

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, it is again my pleasure this morning to rise and present another 1,251 signatures of residents who oppose the relocation of the liquor store from Market Mall in Saskatoon to Eighth Street. They oppose this. So the total, Mr. Speaker, now of petitions I have presented is 11,731 names.

They oppose it because of loss of service to the area and hardship to the small-business people in the mall, Mr. Speaker. Thank you.

Some Hon. Members: Hear, Hear!

INTRODUCTION OF GUESTS

Mr. Anguish: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce through you to members of the Assembly today a group of some 42 students visiting us from the Brady School in North Battleford. They're accompanied by their two teachers, Doreen Fairweather and Eugene Kucey. Also they have seven chaperons with them: Ernie Voegeli, David Treen, Mr. and Mrs. McHugh, Shannon Lingren, Mrs. Woodworth, and Mrs. Nichol.

And I would like to welcome this group here today. You're only the second group that has come, as a school group, from the constituency of The Battlefords and we very much appreciate the distance you have to travel to be here with us today. And we appreciate that you'd expose the students to this democratic Assembly. And I'd like the members to welcome them here today, Mr. Speaker. Thank you.

Hon. Members: Hear, Hear!

Mr. Muirhead: — Thank you, Mr. Speaker. It is a great pleasure to introduce to you, Mr. Speaker, and to all members of the legislature, 48 students, grade 4, 5, and 6 from Hanley Composite School in Hanley. I wish to welcome them to this school and thank them for being here. I'll be meeting with them, Mr. Speaker, after question period for drinks and pictures and questions. And I'm looking forward to it. I ask all my colleagues to welcome them in the usual manner, and welcome also the chaperons and bus driver and teachers. Thank you, Mr. Speaker.

Hon. Members: Hear, Hear!

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. I too would like to extend a welcome to all of the students and teachers from Hanley. I had a very close association with that group for many years and I am sure that they'll enjoy their visit here to Regina today. And I look forward to meeting with them as well a little bit later.

But, Mr. Speaker, it's my pleasure this morning to

introduce to you and other members of the legislature a group of visitors that are here from Jilin province in the People's Republic of China. And the group are spending several days in our province visiting our post-secondary institutions, looking at our literacy programs and many of the other programs that we have with regard to technical education.

And, Mr. Speaker, they're led by the Minister of the Education Commission for Jilin province, Mr. Chen. And he's accompanied by Mr. Yang, who is the president of Jilin University of Broadcasting and Television, and also Deputy Minister Mr. Li, who is the president of Jilin Vocational Teacher's College; Mr. Wang, who is the director of the minister's office, Education Commission of Jilin province, and the interpreter, Mr. Wang, from Jilin Provincial Foreign Affairs Office.

Mr. Speaker, they're accompanied this morning by John Biss and Don Millard from the Department of Education, and I would ask all members of the legislature to give our guests from Jilin province a very warm welcome here to the legislature and also to the province of Saskatchewan.

Hon. Members: Hear, Hear!

ORAL QUESTIONS

Federal Funding for Agriculture

Mr. Romanow: — Thank you very much, Mr. Speaker. Mr. Speaker, my question this morning in the absence of the Minister of Agriculture I guess should be to the Deputy Premier or, failing that, to the Associate Minister of Agriculture. Mr. Speaker, as you well know on March 20, 1990 the legislature passed unanimously a motion dealing with farm aid and the urgent problem surrounding the farm crisis. Part of that motion called for \$500 million to be paid out in the spring and \$400 million to be paid out in the fall.

Well we know now the results of the \$500 million in the spring. This has turned out to be unfortunately \$277 million. My question, however, to the Deputy Premier is this: in the light of this unanimous motion of this Legislative Assembly, would the government advise the House how they're making out on the negotiations with respect to the \$400 million for the fall? While she's giving us the answer perhaps she would tell us at what stage the negotiations are at and what are the dividing points, if any, with respect to the pursuit of this very badly needed \$400 million.

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — Mr. Chairman, it will be our intention to discuss together with the farm groups and the organizations that assisted us in developing the strategy to deal with the \$500 million that we will be working together with and they will be offering us the support that they have till now.

I just want to make a note that the questions that were raised yesterday in this Assembly about the delay and the delay and the delay, and Mr. Thiessen from the National

Farmers Union in response to the question, said it's not an issue in that area.

Now I want the public of Saskatchewan to know that we're going to work together with the farm organizations in developing a strategy that will deal with how we approach the federal government on more money for agriculture in Saskatchewan.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Speaker, I think members of this House would — most members of this House — would acknowledge that consultation as described by this government really is a code word for inaction.

