

EVENING SITTING

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Highways and Transportation
Ordinary Expenditure — Vote 16**

Item 1 (continued)

Mr. Brockelbank: — Mr. Chairman, as we were opening up the estimates on the Department of Highways and Transportation the other day I had investigated the question of VIA Rail abandonment, VIA rail passenger service abandonment in the province of Saskatchewan, and the position that we're in in view of some reports that have been circulating around Ottawa, which Minister Bouchard is proposing to act upon by order in council rather than by other means that would normally be expected.

It became quite clear in the investigation of the minister that the minister has an absence of policy and he has an absence of action. He has a verbal policy which I am sure changes from day to day, but he has a . . . no written policy and he has taken no action on the VIA situation.

There is reason for concern. In the VIA motion, which was brought forward last Friday by the member from Melville, he said when he brought it forward, “. . . it's urgent and pressing”. Those were his words quoted right out of *Hansard*, Mr. Chairman.

That item now languishes on the order paper under government orders, item no. 21. And the question really is — and I guess it's a rhetorical question and I don't expect the minister to answer — why wasn't it brought forward today for finalization; why wasn't that motion moved up the order paper? I'm sure if the minister had sought consent of this House he would have got it, could have moved the VIA resolution right up the order paper and we could have disposed of it today — got the message to Ottawa. So in short, the government has a . . . no written policy, an absence of policy, no action on VIA.

I want to know what action this government has taken on the recent announcement of 20 Air Canada reservation people being laid off in Saskatchewan — 20 families, 20 families without work. This amounts to 20 families in Saskatchewan. This is a mere insignificance compared to VIA Rail, which if it comes about will be hundreds of families in Saskatchewan. I wonder what the minister has done about making representations to Ottawa on this item.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman.

Mr. Chairman, I'd just like to respond, firstly, to your comments respecting VIA Rail and the debate that took place here last Friday. The member opposite has made the statement that this minister has taken no action with respect to VIA Rail. Mr. Chairman, that is not correct.

I would outline quickly again that I personally have met with Mr. Bouchard on this matter. I have made

representations last week to his office on this matter. Following the debate in the legislature on Friday I faxed forthwith, after the debate . . . I faxed by fax machine directly to Mr. Bouchard's office a copy of the motion as put forth by this administration, a motion that I believe clearly expressed the government's view and position on VIA Rail; clearly, I believe, outlined to Mr. Bouchard's office in that fax what the position of most reasonable people in Saskatchewan is likely to be on the subject.

Mr. Chairman, I would trust that if the opposition was genuine in their concern, that the opposition would, as the opposition leader had previously agreed, would have agreed with our motion as we put it in and not amended it and chose to filibuster and talk the issue out.

Now, Mr. Chairman, on to the specific question that the member has asked regarding Air Canada's recent announcement. I do want the member to know that I do have some serious concerns respecting any potential loss of jobs for Air Canada employees, or frankly, Mr. Chairman, for any other employees affected by changes in the work place.

I want members to know that, firstly, the member's talk about 20 families being affected is certainly what was reported in the media, and I do not fault the member for using that figure. But I want you to know, Mr. Chairman, that I am, at this moment, in the process of investigating more fully whether or not indeed this does affect 20 people or 20 families. I do have reason to believe that that is not the case, that it is simply 20 positions, and that more likely the actual people that it will affect will be significantly less than that — significantly less than 20.

That is not to understate the seriousness of the proposition. I want the member to know that I am most concerned about it and will be making representations to the effect that when changes like this take place a good corporate citizen should, should look at such options as early retirement, relocation, job training, attrition — all different job alternatives, all of these types of things that any good corporate citizen looks at when changes like this take place.

I want the member to know that I will be making firm and solid representations to Air Canada on this matter. I at this time do have a letter drafted, a letter that I'm not completely satisfied with. I do have one drafted, and I will be making changes to it over the next day or so. And that letter will be going out, and I expect over the fax machine so it gets there in a quick fashion to the president of Air Canada.

Mr. Brockelbank: — Mr. Minister, you typify the changes that are taking place in Air Canada as changes in the work place. That's your comment, as changes in the work place. What it is, Mr. Minister, is privatization in Air Canada. This is a consequence of privatization in Air Canada, and I think the member should own up to that.

The member has now suggested that he faxed to Mr. Bouchard the results of the debate that took place in the House the other day. I suspect that is less than satisfactory because what you've told Mr. Bouchard is: don't worry

about Saskatchewan; we can't agree here in the legislature among ourselves about our position on VIA Rail; there is no support for it — there is no support for it. So you've telegraphed, in effect, by your fax machine, something to Mr. Bouchard which is more harmful than good.

I wonder if the member would table for me, or give me a copy of everything that he faxed to Mr. Bouchard.

Hon. Mr. Hodgins: — I don't know that that would serve any purpose, for the reason that the motion is on the blues. You have a copy of the motion; I would trust that you would have read that. I can tell you that I faxed our motion to Mr. Bouchard. I can tell you that I followed that up with a telephone call, and spoke with Mr. Bouchard's office, expressing once again the concern that this government has respecting the decisions that are about to be taken with respect to VIA Rail.

Mr. Brockelbank: — Mr. Chairman, Mr. Minister, what you're telling us is the only thing you faxed to Mr. Bouchard was what is in the blues. Is that exactly what you're telling me?

Hon. Mr. Hodgins: — Yes, that is correct.

Mr. Brockelbank: — Well as I said, Mr. Chairman, that's less than useless, to send that to Ottawa when this Assembly hadn't made a decision on it.

Mr. Minister, we're on an area here where you're providing unsatisfactory answers, where you don't have a written policy in two areas now. We've got the rail and the air covered, and you have no written policy on either of these things which are going to subtract jobs from Saskatchewan people. And I suspect that pursuing it any farther isn't going to get us anything positive.

I want to ask you, Mr. Minister, do you have a Legislative Secretary?

Hon. Mr. Hodgins: — Mr. Chairman, I would like to respond briefly to the member opposite's last comments on VIA. Mr. Chairman, you will recall, in the legislature on Friday the government motion introduced in the legislature fundamentally asked for public hearings to be held with respect to VIA Rail prior to any decisions being taken — Mr. Chairman, I submit to you a fair and reasonable type of an approach.

I would remind the member opposite and I would suggest to the member opposite that he be in contact with his federal counterparts, because even the federal NDP, even the federal NDP say that they:

... are sending 1,000 letters to municipalities across Canada asking they demand public hearings on VIA, said New Democratic House Leader Nelson Riis.

Now, Mr. Chairman, what I'm saying to you is that this government introduced a fair and reasonable motion on Friday, a motion that I would think all members should have agreed to and sent unanimous consent to Ottawa. Mr. Chairman, it was quickly seen on Friday that that was

not attainable. So in light of that, Mr. Chairman, I sent to the minister a copy of the fair, reasonable motion that this government introduced into the House.

So, Mr. Chairman, I don't want to belabour that point. I will now respond directly to the last question of the member opposite: do I have a Legislative Secretary. The answer is no.

Mr. Brockelbank: — Mr. Minister, the subtle difference between your so-called fair and reasonable motion and the amendment that was offered — which I assume you didn't send to Mr. Bouchard — is that the amendment says, attacks the central issue of the consultant's report from VIA Rail to the Government of Canada.

And the central issue is that rail service, passenger rail service, would be completely wiped out in Saskatchewan. That's what the amendment gets at. You've missed the essence of what the amendment was about and what the motion should have been about.

So the minister has missed the point in sending . . . And I say he's done a disservice to Saskatchewan people by his actions, or hasty actions without proper consultation.

Mr. Minister, have you ever had a Legislative Secretary?

Hon. Mr. Hodgins: — No, I have not.

Mr. Brockelbank: — Mr. Minister, do you have special assistants?

Hon. Mr. Hodgins: — Yes, I do.

Mr. Brockelbank: — Could you tell me who the special assistants are?

Hon. Mr. Hodgins: — I would take from the member's question — and I don't use various terminologies — when you say special assistants, do you mean executive assistants and special assistants and all that general category, or do I have someone specifically called a special assistant?

Mr. Brockelbank: — Well, Mr. Minister, there seem to be so many, so many. There are special assistants, there are ministerial assistants, there are legislative, other assistants, and I want to work down the list. So I want the special assistants.

Hon. Mr. Hodgins: — I will send the list of the assistants employed by my office across to you.

Mr. Brockelbank: — Who is the . . . Do you have one special assistant, or do you have more than one special assistant? And this person is referred to in a news item as a special assistant — a special assistant to the Minister of Highways since the first of the year. This is one Mr. Ralph Katzman. Is he a special assistant?

(1915)

Hon. Mr. Hodgins: — Mr. Katzman, I do not give him a title of special assistant per se. I can tell the hon. member that Mr. Katzman is on contract to the Department of

Highways and Transportation and indeed has been for some time.

Mr. Brockelbank: — What do you call him? Do you say, hey you, or do you have something more formal that you refer to him as?

Hon. Mr. Hodgins: — Well I would say for the hon. member's benefit that I most affectionately refer to him as Ralph, and I think most members in the legislature who have known Ralph, who served in this legislature for probably 12 or 13 years, I just don't recall . . . but well-known to people in this legislature.

Now, Mr. Chairman, I would predict that the member is next going to start and build a case that Mr. Katzman is nothing but a political hack and a political appointment and performs no valuable function for the department. Mr. Chairman, I would submit to you that Mr. Katzman has been assigned various duties since coming on contract with the Department of Highways.

And as a matter of fact, Mr. Chairman, and I want to make a very significant point, a very significant point, Mr. Chairman, because the position, the position, if you want to call it that, that Mr. Katzman filled happened to, a few years ago be filled . . . And I believe the gentleman's name was Martin Semchuk, Martin Semchuk who was an NDP MLA for a number of years . . . (inaudible interjection) . . . No, I'm quite serious.

And so, Mr. Chairman, I would say that Mr. Katzman fills the same type of position as Mr. Semchuk — the NDP, ex-NDP MLA — fills a similar position, and there being one fundamental difference, Mr. Chairman, and that is the fact, Mr. Chairman, that Mr. Katzman performs some very serious work for the department.

And, Mr. Chairman, I think many people in Saskatchewan would recall Ralph Katzman as being quite a shrewd type of an individual, an individual that often does not stick by the book, by the . . . with all respect to the civil servants, but by the bureaucratic book.

And, Mr. Chairman, when constituents and people in Saskatchewan have some special projects that they maybe don't quite agree with the civil service on . . . I use the example of negotiations on a gravel pit. I recall a member, a taxpayer in this province who was dealing with the Department of Highways on a gravel pit issue. I believe it was in the Speaker's constituency. And there was quite a debate as to who was being fair, and the people in the department had their position and this individual had their position, and it took a person with flexibility, a mediator, a negotiator if you like. And, Mr. Chairman, I was pleased that I had assigned Ralph Katzman to that specific duty and looked after the interests of the taxpayer, but also looked after that husband and wife out on the farm who were having trouble negotiating a fair settlement with the department.

Mr. Brockelbank: — I gather, Mr. Chairman, that we still don't have a title for this person or a name of his position. There must be a name for the position because there's certain requirements, qualifications. Could you just check your records a little more closely, Mr. Minister, and

save the blarney. Save the blarney and just give me the facts.

Hon. Mr. Hodgins: — Well, Mr. Chairman, I've repeatedly stated that Mr. Katzman fills a position very similar to the former NDP MLA, Martin Semchuk. He is on a contractual basis, a contractual basis with no clear title per se. Mr. Katzman acts as an adviser; he acts as a liaison person for various transportation problems that come about, such as the example that I have given you this evening.

Mr. Brockelbank: — What are the terms of Mr. Katzman's contract and when was he hired?

Hon. Mr. Hodgins: — Mr. Chairman, Mr. Katzman first came onto a contractual arrangement with the department as at December 15, 1987. I say, Mr. Chairman, that, once again, Mr. Katzman is on a contractual arrangement. I would tell the member opposite that the terms and conditions of that contract are indeed very similar, very similar to those with which Mr. Martin Semchuk, ex-NDP MLA, was hired by the former administration. In fact, Mr. Chairman, I would go as far as saying this: if the member opposite is concerned about the dollar terms of this contract, I would submit to the member opposite that the dollar terms of this contract, indexed for inflation, are not as high as the ex-NDP MLA, Martin Semchuk, had.

