

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**April 13, 1995**

The Assembly met at 10 a.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I have petitions to present today from the Indian Head-Sintaluta area of the province. The prayer reads:

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

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

I so present, Mr. Speaker.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy today to present petitions on behalf of the people from the Hazlet and Gull Lake areas of south-west Saskatchewan. I'll read the prayer, Mr. Speaker:

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

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

I'm happy to table these today, Mr. Speaker.

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

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

**INTRODUCTION OF GUESTS**

**Mr. Hagel:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to all members of the Assembly, two visitors to our gallery today who are visiting from out of province, from their home in Ottawa. They're visiting in Saskatchewan today to be with their family and to celebrate the Passover together.

Sydney and Rhoda Abbey are here, and Mr. Abbey is a former civil servant, retired civil servant with the Government of Canada. They're seated in the gallery today with their son, Dave.

I ask all members to join in welcoming them to Saskatchewan and to wish them a very meaningful celebration of the Passover.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I would like to join with the member from Moose Jaw Palliser in welcoming the Abbeyes to the Assembly. We've had the pleasure of touring the province with their son, Dave, who is known in Saskatchewan as the number one safety zealot.

I'd ask everyone to again welcome them here today.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure today to introduce to you and to members of the Assembly, two people seated in the Speaker's gallery — Mr. Steven Turnbull and his wife, Paula. They are here to enjoy the proceedings this morning.

Mr. Turnbull will be the candidate for the Progressive Conservatives in the Lloydminster constituency in the next election. And, Mr. Speaker, I'm very pleased to be able to tell you today that he will be the next member for that constituency. We're waiting with . . . looking forward to the next election with great anticipation.

So I'd ask all members to please welcome them to the Assembly today.

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

**Hon. Mr. Goulet:** — Mr. Speaker, I would like to introduce some guests from northern Saskatchewan. Mr. Speaker, on the west gallery is people representing the Garry Tinker Foundation. Of course with them is Garry Tinker himself. And we also have Clinton Carriere and Peter Ross, as well as Walter St. Cyr.

Mr. Speaker, they're doing excellent work on issues dealing with people with disabilities. I would ask all members to give them a very warm welcome.

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

## STATEMENTS BY MEMBERS

### Celebration of the Easter Season

**Mr. Kluz:** — Thanks, Mr. Speaker. Today begins the final weekend of the Easter season. This is Holy Thursday, the day of which the commandment to love our neighbour was given. Tomorrow is Good Friday, and of course Sunday is Easter.

This is the major religious observance of the year for Christian people around the world. Of course this is not the place to discuss one's religious beliefs, but the significance of such a holiday as Easter goes beyond any particular creed.

Although the beginning of this weekend is set aside to remember betrayal and death, in fact Easter is our most optimistic observance of the year. This is the time of the year in which we celebrate the victory of life over death, when we renew our hope that good does ultimately triumph over evil.

And this is our holiday in which we recognize the end of winter and the coming of spring. And, Mr. Speaker, even though the weather people are promising snow this weekend, we know that it is only a short time now before our province once again changes from black and white to technicolor.

Most importantly of course, regardless of our own beliefs, this is the season in which we pay homage to the ideal of personal sacrifice to the good of others, the principal example of which is at the heart of this holiday. This is the time of the year in which we ask for peace among all peoples, for reconciliation among the nations, and for help and respect for the less fortunate.

So I take this opportunity, Mr. Speaker, to wish you and everyone a happy and peaceful Easter. Christos Voskres.

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

### Passover Week

**Ms. Lorje:** — Thank you. Sundown Friday marks the beginning of Passover Week, the week Jewish people the world over observe the preparation for and the flight from oppression in the land of Egypt, as told in the Book of Exodus.

As the member from Kelvington-Wadena just said, Mr. Speaker, this is not the forum to comment on the religious significance of any event. However an event of such historical, ethical, and legal significance should not go unremarked.

The actual first Passover occurred thousands of years ago; however its lesson is as contemporary as today's news. For those of us who make laws which affect other people, it seems to me Passover has particular significance.

The exodus of the children of Israel from Pharaoh's Egypt,

perhaps the most significant migration in the history of mankind, was the direct result of one group of people being suppressed by another. Pharaoh told the Jews, you can't have any straw for your bricks and you're going to work twice as hard for nothing. The result was 10 plagues, and finally Moses led the Jewish people out of exile.

As we read in the fifth chapter of Exodus, the event that directly led to the establishment of what we call western civilization and to the creation of two of the world's great religions was initiated by racial and economic exploitation.

And in essence, Mr. Speaker, this is what Passover represents: the belief in tolerance, in freedom, in the collective struggle for the rights of people. I say to everyone on this very important occasion, be well and shalom. Thank you.

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

### The Co-operators' 50th Anniversary

**Mr. Trew:** — Thank you, Mr. Speaker. Fifty years ago a group of farmers joined together to form an insurance company based on cooperative principles. Today that company is the largest wholly Canadian-owned multiline insurance company in Canada. The company I refer to of course is The Co-operators.

From its small start 50 years ago, The Co-operators has grown into a company with annual earnings of \$50 million and assets of \$3 billion. It employs 4,500 people across the country — 600 right here in Saskatchewan.

Regina is the site for the head offices of Co-operators Life Insurance and their affiliate, Co-operators Data Services Limited

There are three important sectors in the economy: publicly run Crowns; private corporations; and the cooperative sector.

Many of us in Saskatchewan know the simple truth — the cooperative sector has a proud history and is a fundamental part of our lives. No wonder so many credit unions and co-ops are having record years. I also believe that has a lot to do with the new faith we've instilled in the people of Saskatchewan, a faith that has led us to be more active consumers and investors.

Thank you and congratulations to The Co-operators for 50 years of sound business practice, the application of cooperative principles, and for their great corporate citizenry. I trust the growth and success will continue into the future. As a user of cooperative services, I will continue to be a part of the great, proud tradition and a part of the future.

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

### Yorkton Farm and Leisure Show

**Mr. Serby:** — Thank you very much, Mr. Speaker. Another important event will be taking place next week in my riding.

The 15th annual Yorkton Farm and Leisure Show will be held from April 19 to the 22. It will be the biggest and most diversified show ever to be held in the 15 years of its running, with over 200 exhibitors covering 40,000 square feet of display space.

This show, which will be run jointly by the Yorkton Exhibition Association, Yorkton Sunrise Lions Club, and the Yorkton Chamber of Commerce, attracted in excess of 18,000 people in 1994.

The Farm and Leisure Show will offer a wide range of products, services, information, seminars, and entertainment to everyone.

There are over 140 animals entered in the 20 classes of the 4-H spring steer and heifer show. Seminars will be held on Friday, April 21, with judging all day on Saturday the 22nd.

Other events include demonstrations by Shirley Johnson, a local outstanding music composer and singer, Don Lamont from the *Complete Anglers Fishing Show*, and performance by Melanie Gibbs, the 1994 GX star search winner.

Mr. Speaker, I extend my best wishes to the organizers of the 1995 Yorkton Farm and Leisure Show. And I am sure that attendance for this event will exceed, in its history, the 15 years that they have been in operation. Thank you very much, Mr. Speaker.

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

**Mr. Sonntag:** — Thank you very much, Mr. Speaker. With leave, to introduce guests?

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Sonntag:** — Thank you very much, Mr. Speaker. Seated in your gallery today are 16 students from the Chief Napew Memorial School from the Joseph Bighead First Nation. With them are their teachers Wayne Weinkauff and Vince Hill; and chaperons Doris Singer and Linda Kahpoonapit.

I would like to welcome all of them here today. And a special welcome to Lance Singer — and I hope you don't rule me out of order on this, but he's a wonderful artist and he's brought this little, beautiful picture down. So anyway, I will be meeting with them afterwards and we will have a visit at 11:15 later on downstairs, and also photographs.

And I will also be asking the member from Cumberland House to welcome them also in Cree. So welcome here today and please join with me in welcoming them here today.

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

**Hon. Mr. Goulet:** — Yes, Mr. Speaker. I would like as well to

join the member to welcome and say right off the bat.

(The hon. member spoke for a time in Cree.)

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

#### ORAL QUESTIONS

##### Death of Jack Wolfe

**Mr. Toth:** — Thank you very much, Mr. Speaker. And, Mr. Speaker, in the spirit of Easter, I have actually sent across a copy of my question to the minister, the Justice minister. And I just want to reiterate a fact, that I'm sure that we've all read the account on the front page of today's paper regarding Gail Wolfe and her request to clear her husband's name.

And I can only imagine the amount of courage and conviction it took for her to come forward at this time. While it's difficult for all involved, we believe that it is incumbent upon us to follow up on her request, and we have a question for the Minister of Justice.

Mr. Minister, will you employ the powers entrusted to you in your office to inquire into the circumstances surrounding Jack Wolfe's death with a view toward clearing his name?

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

**Hon. Mr. Mitchell:** — Thank you, Mr. Speaker. I want to thank the member for having sent the question across to give me a few moments to consider the question. This is a . . . all members of the House were deeply saddened by Mr. Wolfe's death and among the most eloquent eulogies that I've heard in this House were given in respect of that very sad occasion.

We heard Mrs. Wolfe on the radio this morning as well as the report in the press and I know we're all touched by it. I'm not certain how to respond to the member's question. I will say to the member though that I will take the request under advisement and treat it very seriously and attempt to respond in whatever way is appropriate. But as I stand in the House today, I do not know what is appropriate and therefore I do not know how to respond to the member's request.

##### VLTs and Crime Rates

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I want to turn my attention to the minister of gambling. Madam Minister, do you believe that there is a link or correlation between VLTs (video lottery terminal) and increased crime?

**Hon. Ms. Crofford:** — What I would say to the member from Rosthern, Mr. Speaker, is that in 1993 the government established a committee on social impacts to look at the broad impacts, including crime. There was two reports; neither indicate increased crime rate would result from increased gaming. You heard the Regina police response to the Liberal leader yesterday when he said there was nothing to back up

such a claim and that she was out of line in involving them in this discussion.

We pay considerable attention to gaming practices. In fact one of the reasons why gaming is regulated under the Criminal Code in Canada is to create a tight regulatory framework for conduct of gaming and to ensure that everything is done legally and to reduce the incidence of crime.

Now I will mention that Manitoba, Quebec, Windsor in Ontario, have all experienced a drop in crime rates in the vicinities of their casinos, explained by increased security measures, cooperation of various security agencies, and other features such as lighting and patrolling of car parks and casino environs.

So I would have to say at this point that we need to be concerned, but I'll also point out that Disney World has one of the highest crime rates around because wherever you have tourism activity, wherever there's large crowds, there's always some potential for crime, but certainly not directly relinked to the gaming activity.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Quite frankly, Madam Minister, I'm shocked at your answer because I believe very firmly that there is a link between VLTs and increased crime. But we don't know, quite frankly also, how serious it is because you don't and have not done any real studies. But I guess what you figure is what you don't know won't hurt you. But, Madam Minister, it is hurting people in this province.

Madam Minister, the former manager of the Stoughton Co-op has been charged with stealing \$60,000 to feed his gambling habit — \$60,000, Madam Minister; stolen money that went right into your slot machines and then into your government's pockets.

Madam Minister, will you admit that your video slot machines are leading to an increase in crime?

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

**Hon. Ms. Crofford:** — I am happy to answer the question, Mr. Speaker. I have to remind you that when you expanded privatized bingo by 2,500 per cent, you seemed to have no concern for the repercussions of that. And contrary to your position on that, we do have concern. We have put in place mechanisms to educate people, for prevention, and certainly people have the ability to differentiate crime from their gaming activity.

Now you could probably pick a story a day or 10 stories a day of people who have these kinds of problems related to alcoholism and other forms of addiction. The fact is there are a range of activities in a modern society that people have to make decisions about.

And I draw to your attention the article that was in the *Leader-Post* — or on *The Canadian Press*, pardon me — on gambling on the Internet. You have to realize that gaming is here and it's here in ways that are very difficult to regulate. Our government has taken a position of emphasizing control and regulation within the context of the Criminal Code and we've also taken a very responsible approach to prevention, education, and to the community impacts.

Now if you believe that you can make gaming go away, you couldn't do it when you were government and neither can we. We can control and regulate and mitigate.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Madam Minister, it is clear fact that people are committing criminal acts in response to your government advocacy to expand gambling. And I want to make it clear right now that the opposition caucus does not condone that kind of behaviour. People have to be responsible for their actions; but at the same time, Mr. Speaker, the government also has to take responsibility as well for creating the climate so that this addiction can be increasing.

Madam Minister, we know of five separate cases of people stealing for their VLT addiction and that money by now totals over \$128,000 — \$128,000 stolen from churches, stolen from charities, stolen from employers to feed your slot machines and to feed your government pockets.

Madam Minister, why are you refusing to do any research to measure the exact amount of this criminality. Could you do that, Minister?

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. I would have to say to the member from Rosthern that he had a choice to make when he was in government. Was his choice to keep bingo community-scale? No, his choice was to expand it, privatize it, increase the prize boards, increase the lucrative nature of the business, increase the private profit motive. That was his approach to gaming in government.

And I would have to say that when you're dealing with a modern global society, a no-border society, the questions of ethics tend to be much less regulated, I'm afraid, by governments, and much more regulated by some choices that people have to make.

And when people go to AA (Alcoholics Anonymous), they don't blame the Liquor Board for the fact that they have an alcoholism problem. And people are going to have to learn to make those same choices as they have since 1969 when gaming was legalized. They will have to make those same choices in regards of gaming.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Madam Minister, while we were in government in the late '80s and early '90s, we

had a choice. Our choice was to keep VLTs out of this province. That was our choice.