We are already nearing July 1 of 1990, and fall starts in September or October — three, four months away. And the Associate Minister of Agriculture is having us believe that they are about to begin consultations on the \$400 million.

Mr. Speaker, my question to the Associate Minister of Agriculture is, surely this cannot be the case. Surely in July, surely in March of this year, when you were talking about the \$500 million which you were unsuccessful in obtaining, the nature of the \$400 million must have been discussed with the farm organizations and you would have been ready to move your plans beyond the discussion stage. Can you not stand in your place this morning, Mr. Minister, and assure the farmers of the province that there is something more than just some talk down the road and that you have a concrete game plan to give them that assistance which this House unanimously has said they need?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — It has been our intention, Mr. Speaker, from the very beginning to deal with the farm organizations in detailing the opportunities that we have in relation to the federal government. And we're going to continue to talk to them and visit with them about how it should be done.

The timing, Mr. Speaker, is very sensitive in relation to this. And I just want to point out, Mr. Chairman, that Sask Wheat Pool has raised with me and with all of the other farm organizations, the indication that when we have a problem in agriculture in Saskatchewan and we get subsidies from the federal government, the volume of payment today is going to reflect very closely in increasing our subsidy to the point where the Americans will be able to ship grain into Canada. Now last year the margin was within 1 cent.

And Sask Wheat Pool and other organizations have raised that concern with me, and they are very conscious that they do not want to have the American grain come into Canada, and therefore we have to be very sensitive to how we approach the federal government about what we want to have as support for the farmers in Saskatchewan. And together with the farm organizations, we are working out a strategy on how to deal with that.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Associate Minister of Agriculture. And, Mr. Speaker, I draw to your attention, sir, and to the members opposite who care to listen and to understand this issue, the words of the Minister of Agriculture are very revealing, because today, June 1990, the Minister of Agriculture is telling us that the federal government and the Saskatchewan governments have to be careful about the level of support that we give our own farmers, for goodness sakes, because of the American retribution and pay-back as a result of the United States-Canada free trade deal that they negotiated — that they negotiated.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Now, Mr. Speaker, my question to the Associate Minister of Agriculture is very simple. Mr. Minister, on March 20, at the time that that resolution was passed and a resolution introduced, sir, by your government, the words were used that Saskatchewan demands the Government of Canada execute its responsibility to Saskatchewan by implementing the plan of action that I've described.

Mr. Minister, in the light of those words — not that the Government of Canada consider, not that you sit down talk with the farmers of the province of Saskatchewan — but in the light of those words, that Canada execute its responsibility and that you demanded that, what in the world could be the plausible explanation for your delay, other than the fact that you've copped out, you've run out of ideas, you've abandoned the farmers of Saskatchewan?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — Mr. Speaker, I want to point out to this Assembly and to agriculture in Saskatchewan that the support in a general sense will be available from this government always in agriculture, and it has always been there.

Second thing, I didn't . . . I said the support should be placed in a position where it did not negatively impact on the American-Canadian relationship as it trades with grain, and where we put the support is extremely important. I didn't say that we weren't going to put support there; I said where we place it. And discussing with the people in farm organizations, we need to put that into place, where we put it.

We are meeting this summer with . . . in August with the ministers of Agriculture from across Canada to design and conclude a safety-net program that will deal with where it would not impact negatively in a relationship and trade with the United States. And that is important for agriculture in Saskatchewan, and it's important for the grain producers in Saskatchewan.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Speaker, a new question to the Associate Minister of Agriculture. And, Mr. Minister, I agree with you that it is extremely important.

But listen to the words that you're telling the farmers of

Saskatchewan. Because of the Canada-United States Free Trade Agreement, you now say that the kind of consideration which we passed in this Assembly, \$400 million, is under careful consideration, that now we've got to be worried about what we do in terms of standing up for our farmers. And we warned you about that at the time of the Canada-United States free trade deal. And you ignored those warnings and now the farmers are in crisis.

And my question to you, Mr. Associate Minister of Agriculture, is this: what about worrying less about the American farmers and worrying more about the Saskatchewan and Canadian farmers and getting on and implementing that resolution?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — Mr. Chairman, the budget this year in Agriculture in Saskatchewan will contribute a net benefit of \$94 million in interest saving alone to Saskatchewan agriculture. And that, Mr. Speaker, is very, very important.

I want to point out that the support must be in a relationship that is not countervailable. It's not negative to GATT (General Agreement on Tariffs and Trade) discussions. All of those things have to relate to the kinds of things we do to support agriculture. We're being very sensitive in setting up a long-term strategy for income stability in the province of Saskatchewan with the federal government, and we're looking to do that through this summer and into the fall and make it available for next winter.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Associate Minister of Agriculture, which should be capable of an easy and simple and direct answer.