Mr. Brockelbank: — What's the term of the contract? Can I repeat the question?

Hon. Mr. Hodgins: — They're on a one-year term.

Mr. Brockelbank: — One-year renewable term. Where is the cost of Mr. Katzman charged to in the budget?

Hon. Mr. Hodgins: — It is under the heading, if you look, contractual services executive administration.

Mr. Brockelbank: — What is the job description and the range? Do you have a formal job description?

Hon. Mr. Hodgins: — I will go through with you a number of the areas in which the person in question has provided services. I would say firstly, Mr. Katzman has been very much involved in promoting the department's community signing corridors. And Mr. Chairman, I'd just like to . . . And I don't want to take a lot of time, Mr. Chairman, but I will quickly review the community signing program that this department has and that Mr. Katzman is very involved with.

Mr. Chairman, there was a time in this province where business signs were not allowed nearly to the extent that business people would have liked them. Okay? So, Mr. Chairman, as a result, businesses could not advertise as effectively as they wanted with signs. So you drove through Saskatchewan and you did not see the types of signs that businesses wanted to have out along the highways and roads of this province. So, Mr. Chairman, it was under this administration that we responded to small business and created special signing programs whereby businesses could once again advertise more effectively.

Mr. Chairman, this government was very concerned that although we wanted to expand the signing, we did not want the place looking like a zoo or looking like some places in the United States that have had serious problems. So, Mr. Chairman, we put in some rules and regulations that I think have quite adequately addressed the situation.

Mr. Chairman, businesses, R.M.'s, cities, other municipalities, want to know more about this program. And, Mr. Chairman, I'm pleased to submit to you that Mr. Katzman, at my direction, under the terms of his contract, has travelled extensively throughout this province, and there is hardly a rural municipality that doesn't know about Ralph Katzman and the signing corridor program. And, Mr. Chairman, he has done a good job of that. He was not like the former NDP ex-MLA in this particular position, who I really don't know what he did. Mr. Chairman, that is just one of the jobs that Mr. Katzman has performed.

I also tell you, Mr. Chairman, that there are business people and others who have been after accesses on the highways. It's always a difficult and sensitive area to deal with. Safety must not be jeopardized, and yet businesses and others must at times have access given to them. Sometimes these can be very tricky and difficult and sensitive issues to handle. Mr. Katzman has handled a number of them. Mr. Katzman has handled a number of landowner and departmental negotiations, such as the gravel pit issue that I speak of previously.

So, Mr. Chairman, no, he does not have a job description. He does not confine to just doing this or doing that. I remind you, Mr. Chairman, that Mr. Katzman is a pretty flexible individual and has worked very hard, not only as an MLA, but in this particular contractual arrangement as well.

Mr. Brockelbank: — When did the community signing program come into effect?

Hon. Mr. Hodgins: — Some time in the year 1986.

Mr. Brockelbank: — Who was doing the community signing program between 1986, when it came into effect, and December 15, '87?

Hon. Mr. Hodgins: — Nobody other than the departmental officials, and I would say, Mr. Chairman, and the results showed it. Because, frankly, Mr. Chairman, what happened, we instituted these new types of rules; however, many businesses and many rural municipalities and many landowners either weren't advised fully of it, or didn't really know how to work through this big thing called bureaucracy, or couldn't quite get their signing corridors in place. As a result there were very few, less than a handful of corridors, less than a handful of corridors implemented at that time.

I took a look at it, Mr. Chairman, and said, gee whiz, this is not working as well as I had anticipated. Let us assign Mr. Katzman to this job and see if he can go out and assist local communities, local businesses, local rural municipalities, in establishing these signing corridors. And since that time, frankly, the results have been quite

favourable, Mr. Chairman.

Mr. Brockelbank: — Did you have access on to highways, by businesses, as a problem to solve on a day-to-day basis prior to December 15, '87?

Hon. Mr. Hodgins: — Yes, we certainly did. And I can also tell you that there was somewhat of a backlog of what I call problem areas that just seemed to be sort of unfixable. You couldn't negotiate a fairer settlement that kept the bureaucracy satisfied that engineering and safety principles were not being sacrificed and yet kept the landowner happy that he was receiving good service.

So, Mr. Chairman, it was with pleasure that I assigned Mr. Katzman to some of these specific tasks, and I feel he has done a very good job and found some very ingenious — ingenious and yet very legal, very ethical, and very common-sense — methods to solve some of these problems.

Mr. Brockelbank: — And, Mr. Minister, you had landowner issues before, arguments about gravel pits — you name them. I know in the Department of Highways there are dozens and dozens of them. Who was handling those prior to December 15, '87?

(1930)

Hon. Mr. Hodgins: — In a very similar answer, Mr. Chairman, indeed we had departmental officials who handled these types of things and I certainly want to give them credit because in the vast majority of cases they can come and they have come to some reasonable solutions to some of these problems. But, Mr. Chairman, I think that any person who has been in government for any length of time finds that there are those special situations, those difficult situations with which, perhaps, you need someone with a little extra tenacity, maybe a little extra feeling for both sides of the fence, and Mr. Katzman performed a very good function in those respects.

Mr. Brockelbank: — Well, Mr. Chairman, I hate to draw the conclusions on these three items: community signing program, access on to highways by business men, and landowner issues, which were all being solved by the department before Mr. Katzman was taken on staff. And oh, I've always looked upon Mr. Katzman as being a generalist, not a specialist. Now you have all kinds of specialists on your staff, Mr. Minister. I think you should clarify why your staff were unable to solve these problems which you say require a special touch.

Hon. Mr. Hodgins: — Well, Mr. Chairman, I frankly feel that I have adequately answered that question and I just once again want to stress that Mr. Katzman has and continues to provide what in my opinion is a very effective service for the Department of Highways and Transportation and ultimately the people of Saskatchewan. I compare that, Mr. Chairman, with the record of the former ex-NDP MLA, Mr. Martin Semchuk, who tried to fill a similar type of position. And frankly, Mr. Chairman, I would, with all objectivity, place the two individuals of which I am speaking, at some other person's discretion, to sort of review the record and see who has really performed a function in the best interests

of the people of Saskatchewan.

And, Mr. Chairman, it's my information . . . Now perhaps the member opposite could correct me if I'm wrong, but it's my information that Mr. Katzman has performed a very valuable function, and it is also my information that the former ex-NDP MLA did little or nothing when he was being paid by the Department of Highways and Transportation.

Mr. Brockelbank: — Mr. Minister, you said you were going to send me across a list of all your assistants, whether they be special assistants, ministerial assistants, or any other kind of assistants. I haven't received that list yet. I wonder if you could hasten to send that across.

Mr. Minister, you're making it very clear that you're not sure what Mr. Katzman's politics were, because you keep referring to someone else and their politics. Now I want the record to show quite clearly that Mr. Katzman is an ex-PC member of this legislature. I think the people should understand that when they read this record, that he is an ex-PC member of this legislature.

And I might say in addition, Mr. Minister, that you haven't told me how much you're paying him. I've asked you that already.

Hon. Mr. Hodgins: — I have provided the member opposite with the response that Mr. Katzman performs similar functions to what ex-NDP MLA, Martin Semchuk, did. I have also told the member opposite that the terms of Mr. Katzman's contract, if you want the financial dollars, I will tell the member opposite that the financial dollars are, if indexed for inflation, are less — I repeat, Mr. Chairman, less than what was paid to Martin Semchuk, ex-NDP MLA who performed a similar function.

Mr. Brockelbank: — Mr. Minister, are you telling me, are you telling this committee, that you refuse to say how much you're paying Mr. Ralph Katzman?

Hon. Mr. Hodgins: — Mr. Chairman, I want to just again reiterate that the terms of Mr. Katzman's contract are similar in nature to what Mr. Martin Semchuk, ex-NDP MLA, was paid. He was, Mr. Chairman, performing similar types of functions, I understand — I don't believe as detailed as Mr. Katzman, but once again on a very similar basis.

Mr. Brockelbank: — What were the educational requirements of this special assistant, or whatever his title is, Mr. Katzman? When you wanted to get somebody to fill that position, what were the educational requirements you asked for?

Hon. Mr. Hodgins: — Mr. Chairman, I would say that we did not go out and write down a detailed job description or, in fact, educational requirements. I would say, Mr. Chairman, that in all likelihood the educational requirements, if you want to use that term, would be very similar to what was called for in the contract between Martin Semchuk, ex-NDP MLA, and the government of Saskatchewan in prior years.

Mr. Brockelbank: — What was the educational level of

Mr. Martin Semchuk?

Hon. Mr. Hodgins: — I do not know, Mr. Chairman. I do say that, once again, the terms of the contract were very similar, the difference being that Mr. Katzman has indeed performed some fairly significant work on behalf of the Department of Highways and Transportation — most notably, work with the signing corridors.

I once again submit to you, Mr. Chairman, that there is hardly a rural municipality across this province that doesn't know about Ralph Katzman and the rural business signing corridors that we have. And, Mr. Chairman, I would submit to you that, ultimately, the people will be the judge of whether or not Mr. Ralph Katzman has performed an efficient and effective function for the people of Saskatchewan in his capacity.

I would submit to you, Mr. Chairman, that he has, and I submit to you, Mr. Chairman, that it's a pleasure that I have Mr. Katzman working in the capacity that he now does.

Mr. Brockelbank: — Well, I agree with you, Mr. Minister, that the people will decide and they won't be very long in having to decide how your actions will be judged in this Department of Highways or your government.

I want to know if Mr. Katzman has office space assigned to him . . . (inaudible interjection) . . . Does the minister from Meadow Lake wish to ask a question? Because I'll sit down if he wants to take over. Does the former member from Rosthern have office space assigned to him in Saskatoon, and if so, what level of office space is it?

Hon. Mr. Hodgins: — Mr. Chairman, it's a regular type of an office within our Department of Highways and Transportation building on 8th Street. I can assure the member that the office space is not elaborate, is not out of line, is not significantly different than most executive members of the department in Saskatoon have. There is nothing elaborate or lavish about Mr. Katzman's office.

Mr. Brockelbank: — Do you still, in the Department of Highways, or does the Saskatchewan Property Management Corporation designate your offices by levels or some other criteria? If so, what is the level of Mr. Katzman's office?

Hon. Mr. Hodgins: — I'm sorry, hon. member, I don't have an accurate level that I can refer to. I can tell the member that the office was a vacant office. The office was an office that at times had been assigned to a field type of person, and once again assure the member that it was nothing lavish.

Mr. Brockelbank: — Mr. Minister, does Mr. Katzman receive transportation allowance, any other allowances such as telephone card, any kind of allowances or considerations of that nature — and what are they?

Hon. Mr. Hodgins: — Mr. Chairman, I am advised that Mr. Katzman is reimbursed expenses. He is paid transportation allowances on a mileage basis. I believe that the mileage amounts are the standard amounts that are referred to in the Saskatchewan Government

Employees' Union agreement, the same type of a reimbursement factor, as a matter of fact, that MLAs receive on a mileage basis.

Your second point referred to telephone allowances. I am further advised that Mr. Katzman does indeed have a mobile type of phone. It is a phone that interconnects with other departmental phones. It is certainly standard, very standard in many of the vehicles in Department of Highways and Transportation, that they carry this particular model of a radio phone — as I believe what it is called — and Mr. Katzman's apparatus does interconnect with that. And I would tell you that Mr. Katzman certainly is in contact with other Department of Highways officials and employees on that phone.

Mr. Brockelbank: — In order to save time, Mr. Minister, will you submit to me the transportation allowance that was paid to Mr. Katzman on whatever, if it's on the fiscal basis, from his initiation in the department to the current time, and any other reimbursements, any other reimbursements that Mr. Katzman had been paid for any allowances. And on the travel allowance I want to know where the travel was done as well.