Mr. Speaker, this NDP (New Democratic Party) gambling expansion is not about good public policy; it's not about creating jobs. It's all about the NDP sucking every last dime they can out of Saskatchewan people. And the Premier admitted it yesterday. The Premier admitted it yesterday. He says it's not realistic to expect the government to give up VLT revenues. And he said all you can ask . . .

**The Speaker:** — Order, order, order. Order. I'll ask members on both sides to please calm down and let the member ask his question.

**Mr. Neudorf:** — Thank you, Mr. Speaker. When the members' opposite nerves are so raw it is . . .

**The Speaker:** — Order, order, order. I don't think that kind of inflammatory remarks is helping question period at all. The member has taken considerable time in stating his facts; I want him to put his question. I want the member to . . . Order. If the member doesn't wish to ask his question, I'll ask somebody else.

**Mr. Neudorf:** — Madam Minister . . .

**An Hon. Member:** — . . . Order.

**The Speaker:** — I don't need any support from the Government House Leader.

**Mr. Neudorf:** — Madam Minister, your colleagues and yours and the Premier's sensitivity to this situation is obvious to anyone. Your Premier yesterday said it's not realistic to expect the government to give up VLT revenues. All you can ask is for the government to try to minimize the negative impact. That's what he said.

In other words, the Premier knows VLTs hurt people, but money is more important. Now, money is more important to you, Madam Minister. Why shouldn't a government be driven by motives other than money? Shouldn't there be more concern for you as a government for people whose lives are being ruined than by that last dime that you can squeeze out of Saskatchewan people for your government's pockets, Madam Minister?

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

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. It's rather sad that in the absence of a platform or any other position that is credible in Saskatchewan, that you have to come back to this issue day after day. But I will say that you know as well as I do, because anybody who talks to anybody in the community knows, that people have left the province in busloads to gamble.

Now we have a responsibility to make sure that dollars stay in

Saskatchewan because what we were doing previously was people were leaving the province but the problems were coming home and none of the revenue was coming home. Now you know that there's competition from other jurisdictions and that certainly rural communities and hoteliers felt very strongly that they were not able to retain their customers in the face of this competition.

I remind you again of gambling on the Internet. I mean you tell me how the government is going to deal with a casino licensed in the Caribbean island of St. Martin that can basically make book all over the world.

And I would have to tell you that I appreciated you acknowledging that our government is sensitive on this issue because we are; we have spent considerable time thinking about it. We've limited the number of VLTs to 3,600 and we restrict access so nobody under the age of 19 legally has access to these machines. And at the age of 19 there are many important decisions that people make in our society.

So I would have to say that I thank you for your recognition of our sensitivity on this issue, but suggest that you consider what you're saying.

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

#### Saskatchewan Health Plan Coverage

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, I was recently contacted by a constituent who was shocked to learn he was no longer covered by the Saskatchewan health plan.

In fact Dave Nelson of Shaunavon discovered that he had been dropped from the plan in the fall of 1993. Mr. Nelson was without health care coverage for almost a year and a half — a year and a half, Mr. Speaker — yet he received no letter, no phone call, nothing, to inform him that he did not have any more coverage.

My question is to the Minister of Health: Mr. Minister, what, if any, system is in place to inform people that they are no longer covered by Saskatchewan health care?

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

**Hon. Mr. Calvert:** — Mr. Speaker, in the course of this session that . . .

**The Speaker:** — Order. Order. I will ask the government members to please let their minister at least answer the question.

**Hon. Mr. Calvert:** — Mr. Speaker, in the course of this particular session of the legislature, that member from Shaunavon and his leader on a more or less regular basis has brought information into this House. Only moments later or hours later, we find that the information is not correct.

Now we had a raw example of that this week when his leader came into the House and made all sorts of claims about some documentation that she purported to get from the Regina city police. And then of course we know how the Regina city police said, well this is not our information, and so on.

Now the member brings information in here this morning about a certain individual. Of course in the House I'm not going to comment on a certain individual case, nor do I know the detail of this individual case.

And in regards to the processes by which people are contacted regarding their health cards and their health coverage, I will provide for the member the full range of documentation on how that all proceeds.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. I'm surprised that the minister would call into question the truthfulness of Mr. and Mrs. Nelson, constituents of mine.

Mr. Minister, it is fortunate that Mr. Nelson required no medical care during that year and a half that he was without coverage. But what would have happened had he been in an accident or required medical attention for some reason?

Mr. Minister, the buck stops with you. What action would you personally take to ensure Mr. Nelson and his family would not have been deprived of health care because of your department's blunder?

**Hon. Mr. Calvert:** — Well two points here, Mr. Speaker. I have assured the member that I will acquaint him with all of the processes involved, but there are two other issues here and the first is integrity. I am certainly not questioning the concern of that individual. I am questioning the integrity of that caucus and its leader in this House, when on a daily basis almost, we've seen them come into this House with — well I can't use that kind of word, Mr. Speaker — but certainly a misrepresentation of fact. And indeed as one of my colleagues says, a pathological ability to stay away from the truth.

**An Hon. Member:** — There's nothing wrong with that — not a thing.

**The Speaker:** — It is not the Government House Leader that will decide that. I'll ask the Government House Leader to please come to order. I'll give the Government House Leader one more warning to please come to order. And I'll ask the Minister of Health to not use inflammatory language and to try and keep the question period under control.

**Hon. Mr. Calvert:** — Mr. Speaker, we will have the discussion about this particular situation. He accuses the Department of Health of a blunder. He makes this kind of accusation in the House. We'll see what the evidence is on that score, as we've seen with his other accusations in this House.

But then he goes on, Mr. Speaker, to talk about privatized medicine somehow. He gets on to the subject of privatized medicine. Now he may therefore want to speak with his federal counterparts on this subject about the level of funding and the involvement of his federal counterparts in health across Canada. Because, Mr. Speaker, if anything — if anything is of concern to Canadians right now it's the withdrawal of his federal government from health care funding in Canada.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Minister, Dave Nelson works hard to provide for his wife and four children, all of whom live in Saskatchewan. He pays provincial taxes, he pays school tax, he pays income tax, he pays health tax in Saskatchewan, and he owns farm land in Saskatchewan which he's paying tax on. Yet he is deemed not to be a Saskatchewan resident because he works out of the province most of the year — not because of choice, it's because of necessity.

My question is to the Minister of Health. Would you agree that there should be some flexibility to provide health benefits for Mr. Nelson and others who are in this same situation?

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

**Hon. Mr. Calvert:** — Mr. Speaker, now this becomes very curious. Now I believe what I hear the member doing is already backtracking on the initial thrust of his question today. Now we're not clear of the residency of the individual which he brings into the House.

Mr. Speaker, we will get the detail on this — there is no doubt about that — as we have on other circumstances. But again I ask the member, if he wants to be constructive to health care in Saskatchewan, indeed health care for all Canadians, he may want to communicate some of the real issues that Canadians are feeling with his federal counterparts.

Right here, right here in today's press, I read — from *The Globe and Mail*, I believe — a headline which says: How the Liberals are unravelling the social safety net. Here's the secondary headline, Mr. Speaker: Ottawa's block funding formula will spell the end to national standards. Without enforceable standards, cash-strapped provinces will be free to slash spending.

Now that won't happen here, Mr. Speaker, that won't happen here under this government. But I rue the day that his party ever took government in this province.

#### **Crown Construction Tendering Agreement**

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Labour. Yesterday, a court in B.C. (British Columbia) ruled that the province's so-called fair wage policy was illegal. The court ruled that the NDP government's tendering policy contravened existing legislation

by violating the rights of employers and the workers. This illegal policy was in place for two years before it was struck down, meaning that dozens of contracts were tendered illegally.

Mr. Minister, a legal challenge has been launched against your union preference policy with the Labour Relations Board and obviously you are stalling.

Will you suspend your union preference policy until the Labour Relations Board . . .

**The Speaker:** — Order, order. I wish members wouldn't yell across the floor when another member . . . Members on both sides are doing it. Members on both sides are yelling across the floor.

**An Hon. Member:** — Give me a break.

**The Speaker:** — Well the member from Estevan says, give me a break. I wish he would just go back in his memory just a few . . . this whole session, and I gave him how many breaks.

**Mr. Goohsen:** — Thank you, Mr. Speaker. My question to the Minister of Labour, and I will start at the front part of the question: will you suspend, Minister, your union preference policy until the Labour Relations Board makes its ruling so you don't wind up in a similar situation as your counterparts in British Columbia have yesterday?

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

**Hon. Mr. Anguish:** — I'd like to thank the hon. member for his question, Mr. Speaker. I'd first like to point out that the B.C. situation is totally different. You can't compare the British Columbia situation to what you're describing here in Saskatchewan. So I want to get that straight first.

The second issue that the member brings up is one of tampering with the Labour Relations Board, as the hon. member asked yesterday. And I again state it's inappropriate for the politicians, cabinet ministers or others, to interfere with the workings of a quasi-judicial body, being the Labour Relations Board.

And finally, in terms of suspending what you're talking about . . . I believe you're talking about the Crown construction tendering policy. And this government has no intention of suspending that policy. It's an agreement that was signed between the parties who are involved in it.

And I would ask the member to just sit back and don't judge this on speculation on your part, by political motivation; let's look and see how it works out. Just relax a little bit and let's see how it works out. You'll find that this policy will serve Saskatchewan people very well.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Minister, the principles are the same. And this hearing in Saskatchewan is

being delayed because you, the Crown, are dragging your feet in appointing a lawyer. Obviously you don't want your policy to be ruled illegal just before an election, so you intend to delay the hearing until after the election. That's what it looks like to us.

Now, Mr. Minister, the very legality of your union preference policy is being questioned. Why not simply suspend the policy until the Labour Relations Board can rule, and in the meantime, go back to awarding contracts to the lowest qualified bidders, union or non-union, with the union-hiring quotas eliminated or put to the side for now? Will you do that for the people of Saskatchewan today, Mr. Minister?

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

**Hon. Mr. Anguish:** — Contracts are now, Mr. Speaker, awarded on the basis of the lowest qualifying bidder, so I don't know what the member's trying to incite here. When the member says that there is interference with the Labour Relations Board, if you were to do that outside of this Chamber, making that allegation in a court of law, you'd be found in contempt of the court.

And I think that the member wants to tread very carefully on what you're saying here. There's been no interference by this government with the Labour Relations Board; there's certainly been no interference on my part, and if that's what the member is suggesting should happen, the member is totally out of line. That's an inappropriate course of action.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. Minister, the operative words, of course, are qualified bidders, and they have to be unionized after the fact or they don't get the job in the end.

Mr. Minister, we are receiving many calls and many letters from people across Saskatchewan who are very worried about this problem that you are creating. I have one letter that very succinctly draws together the concerns of rural people. And I'll quote just a little, brief bit of this letter from the Lloydminster Public School Division.

Our board is concerned that with the imposition of the Crown sector tendering agreement, non-union construction companies in small centres in Saskatchewan will become less competitive and, in fact, may well go out of business. When it comes time for school construction projects to be undertaken there is a real risk that those companies which traditionally have been able to submit the low tenders for projects will no longer be in existence.

Now, that's the end of the quote.

Mr. Minister, my question is very simply this. Will you withdraw this policy now and allow the people of rural Saskatchewan to get on with their lives and to continue to be

able to exist in business?

(1045)

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

**Hon. Mr. Anguish:** — Well the member states a case that is more fiction than it is in fact. What the Crown construction tendering policy does is it allows a level playing field for all contractors, large or small, union or non-union, to compete for the work that is out there within the Crown corporation sector.

Small companies in rural Saskatchewan will have their chances much improved on winning government contracts through the Crown corporation tendering policy than what they did previous to that.

And I encourage the member once again: don't react on speculation as to what's happening. We ask the member to look at the facts, look at how this turns out. And if we're wrong, I'd be very, very surprised on that.

I believe it's a good policy, it's a fair policy, and that policy will not be withdrawn. It's a policy that will serve Saskatchewan people well, and that will be borne out in the future by proof of how this has been of a benefit to those contracting in Saskatchewan.

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

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

**Hon. Mr. Wiens:** — With leave, to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Wiens:** — Mr. Speaker, I wish to introduce and welcome to you and through you to the Assembly, Chief Blaine Favel, chief of the Federation of Saskatchewan Indian Nations; Grand Chief Alphonse Bird of the Prince Albert Grand Council; and Vice-Chief John Dantouze, along with other chiefs and officials with whom we met this morning.

I welcome them to the Assembly and Regina and thank them for a very good meeting.

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

#### ORDERS OF THE DAY

#### WRITTEN QUESTIONS

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as it relates to question no. 60, I here table the answer. And I would convert question 61 to motion for return (debatable).

**The Speaker:** — Answer to 60 is tabled, and 61 motion for return debate.

#### GOVERNMENT ORDERS

#### ADJOURNED DEBATES

#### SECOND READINGS

#### Bill No. 9

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No. 9 — An Act to amend The Environmental Management and Protection Act** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to rise again to make some comments on this particular Bill.

Mr. Speaker, this Bill deals with the collection and disposal, the recycling, of used oils in particular. But it also deals with . . . it potentially deals with a good many other items because it allows the minister the opportunity to prescribe the substances, the products, with which this piece of legislation will deal. And no one knows for sure, Mr. Speaker, other than perhaps the minister, exactly what he has in mind for these prescribed products. What will apply?