Mr. Associate Minister of Agriculture, isn't it a fact that in the light of your statements that you have just made now, that the Canada-United States Free Trade Agreement — of which you and your Premier were signatories, were boosters and remain boosters — isn't it a fact and won't you admit, that that Canada-United States Free Trade Agreement now ties the hands of this Legislative Assembly and now ties the hands of the Parliament of Canada to aid the farmers of this country for the very reasons that you've advocated? Isn't that a fact?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — No, it does not, Mr. Speaker.

Mr. Romanow: — Mr. Speaker, a new question to the Associate Minister of Agriculture. He simply says no, notwithstanding his answers, and what the record will reveal. If the answer is no, which the record will disprove, then my question to you is: why have you not gotten on with the job of the \$400 million for fall? What is the possible explanation for that unanimous resolution passed by us here?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — The relationship that we have to the international trade scene because of the volumes of dollars and the volumes of market share that we have and the volume of bushels that we market into the international trade scene, it's very important for us to keep the relationship of the subsidy to the farmers in a way that is not countervailable by other countries in the world. And we have to be very careful how we do it. Whether it's United States, whether it's Japan, whether it's the Middle East or the Far East or any of those other countries, those are the countries that we will have to deal with on a long-term basis. And, Mr. Speaker, we have to be very careful how we deal with Saskatchewan agriculture in relation to our international trade customers.

Some Hon. Members: Hear, Hear!

Mr. Upshall: — Thank you, Mr. Speaker. We've just seen the great performance of this government . . .

The Speaker: — Order, order. It's not just the Minister of Finance. I think there are many members now who are interfering with the progress of question period. And there's one right there from Regina Elphinstone, and the Minister of Justice over there. And let's just allow question period to progress.

I know it's the last day, and it's possibly the last day — one can never assume anything. It's possibly the last day and perhaps our last working period. But all the students are here. You see the galleries full of students and I just wonder if they act that way in the class-room. I doubt it. I doubt it. I doubt it.

Restructuring of Farm Debt

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Associate Minister of Agriculture. I might just say, that you can always tell when the Tory government's hurting because they yelp long, loud, and clear.

Some Hon. Members: Hear, Hear!

Mr. Upshall: — Mr. Minister, we've seen your record as far as income stability programs, and I wanted to ask you a question which refers to debt.

In 1989 in this legislature, you passed a couple pieces of legislation that — and I can hear the Premier's word loud and clear — would provide a safety-net program, he was saying. We established in estimates in those two programs about 500 people, just over 500 people, applied under the farm finance Act, and a whopping four have applied and qualified under the vendor mortgage guarantee program.

Now, Mr. Minister, everyone in this province now knows that you designed those programs not to work. But my question to you is: in the light of the crisis and debt that we have in rural Saskatchewan why, in the three months that we've been sitting here, have you not brought forward some restructuring, some amendments to those legislations that did not work for the farm families of this province?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — Since 198 . . .

The Speaker: — Order, order.

Hon. Mr. Martens: — Since this government came into power, Mr. Speaker, agriculture has been the focus of our attention throughout that responsibility that we've been given. We have put together, with the federal government, over \$8 billion since we started getting this going.

I can recall, Mr. Speaker, '78-79-80 and '81-82, 22 per cent interest that you never did a thing about. You never did a thing about and the Leader of the Opposition was on the front benches over here, and that is why he lost his seat in the 1982 provincial election. And that, Mr. Speaker, is why. For the home owners in the province who were losing their homes, for the farmers who were losing their farms, that is the reason they kicked him out of office at that time.

Some Hon. Members: Hear, Hear!

Mr. Upshall: — Mr. Minister, this is a very, very . . .

The Speaker: — Order, order. I wish to draw the hon. member's attention once more, and I know we enter into debate if we don't do this. It's easier to simply address the minister, I realize that, but please put your remarks to the Chair.

Mr. Upshall: — Yes, Mr. Speaker. New question to the same minister.

Mr. Minister, this is a very, very serious matter that we have raised over and over and over in this House, and every time we ask the question about what you're going to do to provide restructuring, you give us the same speech about how wonderful you've been. Well it isn't wonderful in rural Saskatchewan right now.

Some Hon. Members: Hear, Hear!

Mr. Upshall: — Mr. Minister, you introduced in the same motion on March 20 a clause that said that we were going to ask Farm Credit Corporation to rewrite mortgage values at realistic land prices.