Hon. Mr. Hodgins: — I would say, Mr. Chairman, that what the member is asking for is an extremely detailed piece of information. I would say that, Mr. Chairman, it is not usual in this particular forum to provide that type of information. I would further say, Mr. Chairman, or recommend to the member opposite, that if that type of information . . . If the member is intent on being provided that type of information, I would suggest that, in written form, he introduce a motion for return asking the legislature to in turn ask the civil service to bring forth that type of detailed information.

Mr. Brockelbank: — Mr. Chairman, Mr. Minister, this is a very controversial person you've hired into the department, and what I want is information that is . . . What I wish is information directly related to the estimates of this department. I want to know what is the mileage that was paid to Mr. Katzman and what is the reimbursement for all other expenses that Mr. Katzman has been paid. Now that's pertinent to the budget which is before us, to the items that are before us, and I want to be assured that I'll get that information.

Hon. Mr. Hodgins: — Mr. Chairman, the member has stated that Mr. Katzman is a very controversial person. I don't believe that that is the case. I don't believe that Mr. Katzman is, at a very minimum, any more controversial than Martin Semchuk, ex-NDP MLA, who in prior years was in the employ of the Department of Highways and Transportation.

Now, Mr. Chairman, if the member is intent on having this type of information, I would be prepared to offer to the member opposite the total mileage, the total mileage claimed by Mr. Katzman.

I would remind the member opposite that Mr. Katzman once again drives a CVA, or central vehicle agency vehicle, not unlike many, many people employed within government. I would remind the member opposite that he is reimbursed or paid at a standard rate, in effect the same

rate that is provided for in the SGEU (Saskatchewan Government Employee's Union) agreement; in fact, the same type of rate that is paid to MLAs in the legislature. And if the member wants to know how many miles Ralph Katzman drove in that CVA vehicle, it might lead to further evidence that indeed Mr. Katzman has provided a valuable service, and I would ask the department on your behalf to provide the total number of miles claimed and driven by Mr. Katzman.

Mr. Brockelbank: — I also ask, Mr. Minister, for any other allowances that Mr. Katzman claimed and was paid for.

Hon. Mr. Hodgins: — Any other allowances that Mr. Katzman claimed for and were paid, were simply reimbursements, simply reimbursements of out-of-pocket expenses. I speak of hotel rooms, or I speak of meals — nothing out of the ordinary.

Mr. Chairman, for me to go back and dig out every single receipt, I don't believe is fair, or I don't believe is consistent with past practices of this legislature. So I will once again offer to the member opposite a total figure of the number of miles driven and claimed by Mr. Katzman in his CVA vehicle.

(1945)

Mr. Brockelbank: — Why won't you, Mr. Minister, tell me what Mr. Katzman gets paid? Why won't you tell me that?

Hon. Mr. Hodgins: — Mr. Chairman, indeed I have, indeed I have told the member opposite that if he is intent on having that information it would be very easy for the member opposite to find out from Martin Semchuk, ex-NDP MLA employed by the Department of Highways and Transportation . . .

Mr. Chairman: — Order, order. I would ask the members . . . Order, order. I call the Assembly to order. I'm just asking the members to allow the member from Saskatoon Westmount and the minister to respond without any interference.

Mr. Brockelbank: — Okay. Mr. Chairman, Mr. Minister, I have in my hand a document that was provided in estimates by none other than . . . Well I guess it was the Department of Highways or Executive Council, and it lists somebody in your office, Gail Anderson, Highways, ministerial assistant 3. September 1,86 is when she was . . . effective date. Her salary, \$3,016 a month, and going to ministerial assistant 4, her salary is \$3,392 a month, a 13 per cent increase. Now why won't you tell me — Mr. Katzman, just another assistant of yours — why won't you tell me what his salary is? I can . . . And I'll read you more off for your department if you want.

Hon. Mr. Hodgins: — Mr. Chairman, I believe that, consistent with past practices in this legislature, terms and conditions of contractual arrangements have not been provided to the members opposite.

Now, Mr. Chairman, I believe that I have been as open as I can be on this issue by basically telling the member opposite that the terms of Mr. Katzman's contract, if you

adjust for inflation, will be less money than that provided for ex-NDP MLA Martin Semchuk, who was employed by the Department of Highways and Transportation. Now if the member opposite wants Martin Semchuk's terms of his contract, I think that we can maybe dig that out.

Mr. Brockelbank: — Mr. Minister, don't stand up here and tell me you've been open with this committee. You certainly have not been open with this committee. I read you off the salary of Gail Anderson in 1988, Gail Anderson getting \$3,392 a month. Now I want to know what your other assistants get. What does Ralph Katzman get?

Hon. Mr. Hodgins: — Well, Mr. Chairman, I can tell you that the figure that Mr. Katzman is receiving is under a contractual agreement with the Department of Highways and Transportation. I can tell the member opposite that the amount of money is commensurate with his experience and abilities. I can tell the member opposite, once again that, indexed for inflation, the amount of money is not out of line, in fact would be less than that given to Martin Semchuk, ex-NDP MLA employed by the Department of Highways and Transportation. And, Mr. Chairman, if you would look at past practices, you would find that contractual figures like that are not normally given out.

Mr. Brockelbank: — Mr. Chairman, this is not a normal situation. Quite frankly, I don't give a damn what Martin Semchuk got paid.

Mr. Chairman: — Order, order. I believe that form of language is just not quite appropriate for this Assembly, and I would ask the member to apologize to the House.

Mr. Brockelbank: — Mr. Chairman, I apologize for the use of the language which was offensive to this Chamber. I'm sorry.

Let me repeat the substance of my remarks. I sat in this legislature in 1964 onward. Martin Semchuk was not a member of this Assembly at that time. The Minister of Highways is dealing with ancient history. What I want to know, what are the facts and figures today with relation to this budget? We're here for the purpose of examining this budget, which runs into the billions of dollars, and I suggest to you that there's hundreds of thousands of dollars salted away in the Ralph Katzmans of this world. And I want to know how much his piece of the action is.

Hon. Mr. Hodgins: — Mr. Chairman, the member opposite seems intent on this particular line of questioning and I would like to provide a response. Mr. Chairman, I would say that if you take a look at John Burton, former NDP MP, was appointed executive director, transportation — that was in 1981, Mr. Chairman — and Mr. Chairman, John Burton, ex-NDP MP, was paid \$5,248 per month. Well, Mr. Chairman . . .

Mr. Chairman: — I will ask all members to allow the minister to respond to the questioning from the member from Saskatoon Westmount.

Hon. Mr. Hodgins: — Mr. Chairman, I'll once again, over the voices of the opposition, try to explain, Mr. Chairman,

that former NDP MP, John Burton — appointed executive director of transportation, August 18, 1981 — I can tell you, Mr. Chairman, that that particular person was paid \$5,248. If you sort of index that in today's figure, it's likely something around \$80,000 a year. I will tell this legislature, Mr. Chairman, that Mr. Katzman performs a far more valuable function than that individual did, and is paid significantly less.

Now, Mr. Chairman, if the legislature . . .

Mr. Chairman: — I call the House to order. I ask the member from the Quill Lakes to allow the minister to respond, please.

Hon. Mr. Hodgins: — And, Mr. Chairman, Don Cody, NDP MLA defeated in 1975 — given a job in SGI. I would expect, Mr. Chairman, that in real terms, in real comparable dollar terms, Mr. Katzman was paid less money than Don Cody, ex-NDP MLA working at SGI.

I would wonder, Mr. Chairman, in fact, I would wonder, Mr. Chairman, how Mr. Katzman's salary compares with the number of Koskies, the number of Quill Lake Koskies and relatives of Koskies were paid. I would expect, Mr. Chairman, that Mr. Katzman was paid far less than probably any one of the seven Koskies who were employed by the department, various departments in government. I don't particularly have that Koskie list, but I believe it was about seven or eight people.

Now, Mr. Chairman, I could go on and on down this list. Ted Koskie — yes, I have it right here — brother of Murray Koskie, brother of Murray Koskie, former NDP cabinet minister.

Mr. Chairman: — I would ask . . . Order. I would just ask the minister to be as concise, if you will, in response to the question, please.

Hon. Mr. Hodgins: — I would say, Mr. Chairman, this one. I have found one here that I think would be fairly comparable . . .

An Hon. Member: — Mr. Chairman, I rise on a point of order.

Mr. Chairman: — What is your point of order?

Mr. Brockelbank: — My point of order is this. The Minister refuses to give the amount of money paid to a current employee of the Department of Highways, yet he's disclosing the salary of an employee that worked in some department of government before this time. There's an inconsistency there. Either the minister provides them all or provides none of them. And I think, Mr. Chairman, you should make a ruling on that.

Mr. Chairman: — I understand that under the normal procedures of the House that the questioning has been in order and my information is that the questioning and the answers have been in order according to the process that has taken place over the years.

Mr. Brockelbank: — Make the minister answer the question, Mr. Chairman, about what the salary of Mr.

Katzman is.

Mr. Chairman: — My understanding is the Chair has no direct order as relating to any minister and having them respond directly or indirectly to a question or the answer. They have the freedom to give the answer as they . . .

Hon. Mr. Hodgins: — Mr. Chairman, I certainly don't want to belabour the point or unduly keep this House on this particular line of questioning, but, Mr. Chairman, I believe that I've found one here of this long list, one person who the member opposite could take the figure as being very, very close. And I give the member my assurance that it's within that range, albeit not even adjusted for cost of living indexes.

But if you take a look at Alex Taylor, who was a defeated NDP MLA . . . He was a minister of the United Church, as a matter of fact, and then got into politics and got defeated as a NDP MLA. And he was appointed as director of negotiations, and then he was appointed chairman of the workmen's compensation board, and special adviser — this is the one — special adviser to the assistant deputy minister of Health. Then he was sort of moved around, as a matter of fact, so he must have been very much of a generalist, because he moved from workman's compensation to negotiations to adviser in Health over to chairman of the task force on rehabilitation, and then finally over to Sask Housing to do a study. So that particular NDP MLA, defeated NDP MLA, was very versatile, and he was paid, January to December 1981, \$48,000 per year. I would say, Mr. Chairman, that that figure is in the range of what Mr. Katzman is being paid. But the member opposite knows full well that it has been the past practice of this Assembly not to provide the intimate details of contractual arrangements between people on contract and the various departments.

Mr. Brockelbank: — Well that's interesting, Mr. Minister, but it doesn't answer the question, and the minister is here to answer questions.

I want to digress for a moment or two and deal with the list the minister sent across. There's a Gail Anderson listed as ministerial assistant 4, and from the information I provided to you, Mr. Minister, she was, as of January 1, '88, a ministerial assistant 4 at \$3,392 per month. Is that still the salary she's receiving?

Hon. Mr. Hodgins: — Her current salary today is \$3,753 per month.

Mr. Brockelbank: — Has this ministerial assistant changed position from a MA 4 to some other position? It looks like it's MA 4 here.

Hon. Mr. Hodgins: — Okay, it's my understanding that this particular individual is still categorized as an MA 4; I think the level is a 4. She is still in that category and the figures that I have quoted to you are adjusted because of annual increments and some other economic increases that were provided to other assistants.

(2000)

Mr. Brockelbank: — Mr. Minister, in order to clarify what

the incremental changes were, and economic adjustments were, could you provide them for each of the people that are listed as assistants here?

And while I'm on my feet, could you differentiate between ministerial assistants that have a numeral behind their name and ministerial assistants that have a letter behind their name. There's a D and a C here.

Hon. Mr. Hodgins: — The letters behind the name indicate that they are of a secretarial or clerical nature. The numbers behind the title would indicate that they are of an assistant category. And what I can do for the member opposite is provide you a list of all the staff in my office, and it has their current wages and past wages and gives you the increases that they have received.

Mr. Brockelbank: — I believe that's some of the information that I, prior to this time, had requested from you, Mr. Minister, and I wish you had given it to me earlier in the evening. I asked you, you will recall, as this information was compiled, to send it over to me as early as possible, Mr. Minister. And this is typed up, so obviously you had it when you came in, and I wondered why you didn't supply it to me immediately you came in, Mr. Minister.

