.

We're hopeful though that the floods don't happen and that you can seed your farm land down there this spring, and we do more hope immediately that you have a pleasant stay here in Regina. Enjoy yourselves.

We do have a mall as well and the tax did go down a little now so that you will be able to afford to shop a little more. So have fun, enjoy, and welcome to the Saskatchewan . . . We are what you would call Republicans, so we were happy to see your governor a few weeks back.

And we are taking notes from the governor who showed us how you can in fact come back and win even when you're down, and so we're on the way up. So thanks for coming.

Hon. Members: Hear, hear!

The Deputy Speaker: — Why is the member for Athabasca on his feet?

Mr. Belanger: — To introduce guests.

Leave granted.

Mr. Belanger: — Thank you, Mr. Speaker. On behalf of the Liberal caucus we would also like to invite our American visitors and hope that your stay in Saskatchewan is both pleasant and also you spend a lot of money shopping here.

We do know what snowstorms are all about. Saskatchewan has been known to suffer through a great amount of snowstorms in the past and of course we're all used to it.

So once again on behalf of the caucus, thank you for visiting us and we hope your stay is pleasant.

Hon. Members: Hear, hear!

PRIVATE MEMBERS' MOTIONS

Motion No. 1 — National Transportation Policy (continued)

Mr. McPherson: — Thank you, Mr. Deputy Deputy Speaker. I won't waste any more time on commenting on the member from Saskatoon Northwest's speech.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Only to say that, in substance, to say that he I think at some point should explain to the rest of the colleagues over there where he really and truly is at. You can't be in favour of the results of something and then say, but it should never have come about.

But here I think is what he should have done in his speech when he's going to put forward or ask for a national transportation policy. And I think to have such a plan it's going to have to consist of . . . well it's going to have to consist of railroads, highways transportation, and the people that work within those systems. So those three components for sure have to be dealt with.

And let's go over some of these. I mean it's clear to everyone that the railroads, the railroads, you know, in Saskatchewan, they have the ability to move a far greater amount of product in this province than any other mode that we have, especially in the adverse weather conditions that we sometimes experience, and especially this spring again with the flooding and such. And so I think we must keep the rail system going.

And so this is going to be one part of this transportation plan. I take it that's where he wanted to go or what he's meaning with this motion that he's bringing forward.

Now I guess if we take a look at where the railroads and the branch lines are going today . . . and I had hoped that they would take the same action that we took as a caucus and be somewhat proactive and encourage the federal government to move in certain ways. And we have done that.

Firstly, if you take a look at the announcement of a few days ago of some of the proposed abandonments coming over the next three years, instead of sitting back and not doing anything except complaining, complaining, complaining about what the federal government is doing or should be doing, take a little bit more constructive action, I would ask, and . . .

An Hon. Member: — Do something positive.

Mr. McPherson: — Yes, do something positive. And that's what I thought what the motion was going to deal with and we would all see eye to eye and perhaps send the *Hansard* to Ottawa and show that Saskatchewan is fully united in putting together a comprehensive plan. And I think we can still do that.

But you know, I think you're going to have to get sort of above

and beyond this history lesson of yours and get right to the point of where are we today and where we're going to be in the next 15 or 20 years, and not what happened under, well whoever he was talking about — Pepin. And you know, that's getting a little old, I think.

But if we're taking a look at the rail system today, firstly the billions of dollars that were spent in upgrading our main lines, Mr. Deputy Deputy Speaker, and our branch lines, we know that they would probably last 40, 50, maybe 60 years with little to no maintenance. And our highway system — and I'm glad the Highway minister is now here to listen — but the highway system will not last, I'm sure, more than a few weeks if you put a large increased amount of traffic on these roads.

In fact, as we discussed in estimates last night, I don't know, probably a few hundred calls that I passed on to him last night through the pothole patrol line, I think that's evidence that our highway system isn't handling the light-duty traffic and the car traffic, let alone getting more product, grain product on those highways.