Now, Mr. Minister, since that time Farm Credit Corporation interest rates have gone up. Since that time there've been more people going to the debt review boards. Since that time we certainly have not seen a decrease in the number of people that you're hauling off to court through your ACS (Agricultural Credit Corporation of Saskatchewan).

Mr. Minister, I ask you: your government and the federal government hold over half the provincial debt . . . or farm debt in this province — over half. Can you explain to the farmers of this province why these two terrible Tory governments have not taken it upon themselves, through order in council, just the fact the farmers needed to restructure that debt?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martens: — Mr. Speaker, the people who I have visited with about various kinds of things that happened in the '30s and the '40s in this province, have told me that it took 10 years to evolve themselves out of the problems that they had from the '30s. And, Mr. Speaker, the '78, '79, '80, '81 years when you were running interest rates at 22 per cent and driving people off of their farms because of that, and out of their homes because of that, that Mr. Speaker is why we have the problem today. And I want to point out, we are paying \$94 million of net benefit to agriculture in Saskatchewan on interest savings — interest savings. And they are detailed in our estimates and we have provided that for all of the farmers in Saskatchewan.

Some Hon. Members: Hear, Hear!

Government Economic Initiatives

Mr. Lingenfelter: — Mr. Speaker, my question in the absence of the Premier will be directed to the Deputy Premier, and it comes as the problem with the economic failure of this government becomes more and more evident. When we started this session, Madam Deputy Premier, you set out a very, very light legislative agenda that included 11 main thrusts. As we come very close to the end of the session, we find that only five of those named articles or named proposals have come to fruition during this session.

I ask you, Madam Minister, how do you square, in light of the fact that people are leaving this province in droves to find employment in other parts of Canada, how do you square that you have come here during this session and introduced nothing that will alleviate the unemployment problems and the problem with the \$14 billion deficit that the people of the province now face? How do you square that?

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Mr. Speaker, at the beginning of the session, and even to take the hon. member back further than that, this government clearly stated its objectives over the next year or the next two years, and it had to do with . . .

An Hon. Member: — Two years?

Hon. Mrs. Smith: — Well let me finish, sir. It had to do with economic development and diversification. It had to do with the protection of families, it had to do with agriculture, and yes, it had to do with fiscal responsibility.

Now the member says he hasn't seen anything. I would suggest the member put on his glasses. You know, these people cannot continue to have it both ways. Every time the government brings forth a project and initiative that is geared to economic development in any part of this province, they are opposed to it. In fact, Mr. Speaker, I would go so far as to suggest that the members will do anything in their power to put a bad light on anything that is going to improve the economic situation in

Saskatchewan.

Mr. Speaker, diversification, the community bonds, I have not heard much over there in terms of that. The rural development corporations, I have heard nothing on that. The community economic development corporations geared to towns and villages under 5,000. Mr. Speaker, it's all there for the member to see, if he would take the time to look.

Some Hon. Members: Hear, Hear!

Mr. Lingenfelter: — Mr. Speaker, a new question to the Deputy Premier. I want to say that one of the thrusts that you announced in the throne speech was that your Minister of the Family would be introducing a food program for the 64,000 hungry children that you now admit that there are in the province of Saskatchewan.

Given the fact that we are now at the end of the session and at the end of the school year and not one program has been put in place, that the \$740,000 you promised has not been spent and that no children have been fed, I say, Madam Minister, that your unfairness and your being out of touch in giving Chuck Childers 740,000 but no program for the hungry children, is a dismal failure by your government during this session.

I ask you: when are you going to move to implement the program, a food program for children in the schools? When will this happen? Will it happen today, or will you leave that, as you say, for two years and leave it up to the next government to implement that program?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martin: — Mr. Speaker, I was hoping, hoping on this last day of the session I'd have an opportunity to answer that question. I've been waiting for them to ask that question. So I'm going to take my time, Mr. Speaker, and explain it to them. You took a long time asking the question, so I'm going to tell him about what's been going on out there.

We've done a number of things already, Mr. Speaker, like the two street workers in North Battleford. I think it's important to understand, Mr. Speaker, how the process works. When I talk to the people in rural Saskatchewan and through urban Saskatchewan in the centres, I don't tell them what I think they should be . . . how we should deliver the program. I ask them what they want; what would they like from us; what can we do to help them in terms of helping the children.

In Prince Albert for instance, Mr. Speaker, the mayor of Prince Albert and the chairman of the Catholic school board said, we don't want money for food in Prince Albert because the people of Prince Albert will feed the children of Prince Albert. And I think that's good because it's very important that communities be involved in this process, Mr. Speaker. Not only because . . . well if only because they have to understand the problem, Mr. Speaker. So Prince Albert has come forward with a proposal to us, and we will respond to that very quickly.