Gail Anderson. Did all the people that are ministerial assistants get an economic adjustment at the same time, and if so, what was the percentage and when?

Hon. Mr. Hodgins: — That information is supplied to you on the sheet that I provided. I can tell the member opposite that indeed all the assistants at a particular point in time received the same economic adjustment.

Mr. Brockelbank: — And, Mr. Minister, what was the percentage adjustment?

Hon. Mr. Hodgins: — The figure was 3 per cent September 1, 3 per cent October 1. And I would offer for the member's information the fact that those figures are identical to what the civil service received. I think the timing was slightly different with the civil service, but the percentages were identical to what was received by the civil service.

Mr. Brockelbank: — And there was a . . . In Anderson's case there was a further 4 per cent on January 2, 1989. Is that correct?

Hon. Mr. Hodgins: — Yes, that was an annual increment.

Mr. Brockelbank: — Okay. Mr. Minister, I want to ask you about another assistant, Lillian Gorrie, MA 3. This came out in some other estimates. Where is Lillian Gorrie and when did she cease to be an employee of the department?

Hon. Mr. Hodgins: — That individual has never, to my knowledge, worked for the Department of Highways and Transportation.

Mr. Brockelbank: — Well I'll go back and check my records, Mr. Minister, but I'm pretty sure she did.

Another employee that worked for your department was Vera Nicholas, and this is an interesting one because this particular person, although they were only a part-time employee of the department and therefore couldn't qualify for educational leave, went on educational leave, paid for by the department, on September 1, '85. I wouldn't normally be inquiring about that, but usually university education lasts about four years, under normal circumstances, and this person, who was not qualified to go because she was not a full-time professional civil servant, went and the department, I gather, paid the tuition of \$7,460 per year. And if she followed the normal course of events, she would be graduating in '89, would she not, Mr. Minister? And I wonder if you could give me some information on her.

Hon. Mr. Hodgins: — Mr. Chairman, I would submit to you that Vera Nicholas was hired prior to my appointment as Minister of Highways and Transportation. Ms. Nicholas was in fact, as I recall, away at school at the time that I was appointed Minister of Highways and Transportation, and I furthermore say, Mr. Chairman, that Ms. Nicholas was provided assistance on the basis of educational leave, I don't believe anything out of the ordinary, or significantly different from other employees within the Government of Saskatchewan who have been identified as persons who seek to go on to higher learning, and that are decided that have some very bright futures as far as higher education. I'm talking of masters' degrees, or Ph.D. degrees, some of those types of things that I was never able to attain.

However, I say, Mr. Chairman, that Ms. Nicholas was hired prior to my appointment, and furthermore, sent on special educational leave, not inconsistent with other practices in the past.

Mr. Brockelbank: — This person was sent on special educational leave, which was, according to The Public Service Act, says: "It is something that will improve their ability to perform their current duties."

She went to Washington, D.C., to the school of foreign service. Now has she completed her education, and is she in the foreign service of the Department of Highways, or how is she using her talents in the department?

Hon. Mr. Hodgins: — Mr. Chairman, I'd like to advise the member opposite that the paid leave for Vera Nicholas ended in the summer of 1986, and there have been no further advancements on educational tuition or those types of expenditures since that time.

Mr. Brockelbank: — Would the minister say how much has been spent on educational leave for her, like, tuition or whatever qualifies?

Hon. Mr. Hodgins: — We do not have that type of information with us here this evening. I would be prepared to try and find that information out for you and get back to you on it.

Mr. Brockelbank: — Yes, I'll wait for that and I'll take Mr. Katzman's salary as well, at the same time, Mr. Minister. And I'm serious. When we're spending public money and on an area where there's a controversy about it, the

minister has a responsibility to tell this legislature how the money's being spent, and I would like to know how the money's being spent.

I want to allow one of my colleagues to ask some questions, and I'll ask other ones later.

Mr. Rolfes: — Mr. Chairman, I just have a few questions to the Minister of Highways. Mr. Minister, in 1988, a very serious accident occurred at the junction of No. 20 and 41, involving Terry Will and the Forster family of Lake Lenore. The family have been in contact with me from Cranbrook, B.C. They are very devastated because of the accident that took the lives, I believe, of five people, destroying her parents.

And my question to you, Mr. Minister: was this accident drawn to your attention? And could you give us any details as to what action has been taken to satisfy this family that justice was carried out in this particular instance?

The accident, as you know . . . I believe you know the highways quite well there. There should have been absolutely no obstructions at that time of the day. It was a Saturday. The Forsters were on their way to the wedding of their son, and they were hit broadside by a half-ton truck that was heading east on No. 41 highway, driven by, I believe, Terry Will. My understanding, Mr. Minister, is that Terry Will got a fine of \$100 and that was the end of the fine or prosecution that was taking place on . . . that took place on Terry Will.

I was wondering if you could enlighten this House. For the sake of the . . . And I want to tell you, Mr. Minister, I intend to send the *Hansard* to the daughter, who has asked me to bring this up in the House to see if anything of this nature can be avoided in the future and what avenues the family, a family of this nature does have when an accident like that does occur. I was wondering, Mr. Minister, if you could enlighten the House on this incident.

Hon. Mr. Hodgins: — Mr. Chairman, these types of issues are not easy ones to deal with. And I say that, especially, Mr. Chairman in light of the fact that I, and members of my family, personally have known both parties involved in this particular accident: the Forster family, from Lake Lenore, well-known family in that part of the country, not all that far from where I have grown up; Mr. Will from Star City, just 12 miles away from where I grew up, is another acquaintance of mine and of my family's. I want to certainly express any sorrows and empathies that I have for the families involved in what I call an extremely tragic accident that was very much a shock to a large geographic area out in our part of the world.

I do want to say to the hon. member that the accident took place on Highway 41 and junction of Highway 20. Highway 41 was a reasonably new highway that had been opened at the time of the accident, I think for only a short while. I would say, Mr. Chairman, that clearly there was one party that was at fault in this accident. I believe that it was determined that Mr. Will did proceed through a stop sign and became involved in this tragic automobile accident.

(2015)

I don't frankly know what satisfactory answer that I could give to the family involved. You have asked what recourse or redress does the family have with our justice system. I don't know. I, myself, am not as familiar as some with the laws of these types of issues. I would submit to you, Mr. Chairman, that whatever compensation might be gained will indeed never, never put a dent on replacing the damage done to that family. And I say, indeed, that I express my sorrows for the accident.

I don't really know, Mr. Chairman, what more I could add to this accident or to this situation other than to explain that it was a highway that was recently opened. It was a highway junction that not all parties, not all the travelling public, was familiar with. The new highway and the geographic changes or the intersection was there. It was marked with a stop sign. The gentleman at fault did go through that stop sign, and indeed tragic, yet I'm at a loss for a more satisfactory answer than that.

Mr. Rolfes: — Mr. Minister, just a couple of further questions on this. My understanding is that on Highway 41, both on the east side of the intersection and on the west side of the intersection, are two big stop signs. I believe they are about four feet in dimension. One cannot miss those stop signs. And I think the family is simply saying, look at, if a guy misses those stop signs, then was it because the sun was in his eyes and he didn't see the intersection? Was it because he was on alcohol? Was it because he was on drugs? What was it?

I mean, anybody that's familiar with that intersection, you cannot help but see traffic either on the north side or the south side. You cannot help but see traffic there, and neither can you help see those big stop signs that are there. Her question simply is, in the letter that she has written to me: why? Why was there not . . . Or was there blood tests taken of the individual to ascertain whether or not there was alcohol consumed, whether or not the individual was on drugs? And if not, why not, in an intersection like that when there is absolutely no possibility of not seeing those stop signs or seeing traffic on either side, from north or south?

That is the question that she has put to me and has put to the Minister of Justice through her lawyer. And she has asked me to ask these questions of you. Are you aware whether or not tests were taken, and if not, why not?

Mr. Chairman: — To the member, I think that this question would probably be better asked in the Minister of Justice's estimates. Certainly it is not really a relevant question to the Minister of Highways, as the Chair sees it.

Mr. Rolfes: — Mr. Chairman, on a point of order, if I may. Mr. Chairman, on a point of order, I'm not asking these questions for any political reason at all. The family has asked me to ask the Minister of Highways these questions, whether or not he was aware in his department whether or not these tests were taken. I think as the Minister of Highways I certainly have the right to ask him these questions, whether he was aware, and if he says no, fine, then we'll go on with further questioning. I'm not here to

ask any partisan political questions. I just want to know whether the minister . . . And he is prepared to answer them, he is prepared to answer them.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I will choose to provide a short answer to the member opposite.

Normally, Mr. Chairman, I would not have this type of information right here at my fingertips this evening. I can tell the member opposite that as a course of normal action we do get police reports on, not all accidents, naturally, but certainly the major accidents in the province, and we do have police reports on this. I could supply to the member, and in turn to the family, some further information that we have respecting the accident. I'd be quite pleased on the family's behalf to provide whatever would be reasonable to provide that I have.

Mr. Rolfes: — Mr. Chairman, I want to thank the minister for his candid answers and that certainly satisfies my questioning on him. I simply want to say, I'm going to be following it through with the Minister of Justice when his estimates come up, and I think the family now can certainly receive this information and know that, as far as the Minister of Highways is concerned, he has done whatever he could in his capacity as a minister. Thank you.

Mr. Brockelbank: — Mr. Chairman, Mr. Minister, the Department of Highways was the department where privatization started in Saskatchewan, and I just want to briefly review that and ask some questions in relation to that area of concern.

In April '83, the minister of highways of that day gave 157 workers their freedom. In March '84, he gave 237 Department of Highway workers their freedom, as he said. And in May '84, he had a sale of highway equipment which brought in in the neighbourhood of \$6 million, reputed to be in the neighbourhood of \$40 million replacement cost.

Mr. Minister, there was a Western Association of Canadian Highway Officials conference in Regina this year, and privatization was the main topic at the conference. It says that about 200 government officials from the four western provinces and the two territories were there. Could the minister tell me how many people from the Department of Highways were there.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. The seminar, if you like, that the member opposite referred to is one of the Western Association of Canadian Highway Officials that gather from all four western Canadian provinces. This particular forum was held in Saskatchewan, in Regina. I view that as Saskatchewan being the host. And there was slightly in excess of 100 of our employees attended this seminar, or convention, if you like.

I would correct the member on the agenda for the seminar. I would concede that certainly privatization was on the agenda; however, it was a multi-faceted agenda and there was design, structural design or engineering design of highways, was part of the agenda. The actual construction and various related topics relating to

construction of highways was on the agenda. Purchase of right of way, a major issue, if you like, handled by the departmental officials, purchasing right of way on new highways was part of the agenda, and on and on.

So, Mr. Chairman, I just bring up that correction, small as it may be, that the entire agenda certainly was not privatization. I would also like at this time, to point out something to the members that probably is long overdue in really being pointed out. And the member referred in prior years to \$40 million of equipment being sold off at auction for the price of \$6 million. Mr. Chairman, I bring that to the member opposite's attention for the reason that it is not true. And, Mr. Chairman, I say this with perhaps a fair degree of knowledge respecting resale value of used equipment.

Now, Mr. Chairman, my family has spent the better part of 30 years in selling used equipment at public auction to people within Saskatchewan, and some outside of Saskatchewan. That's what my family . . . I'm not saying it in a bragging sense, but as a factual basis, probably fairly well-known in most areas of the province, selling used equipment.

Now, Mr. Chairman, I submit to you that on that particular sale of equipment, I firstly say, to clear up any confusion that the members opposite might create, it was not, and I say somewhat unfortunately, but it was not my family or any member of my family that engaged in the sale of the subject equipment for \$6 million or thereabouts. And naturally you can appreciate why my family was not involved in the sale of that equipment.