Now these rail beds today, like I was saying, it really is showing itself in the south-west where in fact we've had all the flooding. The highways are in horrible condition. I noticed in your highway plans, there are no plans to fix up anything in the south-west. There should have been, especially with this announcement the other day that the lines in the constituency that I'm in, of Wood River, is really adversely affected by these announcements.

(1630)

And, Mr. Deputy Speaker, I enjoy of course all the heckling, but it's hard to even concentrate on a thought. Perhaps if they would listen for awhile, we could talk about some constructive stuff, and what I'll do is step them through what some of the feelings of the people are out there.

Now what happened with this announcement the other day . . . And I have a map that was given to me by the Wheat Pool committee in my own area, and they've done an amount of work on some of the branch lines. And could I send this across please, over to the Highways and Transportation minister, and that way they could follow along and try and get some understanding as to how serious this problem is, especially from the perspective of somebody living and working and farming in the south-west, and try and be somewhat sympathetic to what's happening down there.

If you take a look at the map, Mr. Minister, on one side you have the '96-97 Vancouver freight rates, and on the other side are the projected freight rates . . . (inaudible interjection) . . . Pardon me, Mr. Minister . . . (inaudible interjection) . . . Right, and that's what I want to talk to you about.

Now if you take a look at some of these lines that are going to be abandoned and the fact that in these same areas . . . now we're talking about from Val Marie over to the community of Consul, that entire south line going. And also from Mankota over to south of Assiniboia . . . (inaudible interjection) . . . Well I'll let you join in and you can tell me all about that line soon,

Mr. Member.

But if we take a look at these lines in particular, can you imagine, Mr. Minister, what's going to happen, you pull those lines out. This one line from Val Marie to Consul, it's somewhere 7 to 8 million bushels of product that has to go up by truck then, and of course it's not going to be stopping on the . . . you know, I doubt if very little benefit will accrue to Shaunavon, say. Once it's loaded on a truck and going through, it'll go right up to the main line. And we know full well what will happen shortly thereafter is that that entire line is going to be gone. And this, Mr. Minister, is something that I know you realize is that our highway system can't handle that. That's why I think there's only one option.

That option is to slow up some of the things that are happening today and see if we can't get a short-line or a regional railroader in that south-west area. But they're going to have to take over a line of a size that is profitable.

And this was our concern, and I've raised this with you before, and I've raised it with the federal Minister of Agriculture and Food, Ralph Goodale . . . (inaudible interjection) . . . Well, and just for the member's own information, I will send him a copy of a letter that I sent to Mr. Goodale only days ago and showing the concern that our caucus has — the member from Thunder Creek and myself especially because we are so negatively affected by not only your announcements but rail line abandonments — and I think the letter speaks for itself.

What can't happen, in our view, is that these rail lines can't be pulled apart piecemeal. If you're going to take these branch lines and pull them apart 25, 50 miles at a time, what you're really doing is then taking all the ability away from short-line and regional railroaders to come in and look at this as a viable option in all of the south-west.

Now we raised this at the end of January with the federal Minister of Agriculture in a positive light — please use whatever influence you can and use the influence of your office to try and have the railroad not come in with these kind of plans and abandon piecemeal.

When of course the announcement came out a few days ago that in fact they were going to be pulled apart piecemeal, we took a next step by sending out the letter and stating our feelings that I don't think it's right; it in fact is going the wrong way and it's going to take any ability away from the short-line and regional operators to function.

And that, Mr. Minister, is why I asked you the other day if you have some operatives in your Department of Highways and Transportation dealing with short-line railroad only, to please consider having a meeting in the south-west — hopefully Shaunavon, hopefully in some of the affected towns that are immediately affected, Climax, Frontier, Val Marie. Come out and see if we can't do something to save the line because we don't have an option here. It's not as though the line can go out and your Highway department is going to beef up the highways to handle, you know, extra millions of bushels of product. That can't happen and there's no sense sitting there and laughing about it — it can't. So just be serious, be positive about where this should go.

Join with us. You know, you keep talking about our federal cousins and everything else, but why don't you join with us in trying to encourage something for the benefit of Saskatchewan people? You never seem to do that. I mean there's more to this than politics. There's people we all represent and we might as well represent them in the best way we can.