Will it be simply used motor oils and he'll prescribe the various grades that are under this piece of legislation. Or will he include other substances, other oils such as used vegetable oil. Mr. Speaker, at the present time, if you use vegetable oil in a restaurant, there are very fixed rules on what you can do with that. And you have to dispose of it in a proper manner at present. One of the items that you cannot do with it is turn around and use it again later as a food substance for animals even though it would make a very good additive to the feeds of various animals to keep dust down on their feet. It's an organic material. It has no harmful effects. It's simply been used for say, cooking french fries or whatever it might have been. Is the minister going to include this type of substance as a prescribed product, Mr. Minister?

That's one of the problems that we have with this and that the industry has with this particular piece of legislation. They're unclear, Mr. Speaker, exactly what the minister has in mind with these prescribed substances. I'd like to read a couple of paragraphs from the Canadian Association of Petroleum Producers who have responded to our request that they look over the Bill and give us their assessment — how it would impact on them, what they see with this particular piece of legislation and I quote:

CAPP is concerned that the proposed amendment provides no definition for "prescribed products". Without this definition, it is difficult to determine the intent and therefore the scope of application of the proposed amendment. CAPP recommends that a definition be developed for the amendment which clearly states what is meant by prescribed products.



CAPP is also concerned that there is no definition for "product management program". However, a more basic concern is the apparent intent to legislate how industry manages environmental performance. It is CAPP's view that establishing a regulatory framework which sets standards or objectives is more efficient than detailing how to conduct business. Requiring in legislation the establishment of product management programs which must be approved by a regulator is unnecessarily prescriptive. CAPP therefore recommends that the clauses referencing the product management programs . . . be removed from the proposed amendment.

So, Mr. Speaker, from this letter you can tell that some of the industry has some qualms about the minister being able to prescribe which products fall under this jurisdiction and which do not. They also have some concerns about how these programs will be run, the product management program, telling them how they will do it rather than setting out the regulations and allowing the companies to meet those regulations, Mr. Speaker.

And one of the problems that arises with the prescribing of the products is that the sale of these products by business will be determined by their participation in these programs, this product management program, Mr. Speaker. And again, it tells business how to run their business rather than allowing them to say, this is the goal that we have to meet and here's how we're going to do it.

You need to allow business to . . . you should regulate business and allow them to operate in an independent manner to meet those goals. This gives the government the opportunity to regulate and supervise the programs rather than pinpoint and define how the program will operate.

The piece of legislation also requires that industry submit reports on the programs that the government has outlined for them. Now I'm sure that industry would be more than prepared to say, here's the goal that you have set for us and here's how we will meet that.

The legislation does address some important concerns though that are important to farmers, to small service station owners, and so forth. A lot of people have been very conscientious, Mr. Speaker, in collecting, in saving and maintaining their used oil. If you go into any farmer's yard today you will find a number of barrels of used oil sitting there that they have collected up over a period of time, and depending on the size of your tractor, that may very well be half a barrel of oil every time you change oil. They have saved this oil because they know that it is a potential pollutant, that it is . . . has hazardous materials within it, and they don't wish to pollute their own land or anyone else's or the water supply, Mr. Speaker.

So they have saved their oil and now they're looking for an opportunity to dispose of that, and hopefully that will be through a recycling system. So they are anxiously awaiting for some solution to their problems, but the minister is not making

it very clear exactly what is going to be involved in how this is going to happen.

The government should be letting the industry develop their own program to meet the regulatory goals that are set out, rather than imposing the methods of achieving those goals on industry itself.

The minister needs to be commended though, Mr. Speaker, for going out and consulting with industry prior to this legislation, but he needed to listen a little more closely to some of their concerns about the prescription of products and about the management programs that he is wishing to set up.

Mr. Speaker, one of the things that is unclear in this particular piece of legislation is how the programs, the product management programs, are going to be funded. Are all the costs to be passed on to the consumer? What responsibilities will the government bear in regulating and maintaining these programs? Will all the cost be imposed on industry who will, in turn, turn around and pass it on to the consumer? That's not outlined in these Bills, Mr. Speaker.

One of the things that needs to be done, that we see happen, is whenever the government imposes an additional cost on industry through regulation, there seems to be an escalating cost down the line. If the government adds a 10 cent cost to a gallon of gasoline, the net price at the end of the day does not rise by 10 cents but rather rises by some number larger than that. So there needs to be some supervision though, Mr. Speaker, that that type of thing does not happen.

One of the big questions though, Mr. Speaker, is how are these prescribed products going to be gathered? How are they going to be stored? How are we going to ensure that in the gathering system that pollution is not a result?

Right now with these oils that are sitting out on the farms, in the service stations, they're relatively safe. But once you put them on the road you do run the risk of having a spill and therefore distributing that hazardous material throughout the environment. We need to be very careful, Mr. Speaker, on how we gather this oils.

There are some companies throughout the province currently that are in place to handle the recycling of oil. There are a few companies available for the collection, for the trucking, of this oil. We need to ensure, Mr. Speaker, that there are more collection sites available, more trucks available to collect the product and that it be handled safely.

One of the questions, Mr. Speaker, that arises from this, because obviously industry, if they wish to sell the products, are going to have to be a part and, at the end, collection and recycling of this program, but where does the responsibility lie? If a company manufactures a product that has been prescribed by the minister, where does their responsibility start; what happens to it halfway through the life cycle of that product; and whose responsibility is it at the end?

If an oil company manufactures a quart of oil that they turn around and pass through a distributor, it goes to the consumer, and it comes back into the recycling system. At any point within that cycle, Mr. Speaker, does the carrier of the product bear any responsibility for it? Does the wholesaler bear any responsibility for it? Does the retailer bear any responsibility for it? Does the consumer bear any responsibility for it? Or is it entirely on the shoulders of the company that manufactured the product initially?

That has never been defined, Mr. Speaker. The minister hasn't set it out. He's just said that if you want to sell that product you have to be part of the management program. No place in there does it define who has any responsibility.

When we look at any carbon product — gasolines, oils — the government is taking a very, very large share of the profit off of that. They take it off through the royalty structure initially; they take it off through taxes imposed on those products at the retail level.

And yet what responsibility, Mr. Speaker, does the government bear in ensuring that these products, once used, are recycled in a proper and safe manner. Or is the government simply absolving itself of any of the financial responsibilities? Although in the case of gasolines they collect almost up to 50 per cent of the revenues on the sales of gasoline, are they going to absolve themselves of any responsibility and simply dump that responsibility onto the original manufacturer, and absolving also the carriers and the consumers from any responsibility?

I believe that everyone, Mr. Speaker, in the system needs and should be responsible, especially when the product is in their control. Whoever controls it has to bear some of the responsibility.

The industry will have in place a trucking system, Mr. Speaker, but how much responsibility in the system does the trucking companies bear, and where does the retailer and the consumer fit in?

At the end of the day, if it's being left solely on the shoulders of the manufacturer, the consumer will pay. The consumer will be the one who bears the financial responsibilities, even though the manufacturer may be the one who bears the legal responsibilities.

Once these oils are collected, Mr. Speaker, one of the hazardous products that is found in used oil are the heavy metals that come out of the blocks of the engines in which this oil was used. That is, Mr. Speaker, the dangerous product. It's not the oil; the oil itself is an organic product and will break down. It's the heavy metals that are found in the used oils, Mr. Speaker, that are the hazardous substances that need to be carefully monitored, need to be carefully handled, and need to be carefully disposed of.

And this Bill, Mr. Speaker, in no way, in no way does it deal

with the handling of those heavy metals. Perhaps they're to be defined out in these management programs, but there's no solutions to the heavy metals that will be collected. Once the oil is recycled, that heavy metal will be extracted. Whether they'll be disposed of by burial in this province, whether they'll be disposed of by shipping them perhaps to Swan Hills for incineration, no one knows, Mr. Speaker. Nothing is in place to deal with it.

There is already a recycling system in place in Saskatchewan, although it's not used very intensively at the present time. There are three or four companies around the province that are very, very interested in this. Some of them are already in the business and some of them are very interested in getting into the business, Mr. Speaker. And they need to be included into the system and they need to be brought in as part of that consultation stream. They need to be part of the solution.

And the minister hasn't made it clear, either in his legislation or in his speech, how these businesses, this industry that's already in place, will be integrated into the program that the minister is proposing.

The collection of the oil in the rural areas, as I've stated, is an important concept. It's already sitting out there, but the minister again, neither in his speech nor in the Bill, has outlined how he plans to implement a collection system throughout rural Saskatchewan, either with the farmers or with the rural service stations or large trucking businesses, Mr. Speaker. That's one of the things that he needs to clearly outline for us when we do get to Committee of the Whole.

(1100)

It would have been nice if the minister had have been a little more specific either in the legislation or in his second reading speech, so that people would have gained a better understanding of exactly what is involved in all of this, Mr. Speaker, to find out exactly what we will be dealing with.

Since the Provincial Secretary, who hasn't been obviously paying attention because he doesn't know exactly which Bill we're on . . . we're on Bill No. 9, Mr. Provincial Secretary — environmental management . . . (inaudible interjection) . . . Well perhaps I need to explain to the minister why we have a problem with this particular piece of legislation so that he understands exactly what's involved in this.

Your minister is proposing to collect used oil but he has not set out how the collection system will work. He's going to put the onus, it seems, on the manufacturer, the oil companies, whoever creates this product. And he will also give himself the power to say, this particular product is prescribed under the legislation and now you will have to meet these regulations.

It doesn't say that the particular product has to be toxic, that it has to be environmentally harmful, it just says the minister has the power to prescribe this particular product, and if he prescribes it, you will then deal with it under this legislation in

the manner prescribed by the minister.

Mr. Minister, we find that that is a concern in the industry that may very well have to deal with these types of products. So, Mr. Speaker, Mr. Minister of the Environment, I believe you need to give some serious consideration to the concerns that have been brought forward by the industry; that certain amendments be withdrawn; that the industry be allowed to develop their own programs to meet regulatory goals. And that the items to be prescribed be identified in detail in the legislation rather than simply allowing them to be at the whim of the minister.

Mr. Speaker, at this time we're prepared to let this Bill go to committee where we can get some of the answers from the minister. Thank you.

**Mr. Trew:** — Thank you, Mr. Speaker. It is my pleasure today to enter into the debate on The Environmental Management and Protection Amendment Act, Bill 9. Mr. Speaker, this legislation has been and continues to be driven by a very urgent need.

In Saskatchewan every single year we create more than 20 million litres of used oil — 20 million litres a year of used oil.

Environmental stewardship demands action. I don't think any proper thinking person would suggest — it's now 1995 — that we should stick our heads in the sand and say, well there's a few people that are doing some things with used oil; and that's perfectly acceptable. We know that a significant amount of used oil winds up on driveways, on gravel roads, that sort of thing, ostensibly as dust control. And it may work a little bit for that.

But we also know there's a great deal of water run-off from our roads and driveways and so on. And what a significant number of people couldn't put their finger on, Mr. Speaker, is the fact that 1 litre of used oil, or 1 litre of oil, can contaminate 20 million litres of water. One litre of oil, 20 million litres of water contaminated, making it not potable.

You can imagine the problem. Multiply that 1 litre of oil by more than 20 million litres of oil each and every year added into the environmental waste stream, and we've got a problem of absolutely mind-boggling proportions.

I want to say that we know that there are some solutions. We know that used oil can be recycled, we know it can be re-refined, and we know that there can be other uses found for used oil. We know there's a problem. We know we can't continue to ignore it.

I want to, at this point, give kudos and full marks to industry people who came together as they were putting together designing the used oil collection system and ultimate disposal system of this used oil. I had the great pleasure, at the request of the Minister of Environment, to sit in on several of those meetings, those very good, solution-oriented meetings. Those meetings where what the Minister of Environment did was said

the challenge is to deal with this 20-million-plus litres of used oil.

The oil industry, to their credit, picked up the ball and they ran with it, and they have designed a very good system to collect used oil throughout Saskatchewan. And I just can't say enough good about that. The industry recognized that there was a problem and they just picked up the challenge and they're running with it; they've designed the system from A to Z.

The minister and his officials have been involved, along the way, in the process, but I don't want anyone to suffer from the delusion that somehow the implementation or the actual system of collecting and ultimately disposing of used oil is somehow driven solely by the minister.

This is a collection and the industry felt very, very good about their involvement in it — as they should, as they should and as they properly deserve. We know that there's no escaping some upfront cost in a collection system when you're proposing to triple the amount of used oil that is collected in the province.

And when you recognize that we've got one million people scattered over a huge land tract, we know there's going to be some upfront cost. We know there's probably going to be some new tanks required. We know that there's going to be some trucking required. And we know that there's going to be some storage and somebody's going to have to be looking at how do we sell the used oil either to a re-refiner or finding some other use for it. And I know that some of it can be used on pavement and many of us would welcome some additional pavement in Saskatchewan.

The point being, there are some opportunities. Yes, there are some costs. There are some short-term, upfront dollar costs in setting this thing up, but there is absolutely no way that we can escape the long-term costs of just ignoring the problem of waste oil.

Just to sort of highlight that, Mr. Speaker, less than a hundred years ago you could drink water out of any river, stream, or creek that was moving, had moving water, anywhere in Saskatchewan; less than a hundred years ago, dip a cup in and drink it. No longer can you do that. Today I don't know anybody that would dip a cup into any river in southern Saskatchewan — any river, stream, or creek. Why? Simply put, they're all polluted to the extent that it's no longer potable water; has to be treated before we would dare to drink from it.