But I do want to say, Mr. Chairman, that the results of that dispersal of equipment were very good, by my objective and knowledgeable evaluation. And, Mr. Chairman, I would ask the members opposite that if they really, truly believe that there was \$40 million of value in that selection of equipment, and that if it was sold for \$6 million, I would challenge the members opposite, and I would challenge the members of the media to go to any — pick any at random out of a phone book — used or new equipment dealer and get a valuation of what that equipment was truly worth.

If that does not satisfy you, go to any knowledgeable, reputable auctioneer in North America and find out what the real value of that equipment was. Go to any equipment jockey that you can find throughout, well North America, and ask him for a quick ballpark appraisal of that list of equipment. And what you will find, Mr. Chairman, is that the equipment that was sold at public auction — I repeat, public auction; I repeat not by my firm or any affiliate of my firm, but by another competing auctioneer in Saskatchewan — you will find, Mr. Chairman, that that equipment brought very good market value on that day. And it sold for \$6 million and, Mr. Chairman, it was worth \$6 million, not \$40 million. And I make the point, Mr. Chairman, in that this particular representation by members opposite is typical of the gross misrepresentation, exaggeration, or untruths that have been told on certain issues over the last few years.

And I bring that up, Mr. Chairman, feeling rather personally about it, because that is an area that I have a

little bit of knowledge and expertise. Now members opposite may debate whether I know how to run the Department of Highways or whether I know how to run this House or anything else, or whether I know much about politics — but I speak from a knowledgeable basis, Mr. Chairman, on that particular issue. I would respectfully request members opposite, if they are genuine, not ever again to refer to \$40 million worth of equipment being sold for \$6 million because, Mr. Chairman, that was not true. And I would ask the members opposite to don't be saying those things when they're not true.

(2030)

Mr. Brockelbank: — This minister, unfortunately, Mr. Chairman, seems to be able to make a mountain out of a molehill with relative ease.

I said to the minister, I said the reputed replacement value of this would be in the neighbourhood of \$40 million. I asked the minister about . . . And I might ask the minister, since he's a qualified expert in the field of auctioneering, perhaps he can tell me what the auctioneer's take was on the \$6 million sale. And I understand the auctioneer didn't get a chance to tender on it. He was pointed out and said, you got the job. You may correct me if you think I'm wrong there, Mr. Minister, but don't stand up and give me a lecture about, I'm dragging your family into this. I never mentioned your family — never mentioned it. I mention anything and it gives you a platform to get up and make a speech.

Mr. Minister, do you really, seriously want to get your estimates through? I would suggest you cut off the speech making and just answer the questions. It would speed things up a bit. And you can just quickly calculate what the auctioneer's take would be on \$6 million, would you?

I'm looking at the list of Highways and Transportation units in the equipment field as of March 31, '89 compared to March 31, '88. I see the numbers . . . The pieces of equipment have dropped from 2,729 to 2,511, which is a drop of 218 pieces of equipment. I think you follow me on that, Mr. Minister.

Let me take, for example, a couple of the ones where there was quite a drastic drop in the number of pieces of equipment: trucks dropped from 941 to 875, which is a drop of 66 trucks. Could you tell me something about those trucks. Would they be above a certain size of truck, or would there be a cross-section of trucks, or would it be mainly big trucks? What is it, Mr. Minister?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman, and I do apologize for being somewhat lengthy in some of my answers. I'll try and be more succinct.

Indeed, the gross numbers of our equipment has decreased in the past few years. You're quite correct, trucks have dropped from 941 to 875. Those trucks are assorted types of trucks. They do include both your light trucks, being your pick-up trucks, your half-, three-quarter-ton, and one-ton trucks, as well as your service type of trucks with service bodies, and in addition your traditional dump trucks used for dumping gravel or

sand or that type of thing. So it does include dump trucks, service trucks, light trucks, heavy trucks, highway tractors, all sorts of different trucks — a cross-section.

Mr. Brockelbank: — I want to know, Mr. Minister, if you can identify the area of the province that the bulk of those 66 trucks came out of. And while you're doing that, I would like an explanation on tractors as well. It's a drop of 24 units in one year.

Hon. Mr. Hodgins: — In answer to your question on the trucks, I can't give you any one geographic area where the majority of the trucks came from. They were spread out throughout the province. If my memory serves me correct, probably a few more in the northern part of Saskatchewan than in the southern part of Saskatchewan, but no one particular district or geographic area, to my knowledge, did those trucks come from.

Respecting the tractor units that decreased by about 25, those were, here again, assorted tractors, but for the most part, your smaller, more utility-type tractors, probably 50 horsepower and under, the types of tractors that would be used to pull packers, for instance, on highways, or the types of tractors that may be used in mowing operations.

Mr. Brockelbank: — The Department of Highways does their maintenance in districts, I understand. What was the number of trucks that would have come out of, say, the Swift Current district, or the district that Swift Current is in, whatever that may be?

Hon. Mr. Hodgins: — We do not have that information right with us that tells you exactly where the trucks came from. If it is really important to the member opposite I can get that information, a breakdown on the districts from which those trucks came.

Mr. Brockelbank: — Could you, Mr. Minister, say, take tractors, trucks, equipment trailers, cabooses, and get me the breakdown of the districts they came out of?

Hon. Mr. Hodgins: — You bet. We'll provide that for you.

Mr. Brockelbank: — Mr. Minister, why was there a drop of 218 units in a one-year period? Why is that so substantial?

Hon. Mr. Hodgins: — Mr. Chairman, there is an explanation for that, and I would firstly say to the member opposite that certainly, certainly some of the reduction numbers were in fact due to privatization. Not all, not even a majority of the numbers, but some of the decrease in units necessary for the government operations, some of that decrease can be attributed to privatization.

A further, and a good percentage of those numbers, a further good percentage would come from what I would call normal equipment sales, if you like. And when equipment does wear out it's certainly not unusual for that equipment to be sold. I say, further, that a third reason for the decrease was that some of the equipment, a number of pieces, were transferred to the New Careers Corporation; that is, a corporation that takes welfare recipients and works with them in finding jobs that would be suitable and giving many of those people on welfare a

reason to get up in the morning.

So the breakdown once again, Mr. Chairman: partly due to privatization, partly due to just good management of your equipment fleet in normal reductions, and part of it was equipment that was sold to the New Careers Corporation.

Mr. Brockelbank: — What areas of privatization would you identify would be affected, would cause this effect of the drop in the amount of equipment? You've been advertising that you're going to allow privatization of the mowing of the ditches. You had 132 mowers, now you've got 130 — that's two mowers. Now is there some other area that I should be looking at in privatization that you're talking about?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. What it would involve would be firstly your grading or earth-moving changes, and therefore less earth-moving equipment was needed. I speak of what's popularly referred to as buggies or dirt scrapers. Less of those were necessary.

I speak further of trucks. Less trucks were needed, both of the utility type and of the traditional tandem-axle dump truck. Less of those were needed. Naturally, if you decrease your . . . or if you privatize your grading crew, you're going to need less camp equipment. So there was a sale of some of the camp equipment; that is, trailers that people would sleep in or people would eat in.

In addition, there has been privatization taken place of some of the seal coat operations, have taken place and that has caused a reduction in some of the pieces of equipment necessary. Further, the asphalt mix crews — less equipment was needed because of the privatization in that area.

Mr. Brockelbank: — When you're sending me across that list, Mr. Minister, could you identify the ones that have been transferred to New Careers, and what transactions of a financial nature took place because of the transfer, if any, and the ones identified specifically because of privatization? If you could do that for me, Mr. Minister.

I wanted to ask a question about the procedures of the Department of Highways when you're stockpiling gravel. And suppose that a contractor has a contract to stockpile gravel. Does the Department of Highways provide any services to the contractor while he's stockpiling gravel? And I'm thinking of maybe scales, maybe laboratory service or whatever.

Hon. Mr. Hodgins: — Certainly, Mr. Chairman, there is services provided to the contractor, such things as weighing the gravel, the loads of gravel. So therefore I would take it that this means scale personnel are on site and there's a scale there on which the gravel can be weighed. Furthermore, there are test services provided to the contractor in testing the gradation or the sizing of the crushed gravel and further ancillary services such as what I've laid out.

Mr. Brockelbank: — And the calculation of providing that service is part of the price, or the price the contractor

pays or is paid for the services?

Hon. Mr. Hodgins: — That's certainly not part of the contract, if you like; that's just something that we do provide as engineering services. That's just part of our standard responsibility to provide that.

Mr. Brockelbank: — And then, Mr. Minister, you would provide that uniformly whenever you're stockpiling gravel. And also, would there be examples where someone would take over the lab or the testing facilities and the scale, and run it themselves?

Hon. Mr. Hodgins: — It is possible and has been the case in certain times, where it becomes part and parcel of the engineering consultant's job as opposed to in-house personnel. So what I'm saying is, basically, sometimes it is done by in-house personnel. Other times, if there is a consultant on the job, which is not out of the ordinary, consulting people may be actually performing these duties.

Mr. Brockelbank: — And those are probably the only two type of arrangements you have for stockpiling gravel and staff running the . . . providing that service?

Hon. Mr. Hodgins: — In the normal course of events, as far as we can imagine right now, those are the only two scenarios that come to mind.

Mr. Brockelbank: — Mr. Minister, I wanted to move for a few minutes into the area of advertising. This department has put together a phenomenal expense on advertising, I believe. In the period of March 31, '84 to March 17, '88, your department spent \$2,329,939 in advertising to two advertising firms, Dome and Roberts Poole. Mr. Minister, why do you have such a big advertising budget?

(2045)

Hon. Mr. Hodgins: — Mr. Chairman, I'd submit to the hon. member that our advertising budget, I don't feel, is out of line in any way. I would review quickly with the member opposite some of the areas in which we advertise.

And firstly, of course, is the highway map produced without charge to people within Saskatchewan, and given without charge to tourists from wherever — throughout North America or otherwise. And people who come to our province do get a free map. And I suppose that becomes a question: is that a wise advertising expenditure to give the travelling public a free map? I'd say it's a fair bit of money, but I think it is. I think it's quite a tourist service, if you like. People come from out of the province to spend their hard-earned money in Saskatchewan and you go into a service station and you get a free map to know where you're going. I think that's a good idea.

There also is another part of the advertising that's a significant amount, and that is the orange zone advertising. And that is a highway campaign directed at motorists, in the safety of highway workers working on the highway, and that basically says that orange zone, when you see the orange signs or you see the orange

pictures, ads on television, it basically says to the travelling public, you're entering a construction zone; please slow down; please be careful in your driving. And it's worked very effectively and our accident record within the Department of Highways and Transportation has been a good one. We certainly have not been without some accidents, but I think that's a good advertising campaign.

I say also included in the figure that you have provided are advertisements that are placed in daily, weekly, and special type publications that provide tender notices to the public, to the contracting public, if you like, that there is a job coming up on such and such a road; you're welcome to bid on it. And that may be an earth-moving job or a paving job or a highway ditch mowing job, those types of things. And that's expensive to put those ads on a continual basis into the papers.

I could go on to a lot of other advertising areas. The all-terrain vehicles is one that I might mention; the hot line advertisements telling you what phone numbers to call if you want to know what the weather is like or what the road conditions are like, and private signing that was discussed earlier tonight. And I think for the most part this is probably a department that you would be really hard pressed to criticize greatly for expending too many dollars on advertising.

Mr. Brockelbank: — What category in Highways budget do these payments fall under for all these advertising expenses? Could you identify it precisely?

Hon. Mr. Hodgins: — Some come out of communications branch and some come out of the capital budget.

Mr. Brockelbank: — Is that because they're assessed against the capital project?

Hon. Mr. Hodgins: — Yes, and that would be the tenders that I spoke about, the tender notices.

Mr. Brockelbank: — I want to, for this year under consideration, the budget year under consideration, Mr. Chairman, Mr. Minister, get a breakdown of all the payments that you estimate you'll have in the department in each of these categories you mention — maps, tendering, advertising such things as a hot line, orange zone, whatever — broken down by major categories, the amount in each one, and whether it's in ordinary or capital. Could you give me that, Mr. Minister.

Hon. Mr. Hodgins: — I do not have that information broken down specifically as you have requested it, but I'd be happy to provide that type of information to you.