So I'm asking you to consider — and we'll just use this example of the south-west — consider the ramifications of not taking this kind of a step. And this is why when I saw the motion before us, I thought this is exactly what we need — a national transportation plan so that somebody can sit back and view this in a little bit bigger picture and help perhaps put a plan together in a hurry with all levels of government to ensure that we're not going to give something up that we wish we really hadn't of.

In fact I'm going to quote from a letter that I received not long ago. It's from the rural municipality of Bengough no. 40 in Bengough, Saskatchewan. And it's addressed to our caucus:

Dears Sirs: At the February 13, 1997 meeting of council I was directed to write a letter to you with regards to the transportation of grain from country elevators. As you may have noted by the news, southern Saskatchewan has received record snowfalls for the '96-97 season. This is causing a great amount of concern for this municipality and to those farmers trying to haul their grain to country elevators before spring breakup.

It is obvious that roads will be in poor condition. Road bans will be applied in mid-March, and the likelihood of skipping road bans is very high. In this municipality there has been an increase in longer distance hauling because of mainline locations, larger terminals. At this point in time local elevators are plugged. We have experienced a steady increase in road traffic.

At a meeting of council, a motion was passed requesting a more adequate car supply for the municipality to country elevators before spring thaw and road bans are applied. It is also council's feeling that railways are operating poorly and could be more efficient. One example being that other commodities have been shown preference over grain and coal because of the higher freight rates applied to them.

While this may be an income generator, it's certainly not why the railroads were formed in Saskatchewan. Your immediate attention to this matter would be greatly appreciated.

So please take a copy of that letter to the minister as well so he can follow along. I think this municipality of Bengough says it all, from a rural municipal council perspective, is that they know full well that if we can't have an overall plan that's going to achieve something we're all going to suffer. These municipal governments — how do you expect them to keep up? What's happened is that you've cut and hacked and slashed at their funding until they find it hard to keep pace where they're at today. And they know full well if there are more changes, well what's going to happen? Let's be serious. And there again, if you're wondering . . . I'd be curious as to

know what you and your government and your department is doing in regards to some of the backlogs of grain or some of the effects of flooding.

Well I know that you've had a news release sent out saying that you think the farmers should be compensated by the federal government. I agree; the farmers should not be the ones on the hook for this nor should the municipal governments. But go a little bit further, see if you can't perhaps have some higher-level discussions with the federal government and with the municipal governments.

You know full well if we had a national transportation plan, or somebody had this overall view, knowing full well, well if there's a flood going to occur . . . we knew there was flooding going to occur weeks ago in southern Saskatchewan. We've had 250 or 300 per cent more snow than average. So it's not like we didn't know some problem was coming — of course we did.

But then perhaps if we had an overall strategy, transportation strategy at all levels of government involved, we could have perhaps moved certain communities . . . the grain out of certain communities or off of farmers' yards. I mean it's going to take some . . . it's going to take someone somewhere, some level of government, to put a coordinated plan like this together. I would encourage you to be part of that instead of really just playing your politics.

Now if we take a look at the railroads themselves, well I know that reading the *Leader-Post* and this quote in here from Mr. Ralph Goodale, federal Agriculture minister, Tuesday, April 8, well I think he's really hitting it right on the head, is that if in fact the railroads aren't going to perform there should be some kind of a penalty. I guess on the other hand he goes on to state that should they perform, you know, great, then there should be some rewards.

Leroy Larsen of the Sask. Wheat Pool is also in this, making much the same comments, that there's got to be some penalties for . . . applied against the railroads if in fact they're not able to move the product that they should be. And I agree fully with that. You too. You also should . . . you should be putting this together. So there again, work with the other level of government. I think that you would find that it's an overall benefit and it's one that's definitely appreciated by the farmers out there.

So I think that pretty much covers sort of the railroad point of view. We can't do without them. So let's all join together for the sake of the farmers to make sure something happens in a positive light. Let's see if we can't get the short line and the regional rail orders up and running. And I think, Mr. Minister, that you could start tomorrow. There's something you could do tomorrow and it would go a long ways to help short-line and regional operators.