Saskatoon, at the same time, has come forward with a

very good proposal, Mr. Speaker, and next week I'll be in Saskatoon to talk to the Saskatoon people about that and give them the advice.

Now, Mr. Speaker . . .

The Speaker: — Order, order. Yes, I believe it is order. Now in all justice if hon. members want to play the game fair, there have been some very long questions here this morning which were permitted, which were permitted, okay? Now the minister is giving the answer. I acknowledge he's getting a bit long; however, in all fairness there have been some very long questions permitted here this morning. Allow the minister the same courtesy. Order, order! Minister of the Family, I'll give you the opportunity to wrap up.

Hon. Mr. Martin: — Well, Mr. Speaker, there are still a lot of cities that we have responded to I'd like to talk about. However, I will wrap it up in your advice.

We've been waiting for the mayor of Regina to come forward with his proposal. Unfortunately he hasn't done that. We're ready to go in Regina. We've been dealing with community schools and the school boards all across the province, and I'd like to see a hot breakfast or a hot lunch beginning next fall, Mr. Speaker, for the children of the province.

Some Hon. Members: Hear, Hear!

Mr. Lingenfelter: — Mr. Speaker, I want to address my question to the Deputy Premier, and in light of the minister's response that for the 64,000 hungry children in the province that you have hired two . . .

The Speaker: — Order, order. Would the hon. members please restrain themselves and just allow the member to put the question and hopefully the members will pay the courtesy of allowing the minister to answer.

Some Hon. Members: Hear, Hear!

Mr. Lingenfelter: — Madam Premier, in light of the fact that the minister has indicated that you've hired two street workers to take care of the 64,000 hungry children, I can't understand how a government could be so uncaring and so out of touch. It seems impossible to believe.

My question to you is: how do you square the fact that yesterday, by the headlines in the *Star-Phoenix*, that the trip that the Premier took to Newfoundland cost \$10,305; how do you square that with the fact that we have 64,000 hungry children who haven't been dealt with and have no food and no food program in the schools. How do you square that?

Some Hon. Members: Hear, Hear!

Hon. Mr. Martin: — Mr. Speaker, I think it's time the members of the NDP stopped accusing the poorer people of this province of not feeding their children, which is exactly what they're saying. They're saying that because you're poor, you don't feed your children. We know that's not true, Mr. Speaker.

Farmers have had very difficult times the last few years. They are feeding their children. Yes, there are higher numbers of people who are on the lower wages, Mr. Speaker. But because they are low income, because they may be at a poverty level, doesn't mean they're not feeding their children.

The fact of the matter is, Mr. Speaker, that they should apologize to the poor people of this province and the farmers of this province for suggesting that they're not feeding their children. They are feeding their children.

Some Hon. Members: Hear, Hear!

The Speaker: — Order, order. The member from Nipawin, why is he on his feet?

Mr. Sauder: — Mr. Speaker, I'd like to ask leave to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Sauder: — Mr. Speaker, it's a pleasure for me to rise in the Assembly and introduce some guests on behalf of my colleague and seat mate, the member from Milestone. With us, and have been with us for question period, are 23 students from Milestone School in Milestone, Saskatchewan. They're grade 4 students.

They're accompanied today by their teacher, Barb Girouv; by chaperons, Arlene Brown, Mrs. Sambrook, Mrs. Renick, Mrs. Gaillard, Mrs. McKim, Mrs. Gailbraith, Mrs. Steeves, Mrs. Smith; and their bus driver, Mrs. Lundy.

It's a pleasure for me to welcome them here to this Assembly. I hope that they've had an educational and enjoyable time here, and that they enjoy the rest of their tour in Regina. And I'd ask all members of the legislature to welcome them here.

Hon. Members: Hear, Hear!

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Appointment to Public and Private Rights Board

Hon. Mr. Lane: — Thank you, Mr. Speaker. At the conclusion of my remarks I will be moving a motion that an humble address be presented to Her Honour, recommending that Kenneth W. Acton of Caronport in the province of Saskatchewan be appointed a member of the Public and Private Rights Board, effective July 1, 1990, under section 6 of The Expropriation Procedure Act, being chapter E-16 of the Revised Statutes of Saskatchewan 1978.

Pauline Duncan, a lawyer in the city of Regina, has held the office of member of the Public and Private Rights Board for some six years and offered distinguished service in that particular post. She has advised me of her resignation effective June 30, 1990. And on behalf of the

province of Saskatchewan I want to publicly thank Ms. Duncan for her service in an important area of dispute resolution.