Mr. Brockelbank: — Mr. Minister, before we get off the topic of advertising, I think that it's quite clear that advertising with this government is not a minor item. There were . . . In this same period of time that I quoted you at the start of the question, March 1, '84 to May 17, '88, to these two advertising firms, the advertising cost was \$46.6 million. This is not a minor item, of which your department had \$2.3 million. That's a rather sizeable expenditure.

I can understand some expenses in Department of Highways being necessary to advertise. You have to tender for contracts; you have to have safety programs. We've had maps for . . . ever since I can remember in the Department of Highways. So it's not a question of some of these being new; they've been there before. So I think your expenditures in advertising are pretty high, Mr. Minister, and there's an area where I think you could probably cut the cost a bit.

I want to talk about Saskatchewan Property Management Corporation because . . . And I see the expenditures in this area, payments to Saskatchewan Property Management Corporation — I was looking from the estimates '88-89 to '89-90 — the expenditures rose over a half a million dollars in payments to the property management corporation. This created a little concern in my mind, and I went back one further year and found another \$787,000 of expenditures in property management corporation. So the total increase in two years in property management corporation was \$1,369,500.

I want to know why your expenditures were up that much, Mr. Minister, when, in fact, you say you're privatizing, you're getting out, you're lessening your role. Why, in two years, have your expenditures estimated here gone up by \$1.3 million?

Hon. Mr. Hodgins: — Mr. Chairman, there's various explanations for this, and I'd like to firstly talk about the fact that there were renovations to London Life Place, the commercial office building on Victoria Avenue, fairly significant renovations.

Secondly, there were a number of new facilities built or rented across the province, and there's a whole list of those new facilities — not large facilities by any means, but there were increased number of spaces. And if you would add on to that some rather normal types of rate adjustments that would occur on a large dollar volume . . . And I think one has to remember that when you're dealing with \$8.5 million of expenditures, a 5 per cent rate on \$8.5 million is just about half a million dollars right there. And certainly those are the reasons.

Mr. Brockelbank: — You referred to new facilities built around Saskatchewan. Do you mean that these are facilities that are peculiar to the Department of Highways, such as weigh scales or something like that? Would they all fall in that category for the new facilities?

Hon. Mr. Hodgins: — Fundamentally, yes, Mr. Chairman. You're looking at such things in Big River as the building of a new facility, a new equipment storage building; some where equipment storage sites throughout the province had got to a point in their life where they required replacement, and a number of them were new equipment storage buildings. Some of them were weigh scales for the Highway Traffic Board, and a smaller number of them were office buildings or renovations, if you like, but mostly equipment storage buildings, in that category, and weigh scales.

Mr. Brockelbank: — Do you occupy all of the London Life building or just a portion of it? And of the new

facilities, were these replacing facilities that had deteriorated? Why would you be building new facilities in rural Saskatchewan?

Hon. Mr. Hodgins: — Mr. Chairman, overall in the London Life Place we would occupy roughly half of the building. I think it is floors 7 through 12, and a little bit on 6, so basically about half of the building in London Life Place. Respecting the facilities built in rural Saskatchewan, I am advised that most of the facilities which I referred to were new facilities. In certain towns in Saskatchewan we did not have an equipment storage building and we built one in a number of different towns. Some of them were replacement buildings, where you had an equipment storage building and it became dilapidated, and we replaced it.

Mr. Brockelbank: — Mr. Minister, could you, in due course, in order to save time of the committee, provide me with a list that would show the major components for the increase of \$582,100 in your property management item, subvote 29, which would identify the amount of money in each of those major categories. And where it's a replacement building, regardless of where, could you identify that as well.

Hon. Mr. Hodgins: — Yes, I'd be more than happy to provide that information, broken down as you requested.

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister, I am assuming that . . . I know that you're the minister responsible for the Highway Traffic Board. I don't see any estimates under the Department of Highways regarding the Highway Traffic Board, but I'd like to ask you a question about the volunteer drivers program, if that's appropriate.

It's a program that many seniors' organizations take advantage of. It provides volunteer drivers to take people around, and it's particularly important in the rural areas, to take seniors shopping and to the doctor and that sort of thing. And the concern with that program, which is administered, as I said, by the Highway Traffic Board, is that it currently, the people who do the volunteer driving get paid by the kilometre, according to the public service rates, and that's a problem for people, particularly in rural areas where they have many short stops and they're not getting the compensation for the trips that they need — particularly important for seniors who are well, who are trying to help seniors who are more frail. All seniors are living, as you probably know, often on fixed incomes and not high incomes for this kind of cost.

Now there's two issues. One was a resolution passed at the Saskatchewan Seniors Association, a resolution saying that:

Be it resolved that the Highway Traffic Board change the Act so that driver insurance apply for drivers on short trips.

What they're referring to there, Mr. Minister, is that currently you can't get a flat rate for a trip; you have to go with the kilometres because flat rates are not covered by liability insurance, and there's a need to change legislation under the Highway Traffic Board. I understand

that legislation is under consideration, so my first question to you is at what stage is that legislation to change the volunteer drivers program, and what would the rates be, and where is the budget for it.

(2100)

Hon. Mr. Hodgins: — I understand, for the member opposite's information, that the issue which you are raising here tonight is certainly a valid issue. You've asked where it's at in this thing called bureaucracy, and I can tell you that it's right now in the drafters' hands, the lawyers who draft the different regulations. It is a regulation per se, not a piece of legislation, but it is in regulation. It is in the drafters' hands.

I certainly respect what the member says and will give the member my assurance that I personally will make my best efforts to speed that regulation change along.

The member has also asked what the rate will be. I cannot answer that precisely, but I can tell you in round figures the rate is likely to be in the neighbourhood of \$1.50 to \$2, flat rate. The member has also asked if it is in the budget and where is it. I would say that the way this system works is that it is not a budgetary item within Highways and Transportation; in fact the drivers are reimbursed or paid by the local home care board. So the amount of moneys would be dispersed from the home care board in the flat rate neighbourhood of \$1.50 to \$2, and it's in the lawyers' hands or the drafters' hands right now.

Ms. Smart: — Thank you, Mr. Minister. So just for clarification then, the cost for the volunteer drivers program is within the home care budget, and presumably that budget will have to reflect what could be added cost if it's flat rate per trip.

Hon. Mr. Hodgins: — Mr. Chairman, I want to just clarify for the member's benefit that clearly what the regulations say, as it relates to the Department of Highways and Transportation, is that volunteer drivers, volunteer drivers are entitled to compensation at the rate of X for their service. Within Highways and Transportation or the Highway Traffic Board, there are no particular budgetary funding amounts for that reimbursement. And so then it becomes a question: if Highways and Transportation does not pay it, out of what pot does it come?

I submit to you that I can only really with knowledge talk about this particular department. It is my understanding that some home care boards choose to reimburse drivers, other home care boards do not. And whether it is in fact an item that is officially described in their budgets is a question better addressed to a different minister.

Ms. Smart: — So again, for clarification, particularly for the seniors who will be wanting to hear this information, the Highway Traffic Board is listed as the organization, the agency that administers this volunteer program according to the programs and services for seniors 1988 directory.

Now this is not published by your department, Mr. Minister, but it does refer to the Highway Traffic Board as

being the agency to phone. The traffic board in Regina is the agency for the seniors to phone if they want information about this volunteer drivers program. But it's actually administered by the home care boards, the local home care boards? It's actually funded by the local home care boards? Then what is the role of the Highway Traffic Board in that program?

Hon. Mr. Hodgins: — Mr. Chairman, I'd just like to explain to the member that the rules, if you like, are indeed set out by the Highway Traffic Board, that is, should there be compensation for volunteer drivers and at what rate. We say, yes, there should be, at such and such a rate, and the Highway Traffic Board is the body that determines at what rate. However, they deal with those types of issues. The rate liability is another big area, and I suppose if there's questions on the liability or on the rate or how the program works, indeed, the Highway Traffic Board does play a role.

However, I do want to make it quite clear that the home care boards in the province do have a level of autonomy that gives them the right and the choice and the decision as to whether or not they allocate their funds or a portion of their funds to transportation.

Ms. Smart: — And the changes in the regulation that are being drafted will allow for liability insurance for flat rate . . . so they can charge a flat rate. Is that clear?

Hon. Mr. Hodgins: — Yes, ma'am.

Mr. Brockelbank: — Mr. Minister, I wanted to ask some questions about day-labour agreements. I gather the day-labour agreements are still a method whereby the department would accomplish some of its work-load.

Hon. Mr. Hodgins: — Yes, that is correct.

Mr. Brockelbank: — Could you tell me, Mr. Minister, a brief description of a day-labour agreement and when it would be in force, who is authorized to sign, what are the limitations on the amounts.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I'm pleased to provide to the member that there is a standard type of an agreement or contract that is used for day-labour rates. I can tell the member that day-labour agreements are used only on items where it would not be the normal course or not be easy, if you like, to use a true tender system; that is, where there is work that the quantities become difficult to determine and where the type of work is more designed for payment on an hourly basis.

And it is in those types of situations that the work is more designed on an hourly basis, difficult to determine the quantities. There is a standard type of an agreement, and it is always work that is less than \$50,000, if I'm not mistaken, less than \$50,000. Anything over that amount is always, always tendered.

The committee reported progress.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, I appreciate the opportunity tonight to speak on Bill 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. While I appreciate this opportunity, Mr. Speaker, it saddens me to see such a regressive economic plan being pursued in Saskatchewan today. People in Saskatoon Eastview, Mr. Speaker, cannot believe this government's continuing to go backwards economically.

Tonight, Mr. Speaker, I'll attempt to develop a framework for my comments. This privatization initiative, this Bill, is part of the broader privatization agenda by this PC government, Mr. Speaker. This Bill, this Bill 20, needs to be understood in this broader scheme of things or this broader context, this broader economic context.

I will talk about how privatization, to this point in time in Saskatchewan, under this government, has impacted on the economy, has impacted on families, and specifically, how the loss of ongoing revenues will in fact impact on families in the future, Mr. Speaker. This is a government that likes to talk about families, likes to talk about the value of families, the value of children, so I'll talk about families in the context, Mr. Speaker, of this Bill.

And while this government talks about valuing families, while the Minister of Social Services talks about valuing families, their economic and social policies have been very destructive towards families in Saskatchewan. And tonight I intend to outline how the economic failure of this PC government has impacted on Saskatchewan families. And everyone knows, Mr. Speaker . . . (inaudible interjection) . . . I'm tying this to potash. Except a few well-to-do families, and that's the Tory legacy, Mr. Speaker. It's not a positive one for the vast majority of Saskatchewan families.

Tory economic policies or their privatization mania, which is what this Bill is all about, has had the following consequences, Mr. Speaker, and I'll just name a few examples. First of all, almost 20 per cent, almost 20 per cent of the population of this province lives in poverty. Now I know the Minister of Social Services says there are few poor people, but that poverty doesn't exist in the province.

(2115)

Well credible agencies say that, in fact, it's almost 20 per cent of our population living in poverty, Mr. Speaker. So that's one consequence of privatization mania in this province under this Tory government.

Mr. Speaker, another consequence, and this Bill certainly will continue to lead us down the sort of economic destruction, as have many other of their initiatives, but 70 per cent of children living in single parent families, Mr.

Speaker, are living in poverty. Now that's incredible. It's a disgraceful situation in Saskatchewan today. This is in the bread-basket of the world, Mr. Speaker — 70 per cent of the children in single parent families are living in poverty.

Under the economic policies of this government, the privatization policies of this government, we have 42,000 people, 42,000 people looking for work, and this figure has doubled, Mr. Speaker, since the PCs came to power just seven years ago.

We have a youth unemployment rate of over 12 per cent. The Saskatchewan government has had the worst economic development record of any province since 1982, Mr. Speaker. They've only averaged, under their privatization thrust, an average of 3,714 jobs per year in the last seven years. That compares to . . . it's only one-third of the net increase in jobs that were created during the previous ten years, where there were 9,100 jobs per year created under the mixed economy model, Mr. Speaker.