Tomorrow I'll be bringing forward a Bill dealing with successor rights. And it's making changes to The Trade Union Act and the successor rights from . . . (inaudible interjection) . . . Well I hear the third party hollering we already have done that. Well we do notice that you bring forward lots of Bills but you never get them printed. There's a little bit more work than just

announcing that you believe in something . . . (inaudible interjection) . . . Oh is that right? Well I don't think so.

But, Mr. Minister, why don't you just stop for a moment and think that perhaps it is the best way to go. That if we would take a look at successor rights being a problem . . . All people that are in this business are of the same view. SRM has been a strong proponent of dealing with the successor rights. Make sure — and your government has the ability to do this — make sure that you aren't part of the roadblock that's up there. I mean don't come in here with some national transportation plan and then have all these roadblocks that you can deal with, and don't.

So tomorrow I think will be an interesting day, to watch how you react to successor rights.

I guess a few of the other things that you could do, Mr. Minister, other than the successor rights, is explain and put into action right away what your Saskatchewan transportation advisory committee that you proposed in the throne speech . . . bring it forward and let's see, you know, what we can get on the go right now.

Now we have, you know, such a committee, similar committee in the south-west, south-west transportation advisory committee, doing great work. But let's just take a little bit bigger look at this in a provincial picture and I'm sure this would work well, working with the federal government.

If it looks like you're working for the betterment of all the farmers, or all the people in the province, there's no reason why the other levels of government aren't going to work with you. But there's no sense sitting on your hands and not doing anything about it. You're going to have to get busy sooner rather than later.

I think another thing that you and your government can do are stop the cuts to municipal governments. You know full well that if these cuts in funding continue, what you're doing is not affecting, you know, administration or — I'm not sure what you think all the monies that you're cutting from municipal governments is actually doing.

(1645)

But what it does, it's out there building roads, it's repairing roads, it's ensuring that the people in rural Saskatchewan have a little bit of benefit from the province as well.

One other thing I would encourage you to do — I've encouraged the Premier to do this already; no response, but, Mr. Minister, perhaps you would do this — and that is encourage perhaps the grain gathering companies to slow their action of closing elevators throughout the province until we come to some . . . (inaudible interjection) . . . Oh no, this falls in your area. This falls in your area, Mr. Minister.

And this is something that you can perhaps do, is encourage grain companies to not be out there closing and bulldozing down elevators until we get this somewhat sorted out as to, you know, where the railroads are going to be.

You know, I think you don't give, you don't give the kind of credit that you should to rural entrepreneurs. You know, if we have the elevator there, if we have the rail there, at least there's an opportunity. There's an opportunity for somebody to come in and perhaps have a special cleaning operation or a speciality crop operation. Who knows? I mean I think it's unlimited to where we can go with this. And let's encourage the short-line operators to work in this same system. Who knows where it's going to be.

But I'll tell you, if we don't do this, if we don't do this then all you have to do is drive across into the States and you'll see what the result is. You go for miles and miles and miles and you don't see railroads and you don't see elevators, and I say that those communities and those states have lost a lot. They have lost a lot and there's no turning back once you get to that point. So it's something that you want to give close consideration to.

Mr. Minister, I think part of this national transportation plan also has to include your department and you, Mr. Minister, and have you perhaps fight a little bit better fight in cabinet or with Treasury Board than what you have been doing. Now it's one thing to say that you can stand up — and you did again last night — that you can't address the highways situation, the poor highways state of disrepair in this province because we don't have a national transportation plan. Mr. Minister, no one is buying that — nobody is. Because you have — you have and your department has — an obligation to the people of this province because you, Mr. Minister, are part of a charge of 15 cents a litre to pull in fuel taxes.

And you also have motor vehicle licensing fees, and I'll tell you what that amounts to. And we're not taking the federal government off the hook either, but all we've been saying is, listen. We gave the Saskatchewan government . . . the people of this province gave the Saskatchewan government a period of time to get their financial house in order after the mess of what the Conservative Party did to this province . . . (inaudible interjection) . . . Now they're going to heckle for awhile, but they left this province in a horrible state — 14, \$15 billion of debt. Everyone knows that. Let's put that behind us and see where we can go from here.