I am pleased to advise the House I am recommending to the House that Kenneth W. Acton be appointed to this position. He is presently manager of mediation services with the Department of Justice. In that capacity he has managed a mediation system that is certainly one of the most advanced in Canada. It is logical and appropriate, in my view, that he also be designated a member of the Public and Private Rights Board as the function is very much a mediation function.

I would therefore move, seconded by the member for Swift Current:

That an humble address be presented to Her Honour the Lieutenant Governor, recommending that Kenneth W. Acton of Caronport in the province of Saskatchewan be appointed a member of the Public and Private Rights Board, effective July 1, 1990, under section 6 of The Expropriation Procedure Act, being chapter E-16 of the *Revised Statutes of Saskatchewan 1978*.

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, in this motion the minister is appointing an individual to a very important board because it's making determinations in respect to private property, could affect many people across the province.

And I would have thought that the minister in standing up here would have indicated what are the qualifications of the individual that has been appointed, whether or not there has been consultations with various organizations that would like to have been put, whether there indeed is confidence in respect to the appointment — the period of the appointment — whether or not it is the result of a vacancy or whether or not it's an addition to the board.

Those are the questions I think the people of this province need to know, because the last thing that we need is a political appointment into a position of this importance. And I would have thought again that the minister would have demonstrated that he had in fact, appointed someone that would be with the confidence of the people of the province in respect to this important duty.

And so really those are the concerns that I thought he would have addressed. I would ask the minister really: why he did not address this? And secondly, would he be prepared to provide the information which we have of concern so that we can be more assured that there has been consultation, that this individual indeed is qualified, the period of the appointment, and whether or not other individuals were considered in respect to the appointment.

Hon. Mr. Lane: — Thank you, Mr. Chairman. Just in response, I will have to obtain for the hon. member the list of consultation, that aspect. The specific attributes that Mr. Acton brings — I again apologize — I just assumed that he's been heading up the mediation services for the last, I believe, couple of years in the province, the farm mediation services. Again, I will supply to the hon.

member the résumé of Mr. Acton.

As I had indicated in earlier debate, the overall thrust of the mediation is to expand mediation services throughout the province. The mediators that we are using will be trained in family law so that we can extend family mediation throughout the province. So it's designed as part of that global thrust to greatly expand mediation services across the province, to make it easier for people to avail themselves of mediation services so they don't have to go through expensive court proceedings, and as well having the what I believe to be accepted infrastructure in the province already, that the further training of these people in family law will again make mediation accessible to people with family disputes.

So that is the overall thrust of what we're doing by having the same individual appointed to this position. But I have undertaken to supply to the hon. member, the resume.

I apologize to the hon. member. We had discussed in general terms, certainly in an earlier debate on justice on mediation and our expansion into family mediation, and I will get what information I have and supply it to the hon. member.

Motion agreed to.

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

The committee reported progress.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Executive Council Ordinary Expenditure — Vote 10

Item 1 (continued)

Mr. Shillington: — Madam Minister, I wonder if we might have a commentary on the bloated size of the current cabinet. Madam Minister, one of the things that you promised during 1989, Madam Minister, one of the things that was promised was a leaner government, more respect for the taxpayers' dollars. Frankly, Madam Minister, we have not seen much evidence of that.

No sooner was the commitment made, then last fall we had a number of new ministers appointed, some of which, to be as kind as I can, have very limited responsibilities. And I wonder, Madam Minister, if you won't agree that economy begins at home. If you expect the government, and all sections of the government, to treat the taxpayer with respect, shouldn't that begin around the cabinet table? And isn't it a fair comment, that this government didn't need the many additional ministers it has? As a for instance, it needs one agricultural minister — not one part-time agricultural minister and one associate minister.

Wouldn't you agree, Madam Minister, that economy begins at home and a smaller, leaner cabinet would be appreciated by the public of Saskatchewan as a visible

sign that you're taking — at least you are taking — what you say seriously, if no one else does?

Hon. Mrs. Smith: — Mr. Chairman, in response to the hon. member's question, the size of cabinet is 18. Now if I go back through the history of this province, let's say the last 20 years, and look at the varying sizes of cabinet right across all political stripes, I think that you would have to agree that the number 18 in fact is a very reasonable number.

I don't think, in the end, that you can make a determination of cabinet and its responsibilities based purely on those numbers, however. I think one has to take a look at the priorities that government will be setting down on new policy areas where there will be a particular thrust on some of the difficulties that the province may be facing. It may be intergovernmental affairs to do with the federal government, to do with something else. You may want an emphasis on that. It may very well be agriculture, economic development, those kinds of things I believe that have to be looked at.