Simply put, as we're letting this go to committee, Mr. Speaker, I want to commend and congratulate the Minister of Environment, the member for Rosetown, for his diligence in setting up the overall . . . the goals, for drawing together players from the oil industry from right across Saskatchewan. As I say, I sat in on several of those meetings. I want to again congratulate the oil industry officials for their diligence and their pursuit of finding a solution.

And just before I close, I know that the member for

Souris-Cannington has stated . . . I heard in his speech some fear that we might somehow expand the used-oil collection system and maybe move into some other areas. And I just want to say how much I will welcome it, if in fact we can do that.

If we could take a model of stewardship, of environmental stewardship, set it up with the industry support, the industries in fact running the thing, if we can make that work and then move on to other serious problems — I know there's tires, there's batteries, and no shortage of other things that you could work on down the list.

So, Mr. Speaker, I want to congratulate everyone involved in this Bill. I very much look forward to its speedy passage and us getting on with the collection of a huge problem to our environment, the collection of 20 million litres per year of used oil. Thank you.

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

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

### Bill No. 13

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lautermilch that **Bill No. 13 — An Act to amend The Freehold Oil and Gas Production Tax Act** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. On this particular Bill, as on the last one, we do not intend to hold it up unduly. We believe that there is some . . . that's it's mainly housekeeping. But there is some value in there, but there's also some points that need to be clarified, Mr. Speaker.

We have contacted the industry and we are getting responses back on what they believe is part of this legislation and how it will affect them.

We do have some reservations though, Mr. Speaker, about the revenue collection provisions in this legislation. Because it deals with collecting, not from the people who actually owe the taxes on the royalties, but rather on someone who may owe money to the person who owes the taxes. We have some concerns as whether or not this type of legislation, this type of collection, is being used within perhaps other jurisdictions, or other pieces of legislation — that you go after, not the person who owes the money, but after some other third party who may have dealt with the party that owes the taxes and for some reason owes them some money. So you go after someone else. We have some concerns about that.

The minister made a reference that these provisions can be found within The Revenue and Financial Services Act and The Income Tax Act. Our question is, how are these provisions triggered; what implements, what initiates the action of going after the third party? And in what kind of instances does that type of thing happen?

If you owe some money on your income tax that you have failed to pay, do you go after — if you're a farmer — after the grain company that owes you some money? Or do you go after the neighbour who bought some hay off of you? How is that system triggered and in what kind of instances?

We're also concerned as to how many companies within the oil and gas industry — which is what this Bill is dealing with — how many of those companies are in arrears on paying their royalty taxes? If it's only a very small number, is it really necessary that this type of legislation be brought forward, that threatens third parties?

Mr. Speaker, when I look through the legislation on this, it states that no sooner than seven days after being served with a notice, a third party being served with a notice, the minister can immediately demand payment. Well, Mr. Speaker, this seems to be fairly swift and hard handed. I know within the oil patch, many times that payments aren't made for 90 days. Well, Mr. Speaker, if the minister has the opportunity to serve his notice and seven days later to demand the payment, that seems to be very swift justice, if justice it is indeed.

So, Mr. Speaker, we do have some concerns in these particular areas that we'll be dealing with when it comes to committee. Therefore, Mr. Speaker, we're prepared to allow this one to proceed to committee at this time.

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

(1115)

### Bill No. 14

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lautermilch that **Bill No. 14 — An Act to amend The Crown Minerals Act** be now read a second time.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, our caucus has had some time, and certainly my colleague the member from Estevan has taken some time, to review and examine Bill No. 14, and it appears that it is very similar to the freehold and gas legislation.

We understand that there are provisions within Bill 14 allowing the minister to use a certificate process, which the minister says, and I quote:

. . . simplifies and speeds up the process to obtain the equivalent of a court judgement for the recovery of a debt . . . (this) certificate can then be used to recover unpaid amounts from a third party such as the purchaser of the Crown mineral.

We do have a bit of trouble with the third party being responsible for the debts they do not rightfully own. I understand that such a system is in place with The Revenue and Financial Services Act and The Income Tax Act.

However, Mr. Speaker, I'm not aware of situations where third parties have been left paying someone else's taxes. And it is our intention to quiz the minister regarding this and find out whether any other provinces such as Alberta can serve a third party a tax bill such as the one that this piece of legislation imposes.

In any event, Mr. Speaker, we're still waiting to hear from some of the groups. We've been in contact with the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada, the Saskatchewan Mining Association, for their reactions for the provisions in Bill No. 14.

We would like to know exactly what they think of the third party billing, just how much they were consulted on this legislation, and other questions that we have, and certainly those are questions we will be raising with the minister when we address this in committee.

In the minister's second reading speech he said again, and I quote:

The Crown Minerals Act provides the legislative framework for the granting and acquiring of all rights to interests in Crown minerals.

We'd like to know exactly what is meant by acquiring of all rights to interests in Crown minerals.

This Bill, we believe, also provides for the use of an average price in the determination of natural gas royalties, to simplify natural gas royalty calculation and recording procedures.

I hope the new policy initiative being added to the regulations-making section is similar to that which Alberta recently introduced. The minister stated earlier that his department has been working closely with the oil and gas industry to determine if administration could be simplified in Saskatchewan by using an average rather than actual prices received to determine natural gas royalties.

He indicated that a decision on this matter, and again quote, "will be made within the next few months."

I guess, Mr. Speaker, it would be appropriate that if that is the intent, that maybe it would be . . . one would wonder what the purpose of this Bill is and why we would pass it at this time previous to coming to a satisfactory conclusion with all parties involved regarding the structure of fees.

After all, what happens if the final decision on an average price is that it's not best for Saskatchewan? Then is the minister's answer, too late; it's already law. Have we already passed something that . . . something into place that the industry would find offensive.

We find there are many other questions that we have regarding this legislation, Mr. Speaker, and would like answers to those

questions. We would certainly be seeking answers of the minister in committee. And therefore, Mr. Speaker, we're prepared at this time to allow this Bill as well, Bill No. 14, An Act to amend The Crown Minerals Act, 1995 to proceed to committee as well.

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

## COMMITTEE OF THE WHOLE

### Bill No. 34 — An Act to repeal The Economic Development and Tourism Act

**The Chair:** — Before we proceed to clause 1, I would ask the minister to please introduce the official who has joined us here today.

**Hon. Mr. Lingenfelter:** — Yes, Mr. Chairman, and to the committee, Mr. Bob Perrin is joining us to help advise us on this Bill.

#### Clause 1

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Welcome, Mr. Minister, and Mr. Perrin.

I guess my first question has to deal with why are we doing this today. Why is this particular Bill coming forward now? Why wasn't it wound up last year when the changes were made to the other Economic Development areas with the changes to SEDCO (Saskatchewan Economic Development Corporation), etc.? Why is this being done now and why wasn't it proceeded with last year?

**Hon. Mr. Lingenfelter:** — The reason that this was done separately is because of the extra consultation that went into the process in northern Saskatchewan.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Who were you consulting with and what were you consulting with them about on this particular piece of legislation?

**Hon. Mr. Lingenfelter:** — There's a lot of meetings with northern communities and northern groups on the replacement for the northern revolving fund — problems that had existed with that fund. And I don't want to belabour them and go into the long lists of loans that were given out and the problems associated with them.

This is not dissimilar from the long list that you would read in the taxpayers' association newspaper of loans that came out through SEDCO during those dark days of the 1980s. And I could go into the list and get them all out for you, but I really, really don't want to get into that.

But in order to get through that period and wind that revolving fund down, there was a lot of negotiation and consultation that went on. If you want me to go back and get the long list of problems associated with that fund, I could do that.

**Mr. D'Autremont:** — Well, Mr. Minister, it seems that there has been a long, long history of problems with SEDCO, going back ever since its inception, back into the '70s and perhaps beyond that, because I don't know just when that particular vehicle came into play on it. But even I can remember things back in the '70s where SEDCO was in trouble over various loans. I guess that was the very nature of the beast, that it was there as a vehicle of last resort for a lot of businesses. And when you're into a high-risk area, that means you're going to suffer some losses.

But that still didn't really explain the necessity of why it was carried over for a year and not being done. I'm sure that if . . . the consultations, could they not have been done last year to have settled this issue? I still don't understand clearly why it was necessary to carry it over for the additional year.

**Hon. Mr. Lingenfelter:** — Well I say again to the member opposite, the consultation process just took longer. And we could wish, I suppose, that it happened sooner, but the fact is it didn't and we have the Bill here now.

**Mr. D'Autremont:** — Thank you, Mr. Minister. With this transfer being made, will the existing loans be carried over into some other vehicle?

**Hon. Mr. Lingenfelter:** — Yes, their portion will be carried forward as part of the ongoing program and be included in the Consolidated Fund.

**Mr. D'Autremont:** — Thank you, Mr. Minister.

Will these loans that continue past the March 31 reporting period . . . how will they be reported?

**Hon. Mr. Lingenfelter:** — Yes, they'll be reported as part of the ongoing public accounts process of the department. So there will be an accounting process where you could look up and check the ongoing performance of certain loan portfolios.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I wonder if you could tell us where this northern revolving fund originated, what piece of legislation it was under. Was it simply under The Economic Development and Tourism Act, or where did it originally come from?

**Hon. Mr. Lingenfelter:** — I'll have to get . . . I can get the exact date and piece of legislation. But from what the memory is here, it comes out of the period during the 1970s when DNS (Department of Northern Saskatchewan) was the established agency or department for development of the economy and other things in northern Saskatchewan.

I can get you the exact piece of legislation. I don't have that here, but my understanding is the revolving fund actually originated from back in the days of DNS.

**Mr. D'Autremont:** — Thank you, Mr. Minister. If you would provide that, please. And also, could you provide what the

initial goals for this fund were? What was it intended to deliver into northern Saskatchewan?

**Hon. Mr. Lingenfelter:** — Yes, I'll get that for the member.

**Mr. D'Autremont:** — Mr. Minister, I wonder if you could explain to me where the funds came for the northern development fund? Did they initially come out of the Consolidated Fund? What kind of input could there have been from say northern communities? Were they given an option to invest, along with the Consolidated Fund or wherever the money may have come from?

**Hon. Mr. Lingenfelter:** — Yes, I think you're absolutely right in your assumption. They were granted through the Consolidated Fund from the Department of Finance in each year's annual budget of the department.

**Mr. D'Autremont:** — Okay. Thank you, Mr. Minister.

What types of programs or projects was the fund to be involved with, and how was it intended to work? If you could explain the concept of the revolving fund and how that was supposed to work in relationship to the northern development fund?

**Hon. Mr. Lingenfelter:** — The main areas were, I suppose, what one might expect — those clusters of economic development that are prevalent in northern Saskatchewan, some of them historic — fishing, trapping, hunting. And then of course the attempt over the period, both in the 1970s and the 1980s when your government was in power, to try to diversify the northern economy into things like wild rice and other areas that might be appropriate.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I don't know how financially successful wild rice was, but you certainly find it in every store and every restaurant now. So it would seem that the acceptance by the general public is there of wild rice, and hopefully it has been an economic advantage to the North.

How would you assess that the fund has fulfilled its goals up until its repeal at the present time? Did it fulfil its mandate in aiding in the development in those areas that you've talked about — fishing, hunting, trapping, and in the diversification of northern Saskatchewan?

(1130)

**Hon. Mr. Lingenfelter:** — I think you'd get mixed reviews. I think it's not unlike . . . Here again, I don't want to make a direct comparison with SEDCO, but I think a lot of times government programs get bad raps because what goes wrong certainly gets much more attention than what goes right.

And if you go back to that program, I think wild rice is one of the examples I think that was helped. I think last year, for example, our production of wild rice was around 2 million pounds. When I do trade into places like New York, you find that all of the four- or five-star restaurants use Saskatchewan

wild rice on their menu. Places like the Park Plaza in New York, the Waldorf Astoria, these places, Saskatchewan wild rice is in fact on the menu.

And so this revolving fund has done some good in that area. On the other hand, a corporation like SEDCO — which has a very poor reputation with the public of Saskatchewan — on the other hand, there are many, many businesses that would come forward and have come forward and said look, without SEDCO, we wouldn't be here — and the jobs that go along with it.

So the review is mixed. It's good and bad. On the other hand, you could, as I said earlier, I could bring a litany of horror stories too where money wasn't repaid and goods purchased with money from loans, found out in the bush; it had been laying there for five or ten years with no money repaid on the loan.

So I think in this era of accountability and more openness in government the scrutiny that goes on in these kind of programs is much more clear and focused; and sort of what was acceptable in the 1970s and 1980s for programs simply isn't acceptable in the 1990s, and for that reason the wind-down, new criteria and very, very much tougher controls on lending of taxpayers' money.

**Mr. D'Autremont:** — Okay thank you, Mr. Minister. I wonder if you could give us some examples of some of the ongoing successful businesses that have been and still continue to be involved in the fund.

**Hon. Mr. Lingenfelter:** — If I could, what I would like to do here is sort of share, maybe confidentially, some of the list, because what I don't want to do here quite honestly is to start saying who is successful, who is sort of not successful or who . . . that would only be my interpretation.

But if you wouldn't mind, what I would much prefer to do — if you push me on it I can get you a list — but what I'd rather do if we could, take some time and I can go through a list with you or get a staff person to go through and say look, here are the companies that are doing fairly well and these that are marginal and these that just didn't make it, they're gone.