Now we gave . . . the people of this province gave you enough time to get your fiscal house in order. And I'll tell you what's happening. I'll tell you what's happening, Mr. Minister. You are . . . your government, and I'm going to quote this right out of the Canadian Automobile Association report, a research study done by the university here in Saskatchewan.

Research findings: over a 10-year period, from 1988-1997, Saskatchewan Highways and Transportation expenditures have decreased 21.6 per cent to 168 million. Over the same time, Saskatchewan fuel-tax revenues have increased by over 110 per cent and revenues collected from motorists in the form of motor vehicle licence fees have increased 35 per cent.

So your spending is going into the basement and your revenues from the people that are wanting to pay for a highway system is going into the attic.

Saskatchewan government will expend 39 per cent of its revenues that it collects from motorists through fuel taxation in this fiscal year, and this compares to a decade ago, in 1988, where 94 per cent of the revenues collected from motorists were put back into Highways and Transportation.

Ninety-four per cent nine years ago. I mean, to the people in Saskatchewan it tells that . . . where highways, where their transportation system is on the priority list. From your government's point of view, it isn't very much at all.

Look at the surpluses that you have brought in. And this is not anything to do with the federal government. Mr. Minister, as you were saying last night, we need them involved. Hey, I'm sure that they're enjoying some surpluses too. And as I said earlier, when they get their fiscal house in order in a couple of years, we'll be at the head of the line.

And I encourage you to be with us. I encourage you to be with us, Mr. Minister, in asking that these kind of taxes that are raised from the people of Canada and especially of this province go to where they were intended.

In the 1996-97 fiscal year the Saskatchewan government plans to collect \$430 million in fuel tax and motor vehicle fees but plans to spend only 168 million on Highways and Transportation expenditures. And this leaves a surplus of \$262 million that it will collect in revenues but not spend on the highways. Two hundred and sixty-two million dollars in this one year over a five-year period. And I know you've got a copy of this report, so I won't send it over. But in a five-year period, what this amounts to is a \$1.23 billion surplus.

So let's take a look now. Well firstly I found some interesting things about Manitoba. I know your government doesn't like the House here to compare to Alberta because they're just too well to do, so let's use Manitoba: same population, roughly the same financial situation.

Well in Manitoba in the last 10 years has increased its Highways and Transportation expenditures by 10.4 per cent while you have decreased here in Saskatchewan 21.7 per cent. During the same time period, Saskatchewan increased the revenues it collects from motorists and fuel taxes and motor vehicle licence fees by 88 per cent compared to Manitoba which increased only by 17.4 per cent.

I mean you're completely going in an opposite direction from a neighbouring province.

In '96-97 the province of Manitoba will spend 84 per cent of its revenues it collects back into the highway system; you're spending 39 per cent. In '96-97 Saskatchewan is budgeted to collect \$120 million more in fuel tax compared to Manitoba, yet it will allocate \$53 million less in highways and transportation expenditures — a net of \$174 million difference.

Now I won't keep going through this report because I think it already paints the picture that you're making the argument that

you need to have a national highways transportation or a national transportation plan before you can start to spend any of the \$430 million that you're raking in, before you can spend the 230 . . . or no, \$262 million in surplus this year alone. You're announcing a \$30 million increase in your budget. That's only 10 per cent. That's about 10 per cent of the surplus.

So why aren't other provinces having to do that? Why are they picking up their slack and ensuring that they've got a safe and reliable highway and transportation system in their provinces? Mr. Minister, you can't get away from it. You have, your government . . . I won't say . . . because I'm sure that you would like to spend more, but your government is doing a disastrous job in providing that service to Saskatchewan.

You know, I know the Premier and yourself will stand up time and time again and say, well if we're going to spend it on highways, it's got to come out of health or education and where are you going to pick? Well I say let's start picking in some of those bank accounts that the Finance minister has set aside for a rainy day fund, liquor and gaming accounts, and such. Let's put some of those hundreds of millions into use for Saskatchewan people.