Now, in terms of what the member asked regarding efficiencies beginning at home, I would agree. However, what we will have to agree to disagree on is your perception in fact of government making or not making those efficiencies. And of course, my perception is one that in fact we indeed have tried to make efficiencies, first of all, within cabinet in setting the stage and setting the role model for it.

(1045)

And I would take the member back to several months ago, there was a roll back on cabinet ministers and legislative secretaries. We have tightened up on travel. For example, I've had about two trips out of the province into Ottawa. We have said there are things that cabinet can be doing. You might be using the fax machine phone calls and if you want to compare that to some travel, going back to the NDP government, I would be more than happy to do that, more than happy to do that.

Now, Mr. Chairman, also to that was the issue of the size of government. I think there has always been a general feeling within the taxpayers of this province and in fact other provinces that governments are not as efficient as they can be, that there is a lot of waste, and in fact our Minister of Finance had given a commitment that we would continue to look at the issue of waste in management. And in fact as we came to measures, we would be implementing those things. And that commitment has been given, and it will be carried out.

We also, as a cabinet, looked at the issue of the redirection of funds. If you're going to look at efficiencies — and there's going to be funds there — what do you do with them? Well the redirection came down, and in fact it was put into areas like education, health, and agriculture in this budget year.

So I think given the overall job that government has had to do I think in fact it did begin within cabinet, and it began last January and February. And the size of the cabinet, 18, has been lined up, as the ministers have, according to our

priorities. And you see two associate ministers. You see one in agriculture. You see one in economic development and diversification. And indeed those were the two high priorities among some others that had been put on for this upcoming year.

Mr. Chairman: — The member . . . The Leader of the Opposition.

Mr. Romanow: — Thank you very much, Mr. Chairman — member is good enough too; sometimes I think it's the best.

Mr. Chairman, I want to ask the Deputy Premier whether or not she's prepared to give to me this morning the information which the Premier undertook to provide for me last night, namely, the provinces who endorse, together with the province of Saskatchewan, the concept that the Crow benefit should be paid on a 50-50 basis as between the railway companies and the producers.

Hon. Mrs. Smith: — I understood you to say that the Premier had given you a commitment. That is not our understanding that there would be any documents released today. I think in fact what the Premier did say was the federal task force will be coming down in two or three months' time; there will be public hearings in the fall, and that we are in discussions with the producers — farmers and ranchers — and the organizations. And we would look forward to those public hearings when the task force is completed and this goes public.

But I do not believe that there was a commitment to release any kind of internal documents at this time.

Mr. Romanow: — Mr. Chairman, with the greatest of respect to the Deputy Premier, this is a misinterpretation and, I might add, a revisionist statement of what the Premier has obligated himself and this government to this House. Perhaps it's because the Deputy Premier really doesn't understand what I'm getting at . . . (inaudible interjection) . . . No, I don't mean this in any negative way.

An Hon. Member: — Oh, I'm sure.

Mr. Romanow: — Well I don't. You weren't here yesterday and I don't expect you to be following the debate. Let me clarify it.

I have taken . . . the questions that we've been asking, Mr. Chairman, to the Deputy Premier, were based on the position of the provincial government on the payment of the Crow benefit. I asked the Premier who, other than the province of Saskatchewan, is advocating a 50-50 payment on the Crow benefit. He told me that he did not have handy the names of the other provincial governments, but that he would consult with his officials and provide that to me. That was a clear implication if not the exact words of his commitment.

It is true that he did say that the report when it is tabled will be open to the public. Well I know that; that's open to everybody. I want to know which other provincial government supports the notion of 50-50 pay-out of the Crow benefit, formally at those discussions and

negotiations before the transportation task force report, that the Premier said he would have ready for me for today.

Hon. Mrs. Smith: — Well, Mr. Chairman, I can only restate in fact what was said in this House last night. The Premier, I believe did lay out from his knowledge and discussions that he had had as Minister of Agriculture, where some of the other provinces were at. Alberta, British Columbia in fact had taken the position of paying the producer as had Ontario. Quebec in fact had taken the other route and paid the railways. Manitoba was awaiting public input before taking a decision.

And I believe it was strongly emphasized and I will emphasize it once again. We would not be out of line with Manitoba. We believe that there must be thorough, firm discussions with some conclusion coming out of those discussions from the people that it is going to impact on the most. And that's the producers.

And those discussions are still taking place. I can only emphasize that once again today to you. That is the position that we have taken — that there must be consultation and there must be some consensus on it.

Mr. Romanow: — Mr. Chairman, this is frustrating to put it mildly. I understand the Premier's inevitability of being here but the answers of the Deputy Premier really are . . . I don't know quite how to describe it in a diplomatic way, but frustrating is the way to put it.