But in the areas where . . . if I could speak to the areas where we've had success, I think it has been in some of the new ventures like wild rice or new, innovative programs that the northern development has been involved in.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I wonder if you could outline for us how a revolving fund is supposed to work.

**Hon. Mr. Lingenfelter:** — The intent of the revolving fund, so to speak, is that the Finance department grants the money to the Department of Economic Development which sets up a fund, then that money is loaned out to individual companies or individuals to do economic development and the money then is

repaid. The intent would be that over time the Department of Finance wouldn't have to grant any more money and you would just have a pool that was maintained at a certain level. And that's the intent and mandate that was originally established.

**Mr. D'Autremont:** — Thank you, Mr. Minister. To what degree was the revolving fund, the northern development revolving fund, influential on what you're developing now?

**Hon. Mr. Lingenfelter:** — Well what we've done is taken the one loop out. There's no revolving fund, so to speak, set up in the department; it's general revenue, Department of Finance, to the operator and then directly back to the Department of Finance. So in that sense the revolving part of it has been removed to take out one layer of red tape, or one layer of administration, which will save us a good deal of money.

Secondly, much tighter and rigorous scrutiny on the program. We expect it to be a smaller and tighter program. And the other main area is the fact that we will try to focus much more on those areas related to new economic development.

And finally, those entrepreneurs who have had outstanding loans and not repaid to the original revolving fund will have to pay back any arrears before they come and get more money.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Those items that you've mentioned in the last part of your statement there that you view as improvements, are there any other improvements that will be in place, based on the history that you have learned through the northern development revolving fund that you'll be putting into place today, to ensure that some of the problems are eradicated while still allowing — because this is obviously a risk area that you're investing in . . . that will improve the percentage returns that you'll receive?

**Hon. Mr. Lingenfelter:** — The two big changes would be — here again this is not dissimilar from some major changes when we wound SEDCO down and got rid of the lending money for Main Street for example, for a laundromat or for a restaurant — the new fund will not lend to those kind of Main Street, competitive kind of businesses. At least that's the intent.

The other thing is where the old revolving fund loans were going out in excess of a million dollars, this is capped at 250,000, so no individual or company could get more than 250,000. And we're looking much more at community-based industries which would be tied to trade and trade development, things that could be exported out of the area in a value added format. And so it will be much less, or limited, in what they will do at the retail end, in terms of storefront operations, and much more into value added and manufacturing, processing kind of areas.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. What types of increases in due diligence will be involved in this? You say you're not going to be allowing retailers into this fund, to access it to develop within their communities, but based more on trade. Well I think trade . . . we need trade, we're a trading

province. Trade is also perhaps a higher risk, something you can get less of a grasp on than you can on the retail sector within a small community. What kind of further due diligence will you be carrying out in those economic areas that will be applying for funds?

**Hon. Mr. Lingenfelter:** — The main difference will be in the fact that there will have to be a market analysis done to see that the product being produced will actually have a market.

And I think overall in the 1980s — and I'm not saying this critically of Saskatchewan, but I think in a general way across Canada, maybe all across North America — there was this belief if you could just build factories or just build something, that that's all you had to do.

And I remember people saying: well we can produce this and that and the other thing as well as anybody else. We can produce pasta for example as easily as Kraft can produce pasta. But what we now know is if you don't have a market for the product that you make, it doesn't matter whether you make the best telephones, for example, in the world, which Trinitel claimed to do, at a certain town in Saskatchewan. They built warehouses full of telephones, but nobody bought the telephones so therefore they went bankrupt. And you almost have to start the formula from the other end — find a market niche and then back up the system and produce for that market.

And so we are very intent on looking at where the product will go if in fact you produce a certain commodity. And this is not only true of northern Saskatchewan, that will be true of economic development in the South as well. This is a major, major, but fundamentally important shift from the economic development that went under the old revolving fund.

And when you say that the trade is a bigger risk, it's not accurate when you apply that determination of due diligence that the market has to be there in order for the loan to go into the company. In fact the risk is very much mitigated, and those export operations are actually very viable.

The old northern revolving fund would clearly point out that the worst loans, where you were injecting money into areas where there is already overheated in terms of the number of storefronts in places like La Ronge or Ile-a-la-Crosse or other areas where you are putting government money in to artificially compete with people who had invested their life's earnings or had done a lot of work and didn't have the advantage of having government money at their disposal.

So I think in all those areas we have improved the due diligence at the front end. And the higher the risk, also on the business plan, the more the individual or the local company has to put in in terms of equity at the front end.

We're saying if the risk is very high, take your own money and put it in. We may be able to put a little bit in but you're going to have to take the majority of the risk. Because I think at the end of the day what the taxpayers want to know is if they're putting

any money in, that the individual also is putting in a good chunk of their own money so that when the project goes forward, risk is being taken by the proponent as well as the taxpayer.

Now it's not going to be a perfect system; there is no perfect system. But also the government has very, very much reduced the number of revolving funds overall and has very, very much reduced the amount of taxpayers' money that we will put out for direct loans to companies for economic development because we think that where individuals and companies really should look, in the longer run, is to traditional lending institutions.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Well indeed people should be looking to the financial institutions, to the banks and to the credit unions. I know when I was on the board of my local credit union that a number of people came forward to us looking for assistance in developing a business. And we believed at the time we made good choices and once in a while it turned out not to be the case.

But when you're doing your due diligence in dealing with trade though, Mr. Minister, what kind of an end result is going to have to be in place prior to the approvals for those loans? Are the people who are going to develop a manufacture and trade system, are they going to have to have signed contracts that they are going to deliver X product to X wholesale or some place, so that they know that they have a more or less iron-bound contract — as tight as those can be — to accept the product that they manufacture? Are they going to have to have something like that, that they have an assured acceptance point for their trade goods? Or is it just some sort of a system that says that this item is desired in this particular market and we believe we can sell there?

(1145)

**Hon. Mr. Lingenfelter:** — Yes, on the two points that you refer to, first of all what is needed in the market analysis is proof that there's actually room in the market for the commodity to fit; that they have the proper middle person, if one is needed, in order to take that product from where it's at into that market.

And while there doesn't have to be absolute contract signed, we just aren't in a position to lend out money if we aren't highly satisfied that that flow will take place. And nor should we want to be, because we're not doing anybody a favour by giving them money if in six months or a year they're either going to be back at your door and you're going to have to say no to them or the company's gone bankrupt. So that in fact becomes an important element.

The other thing is, in terms of why the northern fund is important even today, and I would say more important than in the South, is the fact that many lending institutions simply aren't present in some of these northern communities. So part of our work in the department too has been to urge the lending institutions, Royal Bank and all the banks, in a general way,



and the credit unions, to take a responsibility and to be present in northern Saskatchewan.

So we're working with them. And we have actually had very, very good cooperation from the lending institutions to say look, are there things that we should be doing in the North that we're not already doing at the present time? So that partnership between government, local community, and the banking institutions, I say again, while not perfect, is becoming more cohesive.

And also . . . I just want to refer back to question period today because I think also, in the general economy in society at large, there is much more growth in the belief that there is personal responsibility. And if you take taxpayers' money to do economic development, you had better be sure that at the end of the day you're going to pay that money back. The day of taking a 100 per cent taxpayers' dollars and then saying, well it's just taxpayers' dollars, it really doesn't matter whether we pay it back or not, doesn't exist any more.

And the same is true of many other things. The issue of gaming, not to get into it, but there's this continual thing that if somebody goes out and steals a bunch of money from their church, that somehow they can be absolved because the government had something to do with regulating gaming. Or if somebody drinks too much liquor and goes home and abuses their kids, that somehow because they got the liquor at the liquor board store that they are absolved from their responsibility.

That simply isn't the case any more in our society. You've got to repay loans that you take from the government. If the taxpayers are good enough to give you some money, you bloody better be ready to pay that money back. If you buy liquor at a government liquor board store, that doesn't mean you can go out and drive your car and have an accident and somehow say, the government made me do it. And when there are VLTs or bingos, you can't go and spend all your kids' money that you should be using for food, and say somehow the government made me do it. It doesn't work that way.

And what this is very quickly boiling down into is that the public, the people, have obviously responsibility. Government has roles and ways and means of regulating, taxing, and administering programs, but you cannot take away from the personal responsibility that if you get something, a loan from government, you have to repay it. If you buy a 26 of liquor at the liquor board store, a government liquor board store, you have to treat it with respect. And if you're going to go into a VLT operation, you can't take the grocery money and spend it all and say that the government made me do it. Or you can't go to church on Sunday and go into the collection plate and take out \$100 and say somehow the minister in charge of gambling made me go to church and take the money. There is such a thing as personal responsibility, and no more is that more true than right here in economic development.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. I find

your speech very surprising though, that it seems like it's a major change for someone who would be a proponent for the left wing of society to come forward with the idea that the individual is somehow responsible for their own actions. As I listen to political diatribes from the left, it always seems that they are promoting the idea that it's society who is responsible for the ills that have taken place within our society — that little Johnny is not responsible for being an axe murderer; it was society that created him in that manner. And, Mr. Minister, you're saying no, Johnny is responsible for his own actions. And I just happen to agree with you on that, Mr. Minister, that indeed the individual is responsible.

On the other side of that though, Mr. Minister, governments or anyone else who promotes something that does encourage those kind of actions, has to also bear some responsibility.

When VLTs were placed within our society to make it readily available to everyone, the person who benefits has to bear some responsibility for the things that happen as a result of that being available. In this particular case, it's the government who benefits, the government who made the VLTs available, and therefore the government has to bear some of the responsibility.

The individual who did it will pay for his responsibility for his involvement in it. But the other parties involved, being the government, does not wish to be held accountable, because they are saying, our only involvement in this is we're collecting the taxes on it.

Well, Mr. Minister, you're collecting a very, very large volume of taxes on there, and that's the only reason it's there, Mr. Minister. And while you may wish to deny any responsibility for Johnny's actions, by making those items available you have created that opportunity and that need within him, and therefore you have to also bear some of the responsibility.

Well, Mr. Minister, how will you determine . . . you said that you don't need to have a contract in place to determine whether or not the product that will be put into the market will be viable. So what measures, what measures and due diligence, will be in place to determine that product, this widget, is going to sell in this area, wherever it's being delivered to?

You can certainly say that we need a better mousetrap, but we don't know if a better mousetrap will sell in Regina. If we don't happen to have any mice in Regina, it's going to be difficult to sell mousetraps here. If you have a distributor in Regina who's prepared to say, I will take a million mousetraps from you, then you have something in your hand. You have a signed contract to say yes, let's get producing mousetraps because in Regina we have a person who's prepared to buy them. He may distribute them some place else if there's no mice in Regina.

But if you just say, well we believe that there is a need for mousetraps in Regina because we have seen mice running around on the streets, but you don't know if the people already have enough mousetraps and aren't prepared to use them, so how do you determine whether or not you actually have a

market there?

**Hon. Mr. Lingenfelter:** — The member raises an important issue, and that is about marketing. And I couldn't agree with him more. Because at the end of the day, I say again, it doesn't matter whether you can make mousetraps or not, it's whether you can sell mousetraps that is really the important issue. And you have to start from that end.

Let me use the example of wild rice. I compare wild rice to be not a high-risk endeavour because there's a greater demand for the product worldwide than there is production. And especially though, when it comes to Saskatchewan wild rice, it is just a high-value commodity. People will pay a premium for it. There is competition from the United States because they now grow what they call wild rice commercially on irrigated land, but still it doesn't compete with northern wild rice in terms of price or quality.

And so when it would come to people being involved in the wild rice production, the point I'm making here is, we wouldn't be nearly as anxious if they had an actual contract any more than you would on canola in the South. The fact is there's a big demand for it. We know that people are going to be able to sell it. And they're going to be able to sell it for a good price.

When it came to something more exotic, where there isn't an obvious market for it, we might actually at the end of the day demand or insist that they have a contract before we would lend money. So there's that variance in terms of the risk.

But I just want to for a moment go back to this issue of personal responsibility on repaying the loans. One of the things that we talked to them a lot about, is the importance of personal responsibility. That this is not government money, this is your neighbour and friend's tax dollars that you're taking in order to help you get started. And you had better believe that when you look a person in the eye who's giving the loan, that you have every absolute intent of repaying your neighbours and friends their tax dollars that you are taking to help get your business going.

And this is not an easy process. And it's not Roy Romanow's money or good old Chrétien's money.

**The Chair:** — Order, order. I'll remind the member that he's not to use the proper names of members of the House. I know he knows that, and I just ask you to keep that in mind when he's speaking in the House.

**Hon. Mr. Lingenfelter:** — I appreciate that, Mr. Chairman, and probably just speaking too fast here. I neglected to use the Premier as opposed to the individual name.

But I say to the member opposite, no more is this true than on economic development and the millions of dollars over the past 10 years that have been granted to people. And I think at times during the 1980s, there was a belief that this money — I don't know where they thought it came from — but that it just

appeared in the till in the Department of Finance and it could be given out helter-skelter, and with little attempt to reclaim or to get it back.

This is also true — and I want to comment on your words about gaming and liquor sales and the other areas of responsibility, cigarettes and tobacco — to say that we as a government believe in anything other than personal responsibility, is absolutely inaccurate.

Do we promote VLTs? Do we promote 649s? Is that proper for a government to do? The fact is, is that liquor advertising started in the 1980s when you people were in government, and personal responsibility on repaying northern revolving fund loans, or whether you drink too much, or whether you make a conscious decision to smoke — even though written right on the package the disclaimer that it's bad for you health, particularly for women who are expecting — these are personal decisions.