Your two and a half billion dollar announcement on budget day . . . and I know what you were trying to do . . . is impress the people that somehow there's going to be these great highways in Saskatchewan. Mr. Minister, you and I both know that two and a half billion dollars is probably less than what you're spending today.

And over that same time period, what are you going to collect in these fees? According to the Canadian Automobile Association, using their projections, you're probably going to be up around four and a half billion dollars of surplus, monies over and above what you're collecting for fuel taxes but not spending — four and a half billion over that 10-year period. So how can you stand up and let on like you're doing something great for the people? You're not. You're not, Mr. Minister.

As far as the roads and highways portion of this, I think everyone is in agreement. When we're looking at a national highway plan, no one was more disappointed than our caucus that there wasn't one in the federal budget, that there wasn't some beginning. There should be a four-lane highway coast to coast, and I mean we would have fully supported the double laning of No. 16 . . . (inaudible interjection) . . . Mr. Member, I don't know where you were because I've been tabling letters. We've sent letters to transportation ministers and agriculture ministers and the Minister of Transportation can just hand them over to you if you're interested in reading them.

But the fact of the matter is, get out there and take a position with us. There's more to just saying that it's not our fault. We enjoy the money, but it's not for us to deal with. The people aren't buying it. No one is.

Mr. Minister, I think tomorrow, like I said, is an interesting day for you. You can decide on the successor rights, whether you're on board with the people of this province or not, whether you're a roadblock or not. I would encourage you to be there for the people.

One last comment on the budget . . . if we take a look at the comments that were made by the now Premier going into the 1991 election, he was making fun of the Grant Devine golf courses in Saskatchewan: the highways, 18 holes to the mile. Well I'll tell you. I'll tell you. You go out there today, Mr. Minister, and drive the highways that you're responsible for and you tell me if these aren't in worse condition today than they were when you took government.

But what has happened? What has happened? If we take a look at when in the first year that your government took over in '91-92 and look at . . . and use that as a base, we knew the highways were in terrible shape at that point. Use that as a base. What have you cut back?

Well it's been millions of dollars. In '92-93 the shortfall from the previous year was 27 million. The following year it's 17 million, then 35 million and then 39 million and then 38 million; \$167 million it comes to from the '91 budget level. That's what you've saved, 167 million. And then you come to the people in this budget year and say, well we're going to spend \$30 million more.

An Hon. Member: — Give a little; take a lot.

Mr. McPherson: — Exactly, give a little; take a lot. I think that you could do a lot better, especially if the member from Saskatoon Northwest wants to bring forward such motions, make sure he's got your caucus on board to get together with everyone, put together a comprehensive plan. We'll support it; we're going support it, no question. But just get up and get at it.

Now I think it's time that the third party had a chance to perhaps jump in here and explain how they even ran up some of this debt which is creating some of these cut-backs in our province.

Mr. Johnson: — Thank you, Mr. Speaker. I think that we should take and reread the motion to just start things off to sort of focus back on where the discussion really was about:

That this Assembly urge the federal Liberal government to develop a comprehensive National Transportation Policy, in cooperation with all levels of government, and that it provide funding to the program.

Mr. Speaker, I think that the members opposite and the member from Wood River has been attempting in every move that he has been making in discussing this particular issue to try and spread out the problems that the federal Liberal government is creating across this land into the hands of other people. And in doing so, Mr. Speaker, I don't think that that will achieve anything because that does not focus in on what the real problem is.

Mr. Speaker, the discussion related to transportation is really quite simple. The federal government is offloading onto the provinces a cost that they picked up for transportation over a number of years. They're doing this in a number of different ways. Sometimes it's direct legislation that they're passing. In other times, it's having a committee or an authority such as . . .

The Speaker: — Order, order. The House has reached its normal time for recess. Just before recessing, in listening to debate this afternoon, I would like to remind all hon. members of rule 28 which does require that members direct their debate through the Chair, and I know that all hon. members will want to conduct their debate in the House according to the rules and will conduct themselves accordingly.

Now having reached the time of recess, the House stands recessed until 7 o'clock p.m.

The Assembly recessed until 7 p.m.

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