There certainly is lots of other evidence of economic failure of privatization if more indicators were in fact needed, Mr. Speaker. But there's one, I think, that is worth pointing out because it very much relates to privatization, because we have seen, with most privatization initiatives, a loss of not only economic control within the province but a loss of jobs. And what we have seen is an utterly Tory style economic development which is privatization.

We have seen a net loss of population of 35,000 people in the last four years only, Mr. Speaker. And 60 per cent of these people, of this 35,000, are under the age of 29 years, Mr. Speaker. We have lost over 12,000 people in the first five months of this year. And the statistics are coming out in the next few days for June and there's no reason to suggest, or suspect, that the trend will be any different than it's been over the last four years. But at the present rate of out-migration we will lose over 30,000 people this year. Now surely that says something about the economic plan that the government has in place and certainly isn't working.

So, Mr. Speaker, with young people and families leaving the province in record numbers, this government — even this government — must recognize that privatization isn't working; that Bills such as Bill 20, the potash Bill, simply isn't going to work. And I'm confused, as many of my constituents are, Mr. Speaker, about why the stubbornness by this government to proceed with this regressive potash privatization.

I could go on and on about the poor Tory economic performance.

An Hon. Member: — Go ahead. Go ahead.

Mr. Pringle: — Go ahead. Well I mean you can go on and on and this is the sad part of it, Mr. Speaker. Lowest percentage of housing start increase in 1988. Rampant health care and education cuts by this government.

But depopulation of rural Saskatchewan, Mr. Speaker, which very much ties into the economic plan of the government — or the lack of a sound economic plan of

the government; their abandoning of the small business people in the province; their abandonment of the department of co-ops and that co-operative sector development across the province, which incidentally does 25 per cent of all the business volume each year in the province. Well this government phased out the department of co-ops because they don't see co-ops playing a significant role any more.

But increases in family violence very much relate to high unemployment rates and the lack of job opportunities for people has resulted from the privatization, the failed privatization of this government.

So, Mr. Speaker, we've had record cuts to families, and of course today the minister is going to hit poor people again by saying that it's now time to start charging fees for legal aid . . . and another tax on the poor which this government's well known for. But our major concern is the fact that 25 per cent of women in the work-force in single parent families are, in fact, living in poverty. And that's a disgrace, Mr. Speaker, by any standards.

These are some of the family facts, Mr. Speaker. And what I would like to do this evening, because I certainly believe that these indicators that I've talked about tonight, which are the consequences of what I would call failed Tory economic policies — which by and large has been privatization as the only economic instrument — I would like to table, if I could, Mr. Speaker, a document called *Saskatchewan Family Facts*, that speaks to many of the indicators that show this province, which in the 1980-81-82 period was in relatively high standing — first, second, or third — of all the provinces in Canada . . .

The Speaker: — I've been listening to the hon. member's remarks very carefully, and the hon. member has raised various issues which may be of some interest and perhaps, in a very peripheral way, may be related to the Bill. But quite frankly, in some cases I'm having a difficult time relating it.

Many of your remarks, sir, would be very appropriate if we were discussing Bill No. 1, An Act to establish the Public Participation Program, but you've been raising many issues and not really talking about the Bill, and I have to bring this to your attention.

Mr. Shillington: — I wonder if I might speak to that. The member was making the point, and I think . . .

The Speaker: — Order. Order, order. I can't permit the hon. member to speak to that, and being a member who has been in this House for some time he fully realizes that.

Mr. Pringle: — Thank you, Mr. Speaker. Mr. Speaker, could I just clarify: am I allowed to table this document? As I was trying to make the case that it relates to . . . it's a consequence, and our standing in the province relating to poor people is a consequence of failed economic policies relating to privatization by this government. So I would appreciate your ruling on that.

The Speaker: — Yes, I guess that's quite within the boundary of the rules of the House for you to table that document.

Mr. Pringle: — Thank you, very much, Mr. Speaker.

Mr. Speaker, this is not the first time that I've had the opportunity to rise to discuss privatization, and I appreciate that Bill No. 1 is a bit more wide ranging and I will attempt to stick to the parameters of this Bill.

While it's not the first time I've risen to speak on privatization, it certainly won't be the last unless the Premier calls an election in the meantime, Mr. Speaker.

Given this important potash Bill, Mr. Speaker, I think that the Premier should go to the people of the province. I would submit that he has no mandate to do what he is doing, that is, to privatize the Potash Corporation of Saskatchewan. We heard nothing about this in the election of 1986. This government continues to promote this Bill and no one is speaking on it, so we're not sure what benefits that the government members feel that it in fact promotes in terms of the economic development and activity of the province.

But this government continues down this privatization road with this Bill, Mr. Speaker, with no regard, I would submit, for the interests and the concerns or the future, quite frankly, for the people of Saskatchewan. The public opposition to privatization has certainly grown, and it's grown not just with regard to SaskEnergy. The recent survey that was done by Angus Reid showed in fact that there was a majority of opposition to privatizing the Saskatchewan potash corporation.

And so public opposition to privatization of the potash corporation and privatization generally, Mr. Speaker, has been vocal. It's mobilized people across the province, and it has demonstrated a wide base of support throughout all of Saskatchewan.

No wonder the Premier would refuse to call an election on his privatization platform. But, Mr. Speaker, what he is doing is he's refusing the public their right, I would submit, and the opportunity to pass judgement on whether or not they want a Bill such as the Potash Corporation of Saskatchewan, or privatization generally, because as I said, this wasn't mentioned during the election. So he refuses the public the right to pass judgement on the destructive policies of privatization.

This Bill No. 20, this potash Bill, embarks on a wide-scale restructuring. I think that's one of the important points I would like to make, Mr. Speaker. This Bill embarks on a wide-scale restructuring of the provincial economy, and the elements of this restructuring of the economy are important for us to consider in this debate, in my judgement.

First of all, Mr. Speaker, this Bill, this potash Bill, involves the symbolic — not only the symbolic but the real loss of power to the people of Saskatchewan. Through the measures of this government the people of Saskatchewan will lose the power to control this important potash resource, there's no question about that.

Obtaining this power has been a long and protracted fight as we're well aware, Mr. Speaker, stretching, not back to

1975, but stretching back to 1905 when Saskatchewan became . . . (inaudible interjection) . . . Well I don't expect the Minister of Education, who doesn't understand the education issues, I don't expect him to understand a sense of history about resource development in the province of Saskatchewan. And I would appreciate, Mr. Speaker, if he has something to say he would respectfully get up when it's time to take his turn, and allow me to proceed with my comments. He's in enough trouble in the Department of Education.

Mr. Speaker, what I was trying to say is that obtaining the power to control your own resources does not just date back to 1975 and the potash fight at that time. It's been a long and protracted fight, stretching back to 1905 when Saskatchewan became a province within the Canadian confederation.

Mr. Speaker, the Minister of Finance will know this battle well. He will know the efforts of the late premier Thatcher to exert control and power of the people of Saskatchewan over the multinational potash corporations. He will know, Mr. Speaker, because the Minister of Finance, the now Minister of Finance, was part of the Liberal government at that time, and he knows that . . . He of all ministers knows that the fight to save potash has been an ongoing one in Saskatchewan.

(2130)

Now of course, at one time, while he wanted to retain that, and his former Liberal party wanted to retain that right, he's willing to give this right away, this potash away, this resource away, to the people of India or China or U.S. or whoever or wherever — the means of the people of Saskatchewan to control, develop and conserve their commonly held wealth, their means to commonly develop their own wealth, Mr. Speaker, their means to commonly distribute the wealth through the potash corporation revenues.

It's my understanding that we have several hundred years supply at the current rates, Mr. Speaker. Why on earth, people are asking me, why on earth would we give control of that to someone outside the province, to wealthy investors who have no stake in the well-being of Saskatchewan, Mr. Speaker?

The resources of this province, the potash of this province, the hundreds and hundreds of years supply of potash in this province, Mr. Speaker, are owned by all the men, the women and the children of Saskatchewan. And, Mr. Speaker, no one else on that side of the House . . . as no one else on that side of the House, the Minister of Finance will be aware of the actions taken by the Blakeney government in the 1970s to deal with the various nature of multinational potash corporations. And I'm sure that the minister from Weyburn, the Minister of Education, is even aware of the battles in the 1970s around this.

But this Minister of Finance should know how insensitively the potash corporation has treated the people of Saskatchewan in the 1970s, and the history as to why the potash corporation was established in the first place. He knows that we were not receiving fair and

adequate rent for our resources, for our heritage, and indeed for our future, Mr. Speaker.

I know, Mr. Speaker, that . . . (inaudible interjection) . . . Well, again, the minister from Weyburn is talking about the price. You know, it's a bit of a myth that the PC government is in this economic mess because prices have been low, Mr. Speaker. In 1985 oil was \$30 a barrel; in 1975 it was \$8.75, and — I'm sorry to digress for a minute, Mr. Speaker, but I was interrupted by the minister from Weyburn — but in 1975, at \$8.75 a barrel, we had no debt; we had low unemployment; we didn't have people leaving the province in record numbers. Nineteen eighty-five, with oil being at . . .

An Hon. Member: — What year?

Mr. Pringle: — In 1975, it was 8.75 a barrel; 1985, Mr. Speaker, oil was \$30 a barrel, and that's when the out-migration started under Tory economic policies. The deficit began to be created then. The flat tax came into being then, and so . . .

The Speaker: — Order, order. I ask the hon. member to allow the member from Saskatoon Eastview to continue his remarks.

Mr. Pringle: — Thank you very much, Mr. Speaker. I appreciate your intervention here. As I indicated, Mr. Speaker, the Minister of Finance knows that back in 1975 the people of the province were not given adequate compensation for their resources. But all the same, of course, because of his blind philosophical view which he still holds today as he tries to pilot this legislation through, he did not support the actions of the Blakeney government at that time.

Mr. Speaker, the Minister of Finance, in 1975, lost faith in the people of Saskatchewan in the field of potash. And I would submit, Mr. Speaker, that that lack of faith of Saskatchewan people is also evident as this minister feels that we got to bring in outsiders and wealthy investors from who knows where.

An Hon. Member: — Hong Kong.

Mr. Pringle: — To Hong Kong, yes, and India and all kinds of other places, Dallas and Toronto, to do for the people of Saskatchewan what we have been able to do for ourselves over many years.

So this Minister of Finance who's piloting this legislation through, as he did from 1968 to 1975, he's now again lost faith in the people of Saskatchewan to continue very successfully running and managing the Potash Corporation of Saskatchewan, Mr. Speaker. He was wrong in 1975 when he didn't believe in the people of Saskatchewan, and he is wrong now, Mr. Speaker.

In fact, in 1975 the minister from Qu'Appelle-Lumsden led the attack against the actions to gain some control over the potash industry for the people of Saskatchewan. He led the attack against the interests of the people of the province to accrue more revenue to the provincial treasury for health care and education and other uses. And he's doing it again, Mr. Speaker, with Bill No. 20.

He's leading the attack against the interests of the people of Saskatchewan, and that's what this Bill is all about.

Now the second element of the economic restructuring by this government that I'd like to talk about is that this policy, this Bill, but generally the policies of privatization, have severely weakened the economic base of the province, the economic assets of the province, placing into jeopardy the ability of not only this government but future administrations to govern wisely, to govern sensitively and efficiently in response to the best interests of Saskatchewan people.

Mr. Speaker, the fiscal mismanagement of this government has restricted its ability to provide services to people, as I outlined earlier in my comments, and this Bill will continue to do that, as there's no question revenues to the treasury of the province, if this Bill is passed, will continue to decrease the same way they did in the '70s.

And as I said, the potash corporation, the potash companies have not been benevolent in terms of thinking of the best interests of Saskatchewan people in the past, and there's no reason to suspect that they will in the future. Or there's no reason to suspect . . . you know the Blakeney government was as competent as this government. There's no reason to suspect that this government can control the large potash multinationals any better than the Blakeney government did. And so I think that's a bit of an illusion that the minister is living under when he talked about the benefits of this Bill when he was introducing it, Mr. Speaker.