And I say again when somebody goes into a bar, obviously they see a sign on the bar that there's two things in there that you might be concerned about: there's liquor and there's now VLTs. And that is true in Alberta, it's true in Manitoba, it's true in North Dakota, it's true in Montana, and yes, it's true in Saskatchewan.

It should come as no surprise to any individual that if you go into a bar in Saskatchewan there's going to be liquor. You can probably buy cigarettes from behind the till and smoke them if you want. And yes, you'll be able to put your hand in your pocket and take money out and put it in the VLTs.

But it is not logical to take the next step and say — and it's a defence to say — I can go to church and steal money out of the kitty, and then a week later or a day later go down and spend it on VLTs. That might be a great defence for lawyers to take to the courtroom, but I would be very surprised if it has much impact for very long; any more than it would be when you have over .08 to say: I bought this at a government liquor board store; therefore I'm not to blame, the government's to blame. It's a ludicrous, simplistic, I would say stupid, argument.

It doesn't work that way. When somebody takes money out of their wallet and plugs it into a VLT or takes money out of their wallet to buy a 26 of rye or takes money out of their pocket to buy cigarettes, that's personal responsibility, nothing more.

When they buy a ticket to go to Las Vegas, I'm not going to go out and tell them they should spend it on more clothing for their kids or new furniture. The simple fact is, that's personal responsibility.

And if the members opposite continue to come to the House and say look, it's the government's fault that this guy went to the Catholic church and stole out of the collection plate, it's an interesting philosophy that that's who you would defend. But I can tell you quite clearly, in my household if somebody says to me: look, I had to steal money to go to the video arcade, and the

guy owning the video arcade is responsible for me going to your wallet and stealing the money, I can tell you what I'm going to be telling my kid; it isn't going down to the video store and holding up a sign saying, my kid steals money therefore I want you to close down your arcade.

And you people opposite should know that you're absolutely on the wrong side of the issue defending people who steal money to plug them into VLTs. That is not how society works. And if that's how you're raising your kids, it is absolutely no wonder that we have the problems that we have.

When people steal money to buy booze, to buy cigarettes, to plug into VLTs, to go to Las Vegas, they're guilty. That's all. They shouldn't do that. And for you to come here and say, condone that and say, look, it's the government's fault that you buy liquor or it's the government's fault that you play VLTs or the government's fault you go to bingos — where do you get off with that kind of logic? It doesn't work that way.

And in this Bill, when people take money from the government to invest in their company they had better believe they have a personal responsibility to repay — not half of it, not 60 per cent of it, but every cent of it, plus interest. That's how it works.

(1200)

And I say this only, Mr. Chairman, because I get so tired of people coming to this House pandering to people who have stolen money, and saying the government made me do it. What in the world kind of logic . . . what has the Conservative Party come to?

Where have you come from that you would take the approach of coming to the House and saying, if somebody drinks and drives but buys their booze at a government liquor board store that somehow they're innocent? It doesn't work that way. You know that. You can't go to church and steal money and go to a bingo and spend it and have a defence that says, bingos made me go to church and steal the money. That's not logical.

And for the Conservative Party to continue to come here on that line, I think tells you why you are at 10 per cent. The public doesn't believe that line; they believe in personal responsibility.

**Mr. Devine:** — Mr. Chairman, the minister has prompted several of us, Mr. Chairman, to address the question to the minister in terms of the responsibility of government. I think the minister would know that when government sets the rules, it has some implications on the general public.

I believe its true, for example, Mr. Chairman, that the several jurisdictions in the United States . . . like you say, that Tennessee doesn't allow gambling. Period. And they've made that choice because they feel the general public believes that it can have a negative impact on children and on people who are tempted to do a lot of things associated with gambling. Now we have the Grande Ole Opry; we have the home of Elvis Presley; we have a lot of attention in the state of Tennessee. But that

state and the people of that state, for moral reasons and political reasons, as it comes to pass, do not allow gambling.

Now the point is being made that if in fact we thought that it didn't matter, then we could say to the minister, if you think that the state doesn't matter, you could legalize marijuana. And you could make a very valid argument, given your logic, that it wouldn't matter if you bought marijuana or not because that's a personal choice. You could legalize prostitution — wouldn't matter because that's a personal choice. You could have liquor sold in retail stores. The minister could open up a beer and liquor for sale in Safeway, Superstore, all retail stores across the province. And he'd say, well it wouldn't matter if people got it or if they're more tempted by it because it's here, because that's a personal choice. You could drop the drinking age to 16 years old rather than 19. It wouldn't really make a difference.

Now clearly, Mr. Minister, those kinds of suggestions would have significant political, moral impact in society. And you're saying they're not. Well we're noticing is that your push to VLTs and slot machines is causing people to steal from co-ops and steal from churches and steal from organizations that we didn't notice before.

And I can recall, Mr. Chairman, when the members opposite, the NDP, would sit on this side of the House and they would say this, they'd say: don't allow beer ads in Saskatchewan. Don't allow beer ads. Does anybody remember that? The NDP would say: if you allow beer ads, you're pushing liquor on the public.

And it strikes me as rather hypocritical, Mr. Chairman, that the member opposite from Regina Elphinstone, who said don't have beer ads because you might entice people to abuse beer and it would impose it on young people, now stands in his place and says: slot machines, VLTs, don't matter at all. That's a personal decision.

Well obviously he has taken many, many, many positions in his political life and he's flip-flopped more than the Liberal leader, if you really get down to it. He'll take one position on this side of the House and another position on that side of the House.

The point that we're making, Mr. Chairman, with respect to all of economic development and with respect to the attitude of the administration, the NDP government, is the fact that government rules make a difference.

Churches have said, churches have said that if you open up the temptation of gambling, people will be susceptible to that. And you're denying that. You say no, it doesn't matter. Well then you could say the argument to those churches, well if you follow the NDP logic — and you could say this to all the churches — we'll just open up to prostitution, we'll open up to marijuana, we'll open it up to more gambling. And obviously the public would say no, don't do that. Don't even think about doing it. But the minister doesn't seem to recognize it.

And we know, as seasoned politicians in here, exactly what he's saying. He's trying to make a smokescreen and trying to bluff

his way through, but the consequences to the people of Stoughton are very real. And you make fun of it. And people weren't doing that to feed VLTs and gambling habits before you introduced this policy. And the churches weren't meeting together and saying, stop this. And people weren't asking for a plebiscite and saying, let the people decide.

If you go into Stoughton today and you walk through the streets of Stoughton, you will not be popular introducing VLTs and slot machines into the community, because that man and that community and that family are suffering dearly as a result of your policy. And people know you're doing it for money, no other reasons.

You have religious people on your side of the House who have been men of the cloth and people of the cloth, Mennonites, people who belong to the Alliance Church, the United Church, the Catholic Church, who feel very, very badly about your policies. And yet you're pushing them through for what? For money. No more, no less. So for you to stand in this House . . .

**The Chair:** — Order, order. I've been listening for the last several minutes to the member's comments. And I'm looking at the Bill and seeing no connection between the comments and the Bill before us. I will ask that . . . Order. I will ask that the member tie his comments to the Bill in some way. And I remind the member that the Bill is An Act to repeal the Economic Development and Tourism Act. And I would ask that you tie your comments to the Bill.

**Mr. Devine:** — Mr. Chairman, I think the record will speak for itself. The minister brought up VLTs and economic development, and particularly when he's talking about northern Saskatchewan — it's his claim to fame. And it's part of a so-called attraction to come into the province of Saskatchewan, and he wants to try to soften here over the noon hour the implications of his slot machine policy on economic development.

And what we've raised here in the House, and we hear across Saskatchewan, we hear now in Alberta, we hear in Manitoba, and now in several states in the United States, people are having serious second thoughts about economic development tied to gambling that takes money, most of the money, from the poor.

How can you feel good as a socialist or as a Christian or as an affiliated person associated with looking after the low income when you know 80 per cent of the money comes from the poorest of the poor? And that's economic development? You're taxing the very people that need help — the very, very . . .

Mr. Chairman, isn't it interesting that they can't even listen to the arguments now that they've raised them, coming back in front, because they say it's going to be good for economic development if we tax the poorest of the poor, we'll get them . . . Imagine what they're going to do. People in Stoughton will end up stealing \$50,000 from the local co-op to fund their habit now that the VLTs are there, or the slot machines are there.

Gambling takes money out of the hands of those that are on welfare. It takes money out of the people who are single parents. It takes money from seniors that don't have it. And you call this an economic development strategy.

Mr. Chairman, this is not an economic development strategy. This is socialist greed and the height of hypocrisy. How can a socialist . . . how could a socialist who says that they believe in helping the poor take 80 per cent of all this hundreds of millions of dollars from the poor and say, oh well it doesn't matter; we could legalize marijuana, it wouldn't matter; we could legalize any other kind of activity, it wouldn't matter; it wouldn't have any impact.

Well, Mr. Chairman, it obviously has a negative impact. If there's jurisdiction . . . if there are jurisdictions that say no gambling, like the state of Tennessee, because they're afraid of the consequences, the moral consequences on society of gambling, then at least the minister and the government on the other side could acknowledge, maybe it's worth looking at.

If we've put so much temptation into the hands and into the faces of the general public in the province of Saskatchewan that people will steal from churches and steal from co-ops and steal from volunteer organizations to fund the economic project and philosophy of the NDP, then I say we don't want any part of it.

The public doesn't want any part of it; it's shameful. And as the churches said, it's immoral, and they're upset and they want it stopped. They want a plebiscite; they want people to talk about it.

Mr. Chairman, I want to know, if the minister wants to talk about VLTs and his economic development strategy, why he and the Premier won't allow the public to speak on the consequences of carrying on more VLTs, more slot machines, in the province of Saskatchewan.

Yesterday I believe that the Premier said, he was quoted as saying in terms of economic development, he would not allow a vote or a plebiscite in the province of Saskatchewan even though he knew the public was interested. And there's serious, serious consequences to all this new gambling; the Premier said, I won't allow the vote.

Now why won't an NDP Premier allow a vote on gambling in the province of Saskatchewan? What does that tell you?

It tells you he is ashamed of the way he's picking up money from the poor. If you go in downtown Riversdale or downtown Elphinstone, you'll find lots of poor people. And if you look at the NDP record in terms of economic development inside those two ridings, it's pathetic.

And now the key to success is we'll get them gambling, we'll get them out of their homes and out of their apartments and out of the low income places, and they can gamble and they can spend more and more and more money on the slot machines and VLTs because the NDP have figured out how to rob the

poor — how to rob the poor and make it look nice, cover it up, put it in a glassy, fan-filled, star-filled rooms, and say come on in and we'll get your money. And this is the classic economic development for the NDP.

Well, Mr. Chairman, I say that VLTs are directly linked to the economic development strategy of the NDP. And the slot machines are linked, and the gambling policy is linked. And I believe the people of Saskatchewan want some say in how this is going to be developed. And I believe that they honestly disagree with the Premier who said yesterday, I won't let you vote on it.

If the economic strategy of this so-called new wave of people in the province of Saskatchewan, this new NDP government, is to say we will relax the laws and tempt people more; I don't care what the churches say . . . That's what the NDP . . . they just don't listen to them. I don't care what our back-benchers say, those for religious reasons and moral reasons don't like gambling, the NDP in the front row saying no, we're going to do it anyway.

And the consequences to the people of Saskatchewan are a long, long run — the general public, the downtown public, people off reserves, people on reserves, people in the communities like La Ronge, people in cities like Regina and Saskatoon, and other places.

Economic development, Mr. Chairman, should be much more imaginative than just introducing gambling to the people of Saskatchewan in a way that causes them, as we've found out this morning, to take money from the co-ops and money from their churches and say, I had to do it to fund my passion for gambling, this new-found passion.

So, Mr. Chairman, it is not valid for the minister to stand up and say, don't blame us; we're just the government. You introduced the VLTs and the slot machines. And if you introduce laws on marijuana that made it more liberal, you would suffer the consequences of it. And if you want to talk about doing that, fair enough. If you introduce laws to lower the drinking age and say it's no consequence, fair enough. But your arguments the government can't make a difference are not accurate and are not valid.

So I think it's about time, Mr. Minister, that you came forward with a strategy for real economic development and quit picking on the poor in the province of Saskatchewan.

**Hon. Mr. Lingenfelter:** — Well, Mr. Chairman, I've heard it all now. Now the former premier is arguing to legalize marijuana. Now the Tory caucus has gone absolutely overboard.

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

**Hon. Mr. Lingenfelter:** — The argument to legalize marijuana, by the Tory caucus, does not make any sense. It makes no sense.

Now I know you moved to start advertising beer and booze in the province of Saskatchewan when you were in government. But this idea to legalize prostitution and legalize marijuana is taking it one step too far.

And I wish the member from Estevan would stick around for the argument because . . . Just because you're losing is no reason not to stay and listen.

I say to the members opposite that . . .

**The Chair:** — Order, order. Order. I know that the member is well aware that the rules of the House don't allow the comment on the presence or the absence of other members of the House, and I would ask that the member be aware of that and refrain from doing that.

(1215)

**Hon. Mr. Lingenfelter:** — But I say again, Mr. Speaker, that this whole issue of the state intervening takes me right to the point of the gun control Bill and the \$85 million that the federal government is demanding that people in northern Saskatchewan, from across the piece, spend. For what? So the government can register their guns because people don't have enough brains to keep them locked away, to take care of them.

And here the former premier says, and that is true of people who steal from the Catholic church on Sunday, that there again the government should shut down bingos and everything that they might spend that money on — liquor board stores, cigarettes.

There is no excuse for that. And I know that he would say that the federal government should spend \$85 million on registering guns because the public can't take care of that themselves. But it shows you how far the Tory Party has gone towards government intervention in everybody's lives. That's what he wants, and I can't believe it because it's so out of line with the principles on which their party was built. John Diefenbaker would roll over in his grave if he could hear this former premier talk about government intervention, government intervention.

They should . . . the people of Saskatchewan can't decide whether they want to buy cigarettes or not. The government should step in and get rid of them. And we should get rid of the beer in our community even though when he was in government, he advertised it for the first time in the province of Saskatchewan.

I say to the members opposite that you're on the wrong side of this issue of government being in control of everything in everybody's lives. Eighty-five million dollars for gun control is money that could be used by the federal government in a hundred different ways in the province of Saskatchewan.

It could be used to improve our highway system. It could be improved to use in our airports. It could be helping our farmers to diversify into other programs. But no, like the Conservative

Party here in Saskatchewan, they're big time into control of the public, assuming that the public, those that are reasonable, need that kind of government intervention.

And everyone knows that controlling and registering guns isn't going to do one iota of good in terms of stopping the problems with crime and guns that we have for sure in our society.

And the members opposite can go on and on how the public isn't responsible, and they can't decide whether or not to buy that 26 of liquor from the liquor board store. That's no defence for people to go out and drink and drive because they bought it at a government liquor board store. It's ludicrous. It's ludicrous.

And for the member to say, well if you're going to have liquor sold out of liquor board stores, then you should legalize marijuana, that logic is absolutely . . .

**The Chair:** — Order. Now I'm listening very carefully to the remarks of the minister and I'm equally finding the remarks — order — to be really quite in absence of reference to the Bill or its content as I was listening to the question being asked.

And I would — order — and I would ask the minister to bring the remarks closer to the Bill, and I would ask the questioners, both the questioners and the minister, to be aware of the content of the Bill before us, An Act to repeal The Economic Development and Tourism Act.

Order. If we can bring . . . Order. If the minister wants to continue his response he may, and I again caution him to tie his remarks to the Bill.

**Hon. Mr. Lingenfelter:** — Well I say to the members opposite that when it comes to economic development in northern Saskatchewan, the northern revolving fund has been eliminated. This is the Bill that officially does that, and I'd be pleased to answer any other questions on that issue.

**Mr. Devine:** — Mr. Minister, with respect to economic development, would you care to elaborate how the public can feel confident about your strategy on economic development when in fact you have flip-flopped on your philosophy and belief with respect to economic development and gambling? Let me give you and the chairman an illustration.

In the city of Moose Jaw, for economic development there was planned a casino some years back. In the city of Moose Jaw — and the chairman will know — there was support for a casino, a privately run casino along with the city of Moose Jaw, for tourism and economic development.

And at that time, certain individuals including, Mr. Minister, NDP members, NDP supporters, including the Minister of Health — a preacher at the time — marched up and down Main Street against private gambling as a source of economic development.

The Minister of Health, the preacher, NDP preacher, said, no

gambling in Moose Jaw. I'm against it. Economic development should not be associated with gambling. I'm a man of the cloth and my parishioners won't stand for it. And he marched up and down Main Street.

Now today, that man who marched up and down Main Street as an NDP preacher from Moose Jaw, since he's the Minister of Health and endorses the new economic development strategy for the NDP in the province of Saskatchewan . . . which is what? More gambling, more gambling, and more gambling, where people are now stealing from the churches for economic development.

People in Kindersley admitted they had a problem in gambling and stole from the church to put money in the NDP coffers. This morning what did we hear? In Stoughton, a man admits that he took 50 or \$60,000 from the local co-op to feed his gambling addiction. And yet the Minister of Health, the preacher who marched up and down Main Street against privatized gambling, is all for it today.

Why is the public suspect about your gambling policies? Because of the hypocrisy and the turnaround of the NDP. On one side of the House they would say one thing, and on the other side of the House, completely different.

No confidence in your economic strategy. This has got nothing to do with economic strategy. It's greed for money. You've got some fat pensions; you've got some big salaries; you've got friends in the civil service; and you want money. You've taken it from farmers; you've taken it from pensioners; you've taken it from seniors. And you call that economic development strategy? It's pathetic. Absolutely pathetic. And you should be ashamed of yourself.

Gambling is serious business for a lot of people in the province of Saskatchewan in terms of a moral issue. And you've done an about-face and you're being called on. Because economic development on the backs of the poor, taking their money when you said you'd never do it, and your members paraded up and down the streets to make sure that they would never do it, shows that you're just after greed.

This has nothing to do with an economic strategy. It's nothing to do with the right kind of things to do. It's your lack of imagination for real economic development.

I haven't seen a proposal for strategic economic development come out of you yet. You've tried co-generation and it fell flat on its face. You've propped up some companies that would come in. You'd say, well come on in; we've changed our mind a little bit; we'll give you some cash, to multinationals. And that's what bothers people that sit in the gallery that used to be your supporters. They said, I thought you told us that multinationals were bad, and now you're giving them cash to come in here.

Is that your economic development strategy? That's the big flip. More gambling, take from the poor, and take some of that money that you took out of the homes of the poor and you can

give it to a multinational that's got hundreds of millions if not billions of dollars.

**The Chair:** — Order, order. Now I'm listening carefully again to the remarks of the member from Estevan in Bill No. 34, which is An Act to repeal The Economic Development and Tourism Act. I'm looking at the content of the Bill and really having a very difficult time relating the remarks to the Bill, understanding that relationship.

And I'll ask the member to make a direct relationship between his remarks and the Bill, please, to respect the rules of debate in the House.

**Mr. Devine:** — Thank you, Mr. Chairman. It's a question of due diligence in how the government will implement and carry out its economic development strategy given the history of their flip-flop back and forth on issues.

And the confidence . . . As you know, Mr. Chairman, economic development is based on confidence. If you have investor confidence, people will come into the province of Saskatchewan to invest in whatever it might be they think that they can make money at. If you have a flip-flop in policies and significant changes, it has an impact on confidence.

What the public is telling me is that when the minister says he has got a great strategy for northern Saskatchewan that's based on VLTs and slot machines, people are saying, is that the kind of policy that could sustain itself?

We have Indian bands and Indian members who say, there is more to developing life on a reserve or off a reserve than gambling. It's serious. We have people who are now questioning the whole economic development strategy of the NDP administration because they've made so many flip-flops. Now as a result of that, we just question with sincere due diligence whether it can be sustained and whether it's been thought through.

Now I mentioned the gambling issue because to me it's so indicative of the flip-flop. The minister mentioned it. He said VLTs and slot machines are a very important part of it. And I go back and I'm reminded . . . Well just a few short years ago when they were on this side of the House, he didn't believe it. So the question the public has: maybe they don't really believe it now; maybe it's just motivated by greed.

And I think a Bill like this which can lead hopefully — or should — to more economic development strategies and new Bills coming forward, should be based on some real depth and not just a whim at any particular time.

So I ask the minister, with respect, if he could outline the philosophy and the consistency in economic development associated with VLTs and slot machines. Secondly, I said with respect to economic development, because he thinks gambling is such a big part of it, why in fact the public might not have some input on that, which is associated with them participating

in democracy . . .

**The Chair:** — Order. Again I am continuing to listen and having a very difficult time. I remind the member that the Act, both its title and its purpose, is to repeal The Economic Development and Tourism Act, and I'm not hearing any reference to that at all made by the member from Estevan.

I will ask the member from Estevan to tie his remarks directly to the subject, which is to repeal The Economic Development and Tourism Act. And if he does not do that, then I'll recognize another member. So if he'd please tie it directly to that.

**Hon. Mr. Lingenfelter:** — Mr. Chairman, I just want to take a couple of moments to relate to the economic development strategy of our government, as it would relate to northern Saskatchewan but to the Bill as well.

And seeing as the former premier has spent about 10 minutes going over certain lacks in our economic development strategy in a general way, I would be remiss if I didn't say at least that the *Partnership for Renewal* document, which is the basis of economic development in our province, has been worked out between government, business, and the communities, and I think it's working very well.

And when I compare it to the reports on economic development and for what we're known across the country, Stevie Cameron's book, *On the Take*, and the section on gigamess . . . it's part of the Bill because it's part of our economic development strategy not to do what that member from Estevan did during the 1980s.

And you had 15 or 20 minutes to go on about our economic development strategy in a general way, and I intend to comment on it. And I say that the mess that you left in northern Saskatchewan, the revolving fund only being a small part of it . . . and I told the member from Souris-Cannington that I wouldn't get up and list out all of the failures, and there are many in that list.

But what's even worse is the \$15 billion in debt, the pinnacle of that being GigaText and the \$5 million given to Mr. Guy Montpetit. And we all remember that story, we remember it so well — the flights to San Francisco at taxpayers' expense. And Stevie Cameron goes through it in great detail in a whole section on it, in *On the Take*.

I won't want to dwell on that, but I will not stand here and be chastised by the former premier on his economic development strategy and what a great success it was, while he's very critical of our government's approach through the *Partnership for Renewal*.

This Bill is here because we are revamping northern economic development. And I would answer any other questions on it. Or if the Chair allows, I will answer any questions on economic development, gaming, marijuana. The member is wanting to promote marijuana and prostitution, any of those issues. If they're allowed, I'll try to answer them.

(1230)

**Mr. Devine:** — Thank you, Mr. Chairman. In terms of economic development, is it not the case, Mr. Minister, that you and your colleagues like the Minister of Finance and indeed the Premier, list the successful projects in the province of Saskatchewan from the previous administration when you are in New York.

Copies of your speeches show that, you know, Prince Albert is the forestry and paper capital of the Prairies, you have two upgraders, and you have fertilizer plants and you have insurance companies and you have an agriculture science centre, critical mass — all part of economic development strategy. And you acknowledge to the big finance people in New York, as we understand, all of these projects as the base and foundation, underpinnings for a lot of economic development.

And isn't it also true, Mr. Minister, that the projects on the Crown side, as the auditor says, 40 per cent of them, 40 per cent of the budget on all those Crown sides, are making something like \$600 million net to the province of Saskatchewan for economic development? And you acknowledge that. That pays for itself — of a some \$15 billion debt, there's something like 7 or 8 billion that sit there that is self-liquidating. And the projects like the fertilizer plant, which contributes 80 to \$90 million to the province of Saskatchewan directly linked to economic development, you are very proud of it.

When in New York — not here, when in New York — you say: look at these projects, look at how open we are, look at all of these things. You don't talk about the past which was, well our economic development strategy used to be anti-gambling, nationalize the potash industries, take over the farm land, all of those things. No.

That's why I come back, Mr. Chairman, to this philosophy. They have a great deal of suspicion about the philosophy on economic development. This new-found socialism is just a bit thin when people are looking at economic development. They say: I don't see any new strategies for economic development; I see a flip-flop on gambling — which was immoral, is now moral just because it's NDP.

And this Bill is an indication of how you are beginning to try to whitewash the public about your new-found right-wing agenda. Well it doesn't wash, because they see right through it, just like they see through your preacher friend there. It just doesn't wash.

So the economic development strategy that we're looking for isn't apparent. I don't see it in the Bill; I don't see it in other Bills. All you're talking about is DNS. If you want to talk about the Department of Northern Saskatchewan, in the 1970s there was a review by a judge in the province of Saskatchewan and he said under the NDP administration that was a whole department run amok. And it was awful. That's the reason that you lost — one of the reasons you lost in '82 and again why you lost in '86 — no economic development strategy, just

bureaucracy.

Well what we want to see is some substantial economic development thought and some theory, and projections of what you can do rather than just take from the poor in gambling. Or throw some money out now to some multinationals and say, well here's some cash. I got quite a bit from the poor here in Elphinstone through gambling. I'll maybe give some to, you know, a big company that comes in because now we can afford to do this because we've convinced our own supporters it's okay to do that for economic development strategy. I just say it's pathetic and people see through that.

And this Bill or other Bills are not going to do much to correct that. You've taken from farmer . . . Is economic development strategy — is that take the GRIP (gross revenue insurance program) money and put it in the budget, that's economic development strategy? Take it from the poor, take it from the farmers, take it from . . . he'll cancel the pension plans for the single widows, parents.

Economic development strategy is more than taking from farmers and taking from widows and taking from the poor and giving it to the multinationals. There's more to economic development strategy than just opening up gambling to young people, teenagers, the poor — those that are most tempted. That's why I don't buy it. Any reasonable person wouldn't buy it.

So your logic, there's no story line here, there's no logic. It just says, we're going to do good because we're NDP.

It's like Tommy Douglas. Would Tommy Douglas say gambling's a good idea? Mr. Chairman, do you think the former NDP premier of Saskatchewan, the CCF (Co-operative Commonwealth Federation) premier, Tommy Douglas, would stand up and say gambling is good for the province of Saskatchewan? Do you think that'd be the case?

Well it got them chirping, Mr. Chairman. Do you know what? Tommy Douglas would say, no it's not. Tommy Douglas would be ashamed, ashamed of the NDP. Tommy Douglas would be ashamed of the gambling that's been initiated. Tommy Douglas would be ashamed that people have to steal from churches to fund their gambling habits and they call it economic development. Douglas would be ashamed that the co-op got robbed in Stoughton to fund a gambling addiction. And they call it economic development strategy. It's not . . .