Mr. Speaker, one of the things that the fiscal mismanagement of this government has convinced them, and I think in a quite wrongful way, is that because of their mismanagement and there not being enough money to go around, they're trying to promote the idea that you've got to sell off the resources of the people of the province that are commonly held by the people of the province and were developed and built up over many, many years; that you've got to sell this off at record, bargain-basement prices in order to get the province out of debt — a debt that they themselves have created.

Now that's not unlike the arguments that Margaret Thatcher has been using in Britain. It's not unlike the arguments that have been world-wide around privatization. But the fact of the matter is the debt has been created by the warped priorities, I would suggest, of this government, and their mismanagement. And I'm not going to go into all the examples of that, and there are many, Mr. Speaker. Not only have they mismanaged the economy and mismanaged the resources of the province, they haven't even been able to manage the sell-off of the assets.

For example, one small example, is the dental equipment, as pointed out by the auditor. They don't know where the money from the sale went to, and they don't even know where the remaining equipment went that wasn't sold. So they can't even keep control of selling off the assets, Mr. Speaker. And this is the Provincial Auditor saying this; this isn't me or the New Democratic Party.

Mr. Speaker, the fiscal mismanagement of this government will not be resolved by selling off the potash corporation. It won't even make a dent in it. It will not resolve the issue that this government has created. It's such a debt load for the future of this province, and for young people and young families, that one shudders to contemplate how this government, or any other in the near future, will be able to respond to the real needs of this province in times of recession or in times of emergency or in the course of normal day-to-day needs of the province, Mr. Speaker.

Indeed I would say that the mismanagement by this government has created an emergency. I mean, we're in an emergency situation now for thousands and thousands of families, by this government, for families living in crisis because of unemployment. And this Bill certainly isn't going to create more jobs. We've already seen this government lay off or fire 200 potash workers in one mine while expanding another one.

So this Bill is not designed to create more jobs. There's nothing in it designed to provide greater economic security to people in the province. It's designed, in my judgement, to continue not giving the province the resources, the revenue to create, to stimulate jobs in Regina or Saskatoon or on farms or in small towns, and, I would submit, even in the constituency of Melville, where there are some poor people too, Mr. Speaker.

So I'd say this government, by its own mismanagement, has created an emergency situation for the people of the province. And selling off the potash corporation is one of the worst moves they could make because it's one of the assets that will allow us to get out of the tremendous financial debt that we find ourselves in, because it will take many years, and it will require many years of revenue from the potash reserves in the province.

There are many individuals who are strapped financially, who are unable to obtain employment, who are unable to pursue their education and simply have to have the assurance that governments in the future are going to be able to utilize the revenue from their natural resources — and potash is one of our key natural resources — to provide those opportunities in the future.

And, Mr. Speaker, I think that it's clear that in a province like Saskatchewan, with our relatively small population, with our geographical hurdles and distances and our transportation costs and what not, that the government is always going to play, is going to need to play an important role, along with small business, primarily, and the co-operative sector to ensure that there's a mixed economy approach to economic development, to diversification, and to creating opportunities.

And by my reading of this Bill, I think that — and I'm not suggesting the government needs to own everything; I think the government needs to be an instrument, though, with private industry and the co-operative sector in managing the economy — but overall, in the final analysis, the government has a responsibility to make sure that the economy is managed well with those three sectors in balance.

In my view, selling and giving away the potash corporation will put the role of government in a serious imbalance in that partnership. And I know clearly that the people of Saskatoon Eastview agree with me because I've recently done a small-business survey in that riding and know how they feel about privatization. And whether the government likes it or not, privatizing the Saskatchewan potash corporation, in Saskatoon Eastview, does not have the support of the majority of the constituents. And I would submit that that's the case, and the Angus Reid polls show that that's the case across the province of Saskatchewan.

Obviously there's more support not to privatize utility Crown corporations. The problem for the government is that people don't trust what they say, and that they don't trust what they may do in terms of the privatization of the Potash Corporation of Saskatchewan.

We have a vice-president who left, saying that in fact, although the Minister of Finance has not told us what the potash corporation is worth, a previous senior employee says that it's double the price that the Premier was throwing around on his Pacific Rim tour. And so, if it's like the other privatization initiatives — and there's no reason to suspect it wouldn't be — we're going to give the resource away for half of its value. And again that doesn't make any economic sense even to try and get us out of debt, let alone the fact that it doesn't make economic sense as an ongoing economic plan.

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And I think that this economic situation we find ourselves in, this financial situation we find ourselves in will not be solved by selling off the Potash Corporation of Saskatchewan to foreign investors. It's owned by the people of the province. And the corporation recorded, as the people in the province know — although the government tried to hide the annual report until we would not debate, until we would not debate the issue, the Bill, until the report was tabled, then they finally tabled the report — but we know that it recorded \$106 million profit in the last year. And this is a corporation, Mr. Speaker, which in the first six years of operating, after 1975, paid \$271 million in taxes and royalties to the people of Saskatchewan, plus an additional \$100 million in dividend payments into the general revenues of the province. Now that's not insignificant, I would submit, nor is the \$106 million that was accrued in profits in the last year. And that's equivalent to 25 per cent in one year of what initially we put into the potash corporation, Mr. Speaker.

So we're talking about big dollars that can be used for hundreds of years, because that's the kind of reserves that we have, for programs and services that are going to be required in the future. So that's what's at stake in this Bill. That's a magnitude of the money that we're talking about for the people of Saskatchewan. And no wonder the potash corporations want to get their hands on that kind of a resource, a guaranteed resource, for many years to come.

Now we know, Mr. Speaker, that the free trade agreement impacts on this Bill, because once it's passed then we'll

have some limitations placed on the foreign ownership provisions by the free trade agreement. So it's not a matter of: well, if it's a mistake we'll buy it back. That will not be possible in the future. And I have not heard one member from the government side get up and speak to that point.

Now I know they put their blind faith in free trade. They put their blind faith — most of them appear to have — into what the Minister's saying this Bill can do for the people of Saskatchewan. And he didn't offer very much. But I don't know how, on an issue so important, they can have blind faith, and such a limited amount of information is provided by the Minister. And I don't know what they're going to say to their own constituents if this Bill goes through and the whole thing backfires, which I predict it would do.

I guess I would like to say, Mr. Speaker, that I appreciate, as a member of the legislature, as I'm sure all members do, I appreciate the opportunity and the privilege of being able to speak to this and any Bill in this legislature before it becomes a law. I think that's a rare trust and a rare privilege that we all treasure and value.

What I would like to say as a citizen of Saskatchewan, as a resident of Saskatchewan all my life, I am a shareholder in the Potash Corporation of Saskatchewan. I was in 1975, and I am today. My families are shareholders of the Potash Corporation of Saskatchewan, and I'm opposed to the sale of the Potash Corporation of Saskatchewan. My family is opposed to the sale of the Potash Corporation of Saskatchewan, and as I said, my constituents, constituents of Saskatoon Eastview — I know, I did a survey around privatization — are opposed to the privatization of the Saskatchewan Potash Corporation.

And so that's the situation from Saskatoon Eastview, which is not an insignificant riding, Mr. Speaker, as you know. It may be the largest riding in the province, population-wise. There are over 20-some thousand, 20,000 voters in that riding. So I would hope that the government members and the Minister of Finance would respect that the majority of people in that riding do not support this Bill, do not support the general privatization initiatives of this government, and in large numbers, in large percentage terms, do not support, particularly business people, small-business people do not support the privatization of Crown corporations like SaskPower and SaskTel and SGI.

I've indicated, Mr. Speaker, that Bill 20, the potash Bill, is part of the restructuring of the Saskatchewan economy and represents a real loss of power in my view, which is now held by the people of Saskatchewan, which says to me, because it's a major restructuring of the economic forces in the province and the economic instruments, it does require the Premier to seek a mandate from the people of the province before he makes such a decision, because it's so irreversible, Mr. Speaker.

I've indicated tonight that Bill 20 is part of the overall . . . in my view there's the need for it which is, according to the minister, is to pay off the debt that has accrued in the province. So I've indicated that the Bill is because of their overall mismanagement of the economy, which has placed into jeopardy the ability of this government and

future governments to govern wisely, sensitively, and in accordance with the vast majority of the residents of the province.

Mr. Speaker, these are extremely important considerations, and I will come back to them later on in the course of my remarks. Before doing that, Mr. Speaker, I would like to spend just a few minutes in debate to deal with the importance to the people of Saskatchewan retaining their shares as they now exist in the Potash Corporation of Saskatchewan . . .

An Hon. Member: — This is a cruel and unusual method of punishment at this . . .

Mr. Pringle: — Again the Minister of Education is not enjoying this, and I am actually quite honoured that I have touched a nerve with members opposite, because I feel that they're very sensitive. But these are the kind of arguments that their constituents are going to be presenting to them if they haven't already, if they're open to listening to the constituents, Mr. Speaker.

Mr. Speaker, what I want to talk about for a few minutes is the importance of share ownership in the potash corporation by all residents of the province of Saskatchewan, not just the rich people and the out-of-province investors, but by all residents of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Pringle: — It is vitally important, Mr. Speaker, that these shares in the potash corporation, which everyone holds, not be sold from underneath the people of Saskatchewan. It is vitally important, Mr. Speaker, that the people not lose for ever the ownership of this important potash resource. It is vitally important, Mr. Speaker, that the people of Saskatchewan not lose their commonly held ownership of their commonly held wealth which is represented in the vast reserves of potash in Saskatchewan. It is vitally important, Mr. Speaker, that the ownership of this resource, this potash resource, or, I might add, any other natural resource in the province, not fall into the hands of those whose primary interest, whose primary interest is not that of the future well-being of the residents of Saskatchewan; that is, of every man, woman and child who lives in Saskatchewan. Because we've seen, particularly in the potash companies — the multinationals, but also in the oil companies — we've seen that those people don't live here, they're not too concerned about the struggles and stresses facing Saskatchewan families, and they simply will make decisions that will maximize profits, which in essence is what the corporation is designed to do.

Mr. Speaker, I have a number of additional comments I would like to make . . .

An Hon. Member: — No, don't adjourn, just keep talking, Bob. Just keep talking.

Mr. Pringle: — Okay. Well I'll keep talking for a while, Mr. Speaker, since I've got the attention of the government members opposite which I appreciate, . . . (inaudible interjection) . . . yes, yes.

Mr. Speaker, in 1905 . . . and I want to talk a little bit about the sense of history in the province of Saskatchewan because I think that's important. In 1905 when Saskatchewan became a province, the enabling legislation did not transfer at that time, did not transfer to the people of the province the ownership of mineral rights and my understanding of the history of resource ownership and control in this province in our historical context. This right continued to be held by the Crown. And in this case, of course, the Crown was the federal government.

Now the government of the day, Mr. Speaker, recognized, as did successive governments throughout our history, the deficiency of this enabling legislation by leaving the ownership of the mineral rights in the hands of the federal Crown. Saskatchewan and Alberta at that time, Mr. Speaker, were no more than colonies in Canada, unable to effectively fulfil the responsibilities in accordance with the powers and jurisdictions provided to provinces under the British North America Act. It was not until the 1930s, Mr. Speaker, that this situation was rectified and that the people of this province, through their democratically elected governments, could effectively control and manage their natural resources.

Mr. Speaker, this is important for us to remember, because through the history of natural resource developments in Saskatchewan we can see a consistent struggle, as we did in 1975. We can see a consistent struggle by the people of this province to assert the rights and ownership to ensure that adequate and proper returns of the ownership of the resource was realized. And that's what the struggle's all about in the potash, Mr. Speaker. That's what the struggle was all about in the '70s and early '80s, in terms of who has ownership and control over the resources, and that's what all the court battles were about.

And, Mr. Speaker, I'd like to spend more time talking about the issue of the 1970s, as it relates to this Bill, at some length. And given that, and being close to 10 o'clock, Mr. Speaker, I'd like to adjourn the debate on this Bill at this time. Thank you.

Debate adjourned.

The Assembly adjourned at 9:59 p.m.