**The Chair:** — I will ask the member for Estevan to come to order again. Again I listened carefully, I hear the member's debating comments, and I'm hearing no reference whatsoever to the repeal of The Economic Development and Tourism Act. That is the title and that is the purpose of this Bill and I ask him to tie his comments to that directly, right now, or I will recognize another speaker. And I'll ask him to do that directly.

**Mr. Devine:** — Directly, Mr. Chairman, I would like to ask the minister if he could elaborate on his theory of due diligence



when he's talking about economic development strategy in the province, including due diligence on gambling and the consequences of gambling when he is promoting his economic development strategy. Part of the Bill is due diligence. I want to know what are the terms of reference for that due diligence, particularly as it affects an awful lot of people who'll be affected and influenced by his gambling strategy.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, what I want to say to the member opposite, and I was in New York recently, and the banks are disappointed in our government in the fact that we're not down there borrowing bags of money as we were during the 1980s when you were the premier, sir. That's true. The banks pay a little less attention to us. But on the other hand, the financial people wonder how it was that you stayed in government for nine years and ran up \$15 billion in debt.

They are so pleasantly surprised that we now have an administration in Saskatchewan, supported by business people, that run a business style of government. And that's the truth. The people in New York are not disappointed in this government; they're impressed with the economic development. The rating agencies have boosted our rating, as it would come to the economy of Saskatchewan, for the first time in many, many years, the only jurisdiction where that's happening.

And I say to the member opposite, you have to remember that the Toronto *Globe and Mail* refers to the government under your administration as the worst government in the history of Canada. That's the fact about your administration. And when it comes to northern development and economic development in northern Saskatchewan, what we are doing, for example, are things like tourism, making great strides in improving the tourism in northern Saskatchewan. We are working hard with local people who want to expand in the area of wild rice production.

You'll know that the policy of uranium expansion, which you obviously didn't do any of during the 10 years you were in government . . . zero. No investment in uranium because you were too busy handing it out to people like Guy Montpetit for GigaText. That's what you were doing. Everybody remembers those stories about Michel Cogger and the Gracie Sim's trip to San Francisco. Remember, we debated that in here. You know you were wasting the money. You wasted it by the bucketful — billions of dollars out the window.

Northern Saskatchewan money wasted. That's why we're having to redo much of the legislation. Absolutely wasted. You know that. You know you're not proud of it. And you'll know as well that you allowed gaming to expand drastically in the province. Drastically.

The biggest gaming problem in my constituency of Elphinstone is not VLTs or the proposed casino; it's bingos which you allowed and encouraged when you were in government. The problem in my constituency with gaming is not the casino that might be built where tourists from out of the province will use the casino; it's bingos. And you, sir, were the biggest

proponent, the biggest proponent of bingo expansion of anyone in western Canada. It expanded drastically while you were premier.

You'll know as well . . . And you question about VLTs and why they are being put into place in Saskatchewan. You asked the question.

**The Chair:** — Order. Now I'm listening carefully to the response of the minister, and for a period of time he was directing his remarks directly to the content of the Bill, but now I'm finding his remarks are just as out of order as the remarks of the questioner were.

Order, order. Order. And so I bring that to the minister's attention and ask that if he has more remarks that tie back to the purpose of the Bill, to the intention of the Bill, that he do that, and to do that directly.

**Hon. Mr. Lingenfelter:** — The member will know that the Bill is being brought here as part of our economic development strategy and part of the *Partnership for Renewal* document that the chamber of commerce and the business people in the province helped us develop. And it's leading very clearly to jobs being created almost in every sector of the economy.

I say as well that on the question of gaming and as it might relate to northern Saskatchewan, you will know that the reason that we allow VLTs is because your friends in Alberta and Manitoba, Conservative governments, have them. Your conservative friends to the South of us, the conservatives to the South of us in Montana and North Dakota have them.

You might as well have a Conservative government, but you're not. I mean you're not in government and there's good reason for that. There's good reason for that. Because you were wasting billions of dollars on . . .

**The Chair:** — Order, order. Now I've asked if the minister would direct his remarks to the Bill. There is a fairly wide-ranging attempt to have a debate related to economic development generally, but that's not what is in the Bill that is before us.

The Bill that is before us is both entitled and appears to be the intent to repeal The Economic Development and Tourism Act. Again I'll ask the minister to limit his remarks to that if he has anything more to say on that.

**Hon. Mr. Lingenfelter:** — Mr. Chairman, the only question that was asked related to VLTs so I can't answer it.

**Mr. Devine:** — Mr. Chairman, thank you. I asked the minister if he would elaborate on his due diligence on economic development projects, because it's . . . as it relates to his economic development strategy. He introduced gambling and VLTs and slot machines into the debate, which I assume is part of his strategy.

Now if economic development does not include VLTs, Mr. Chairman, or slot machines, then he can say so. But if it is part of it, then would he just elaborate on how he is going to apply his due diligence to economic development in this Bill.

**Hon. Mr. Lingenfelter:** — Well I'm going to tell you how VLTs relate to economic development. Because the question's allowed, I imagine that I will have the opportunity to respond to VLTs and how they relate to the economic development.

VLTs are allowed in Saskatchewan because your Conservative friends in Alberta and in Manitoba have them, and the hotel industry along the borders of the province indicated to us very clearly, that in order to compete, they wanted to be allowed to have VLTs in their hotels. And the member knows that. He knows it. And clearly, Mr. Chairman, that was the reason that VLTs were allowed.

(1245)

**Mr. Devine:** — Well, Mr. Chairman, the minister has said exactly what I knew he would eventually say. He said, Mr. Chairman, that the NDP in Saskatchewan is following an economic development strategy with respect to VLTs and slot machines because the neighbours in Alberta and the neighbours in Manitoba have done that, therefore he had no choice. That's what he said.

And I hope there's a big audience out there today because I want to tell the minister from Elphinstone, this new NDP economic development strategist, if you think that the strategies in Alberta and Manitoba have an impact on Saskatchewan that you would care to emulate, then why — and if you say you're doing it because they're doing it over there — why don't you look at the tax measures in Alberta and the tax measures in Manitoba associated with economic development strategy?

If you go into the community of Medicine Hat, you will see all kinds of Saskatchewan people over there shopping and it isn't helping economic development at all in the province of Saskatchewan.

**The Chair:** — Order. I'm trying to be patient and to allow as much relevant debate in question and response in the Bill as would be reasonable, given the rules of our Assembly, and I'm have a very difficult time hearing relevance to the Act. And I remind the member again — the Act is, An Act to repeal The Economic Development and Tourism Act. That is its title; that is its purpose. And I'm hearing no reference being made to that Act.

I will ask the member to make his comments and put his questions directly related to the Act now or I will recognize another member. I remind the member, as I've said earlier, it is not the subject before the House, the debate of economic development strategy; that is not the subject of debate. If the member for Estevan will put his remarks directly to the Bill which is before us.

**Mr. Devine:** — Thank you, Mr. Chairman. I'll just come back to the question of due diligence associated with this and the discretion that a minister might have in applying appropriate due diligence to projects that would come forward. Now you can relate that to anything from trees to mousetraps to VLTs or whatever. But could you elaborate a little bit more on what you expect might be the appropriate due diligence and what kind of discretionary powers would be associated with your office?

**Hon. Mr. Lingenfelter:** — In terms as it would relate to the northern revolving fund, which we are in the process of eliminating or winding down or what was in place as it would relate to this Bill, as I explained to the member from Souris-Cannington, there is a process of a business plan that is needed. Part of the business plan would obviously have to speak to the potential for sales for the product being produced. We have moved away very much from storefront operations, restaurants, or laundromats, that kind of thing. And so that's the kind of due diligence that we would have in place.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr. Minister, when I was questioning you earlier about the due diligence, you suggested that if it was a high-risk area, you would want to have some signed contracts. If you felt it was something other than that, that perhaps would not be necessary.

I wonder if you could give us some indication of how you gauge that risk factor?

**Hon. Mr. Lingenfelter:** — I use the example again of, for example, sale of wild rice. If somebody was needing equipment to process or improve the quality of production, we would see that as being a fairly sure and secure market for the product. If somebody was working on woodwork, for example, and wanted to build a furniture plant, we would want to make sure that they would have sale, and we would see that as a potentially a high risk.

**Mr. D'Autremont:** — Who makes that determination, Mr. Minister? Is it someone within your department? Do you make it? Who makes the evaluation that this one is the risky business and this one is the winner that doesn't need to have that?

**Hon. Mr. Lingenfelter:** — This is not greatly dissimilar from the credit union you used to belong to. There is a process of granting loans based on the viability of the project, and it would be done by the professional staff within the department.

**Mr. D'Autremont:** — Well, Mr. Minister, would you personally have any involvement in those decisions?

**Hon. Mr. Lingenfelter:** — No, the minister's office is never consulted, or there's no involvement from my office in that decision.

**Mr. D'Autremont:** — Thank you, Mr. Minister. In your debate with the member from Estevan you made the comment about ensuring that monies would not be lost, that everyone would have to pay back every cent of their principal, every cent of

their interest. What means do you have in place to ensure, to guarantee, that that will in fact happen, that every cent being loaned out in this development fund will be returned to the fund?

**Hon. Mr. Lingenfelter:** — The intent is obviously to collect back the money you lend and we tell them that that's the expectation. Obviously, as in any lending institution — the credit union you were on the board of or the credit union in Shaunavon which I had the opportunity to serve on for a number of years — provisions are obviously made for loss because there will be those times when because of certain sets of circumstances . . . What you have to do though is try to, as clearly as possible, mitigate the amount of loss within the lending program. That is made very, very clear to the recipients — that the expectation, which is what I said, the expectation is is that all of the money will in fact be repaid.

Obviously, as in any lending program we will try to ensure that the money is repaid but one would have to understand that at the end of the day, as in any program, there will be those circumstances, extreme circumstances, where loans will not be totally repaid.

**Mr. D'Autremont:** — Thank you, Mr. Minister, I'm glad that you've admitted that within every such financial program there are always some losses. Under this new proposal, what is your expectations of losses? Do you have a loss exposure that you expect to carry forward and what would that be?

**Hon. Mr. Lingenfelter:** — Yes, we have a loss provision. In these kind of programs, the loss provisions are set relatively high. In fact much higher than we expect. But in order to keep the books balanced and make the auditor satisfied that we have included a provision for that, the amount is set at 25 per cent although we would expect not to come anywhere near that. But because of the auditing program of the department, in order to make sure that we aren't surprised at the end of the day, we want to make sure that we have lots of leeway in the accounting system.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. From my days at the credit union, a 25 per cent loss exposure would be extremely high. I mean I can just see Credit Union Central would descend on us like a ton of bricks if we suggested that our loan portfolio had a 25 per cent loss exposure.

If you look at a loss exposure of a few per cent, you're getting to the limit. But 25 per cent is extremely high, Mr. Minister. And perhaps what you need to do in there, if that's what the loss exposure is about to be, is to tie it in a lot more closely to the due diligence to ensure that those projects have a lot more viability than 25 per cent.

Mr. Minister, how much money are we talking about here when you're looking at a loss exposure of up to 25 per cent under your new program?

**Hon. Mr. Lingenfelter:** — What you have to remember is, the

member should remember, we're talking about the program we're winding down — the loss provision allowed for in this program. And this is the program that you had in place. And so when we're talking about the amount of loss provision in the program, we're talking about a program that you folks had administered, and that loss provision was 25 per cent.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Indeed the previous administration had administered it, you've administered it now, and when you were government before, you started it and administered it. So I think if there's any blame to be thrown around, it goes on everyone, not on anybody in particular.

Mr. Minister, but when you're winding this down, you're also transferring it over to another entity. It's going some place else. I believe in your comments from *Hansard*, it says:

All assets and liabilities will be transferred to the General Revenue Fund, and under the powers of The Department of Economic Development Act, 1994, my department will continue to administer outstanding loans that were made under the revolving fund.

So on those loans, are you expecting a 25 per cent loss exposure?

**Hon. Mr. Lingenfelter:** — Yes, for the member's information, the same loss provision will be allowed for in the . . . in what's left of the program as what it was when it was in the general program.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. How many dollars are we talking about left within the loan structure?

**Hon. Mr. Lingenfelter:** — It's approximately 13 million that's being transferred to the general fund.

**Mr. D'Autremont:** — Thank you, Mr. Minister. In the Bill it talks about existing and all assets and liabilities of the fund will be transferred. Now that \$13 million is the total assets and liabilities of the revolving fund, or are there other monies or properties or chattels that may be involved?

**Hon. Mr. Lingenfelter:** — This is a loan portfolio and so there would be assets that would be attached to the loans. But this is the amount of money that we would have out on loan at the present time or as the program is being transferred. It's about \$13 million.

Just so that we understand, it's a loan portfolio. So there's no real asset, but there are assets tied to the loans to secure them or to back them up.

**Mr. D'Autremont:** — Well indeed, Mr. Minister, we're talking about loans. But at some time if you've got a 25 per cent loss exposure, hopefully part of that loss exposure can be offset with whatever assets were used as collateral on those loans.

So you will per chance gain some actual physical properties or chattels to deal with. And if you do realize on some of that loss exposure, what will happen with those assets and how will they be handled in the roll-over into the General Revenue Fund?

**Hon. Mr. Lingenfelter:** — Yes, if there were to be repossessions, I guess is what you're talking about, if the loans weren't repaid and there would be a process, the goods would be sold to the public at the best offer that we could get for them.

The committee reported progress.

The Assembly adjourned at 1 p.m.