Madam Minister, let me try patiently to communicate to you one more time what it is that I seek. I want to know, and you must know because you have a representative at that table, what other provincial governments, if any, endorse the concept of 50-50 for the pay-out. If your answer to me is nobody, for whatever the reasons are, fair enough. Just stand up and tell me. If your answer is everybody, fair enough. Just stand up and tell me. I'd like to know who they are.

But please don't waste the time of the committee or my time or your time by giving me all over again this argument about consultation.

(1100)

This report is coming down in a month's time, according to the Premier. You and your people have been instrumental in the making of that report. I test or contest your proposition on the 50-50. I want to know who else is involved in this. I want to know what other provincial government is an ally in this position. And your Premier told me last night that he would provide that information.

He told me he would deny access to the internal studies. I believe there are no studies; that's what I believe. I believe we don't know who the winners or the losers are because I don't think you have those studies. But none the less, you're denying it — this new, open, secretive, consultative government denying this information.

I'm not even getting into that area for the moment. I want to know who your allies are on the 50-50 proposition. And moreover, while I'm on my feet, if you're going to

come back to me again with this consultation business of yours, are you saying that the Premier, when he stated that it was 50-50, really was fooling, that it isn't 50 and 50? Otherwise, why consult? If the consultation is to be meaningful, you have no position then.

So what is it? Is it 50-50? Is it consultation? And if it is 50-50, what other government in Canada supports you? That's what I want to know. I think those are fairly straightforward questions and I think they're very important questions. And surely amongst the group of able officials that you have around you, someone can give you that answer.

Hon. Mrs. Smith: — Mr. Chairman, I can only say to the Leader of the Opposition as to what was said last night, I don't find that confusing. I can't account for your frustration but I guess that's your problem and you're going to have to deal with it in your own way.

The Premier was very clear. We do consult. We are consulting and until there was a clear consensus coming out of the consultations we would remain at that 50-50.

I have told you; I will tell you again. For example, Alberta and B.C. have taken the position of pay the producer. Ontario is going . . . (inaudible interjection) . . . Well you say you don't care. Well you . . . come on; you asked the question, what about other provinces; I'm telling you again about the other provinces. Alberta, B.C. — pay the producer; Ontario — pay the producer. Quebec's position is one of pay the railways. Manitoba again has taken the position of waiting for public input before taking a position. We have been into consultation with the farmers, the ranchers, individuals, and their respective producing organizations. That process will continue until there is a clear consensus coming out of there before Saskatchewan lays that on the table.

Mr. Romanow: — Mr. Chairman, my colleague here says that I should say it's incredible. It's all of that. It's incredible and it's bafflegab to yet unparalleled heights.

I'm only going to conclude that you people, through your inactivity, through your secretiveness, are putting at risk the transportation network and the grain farmers of the province of Saskatchewan. That's the only conclusion I can make. You're doing it under the guise of consultation, but the truth of the matter is that there is no consultation, and the truth of the matter is that this report's down in one month. And the truth of the matter is that you people are absolutely bankrupt and devoid of what to do with this very important issue. There can be no other conclusion — none.

And I say that that's a condemnation on this government's so-called commitment for agriculture, and I say that puts at risk the future of rural Canada and rural Saskatchewan. And I find it just absolutely incredible that in any jurisdiction in this country a responsible minister of the Crown would come forward with those kinds of answers. Absolutely incredible.

However, I guess that's the way we're at. That's the position were at. And I fear to ask, but I shall in any event, the next question with respect to this government's

direction.

On or about April 30, 1990, Canada put out a paper called "Growing Together" — a report to ministers of Agriculture, grain and oil-seed safety net committee, much like the transportation committee. This green paper is widely understood to be based on the guiding principle of the free market system to determine the direction of agriculture. I don't think that's much under dispute, and the Associate Minister of Agriculture is there giving you some assistance on this direction. I think that's beyond doubt.

My question to you, Madam Deputy Premier, is this: since this matter is under negotiation, the safety nets is under negotiation now, much like transportation, are you similarly here taking a hands-off approach? Are you again going to be hiding behind consultation and abdicating leadership? Or has the provincial government come forward with a set of principles which reflect the best interests of the majority of the province of Saskatchewan and the agricultural community on safety nets?

If the answer is yes to the latter question, I want to know what your principles and position is, and I request a copy of the documentation based upon that position so that I and the farmers and the farm organizations can see what it is that you're basing your policy point of view.

Hon. Mrs. Smith: — Mr. Chairman, let me state very clearly for the Leader of the Opposition that consultations and negotiations, I do not consider to be a hands-off approach.

The safety nets being, or the paper that you have raised in the issue of safety nets within . . . to do with the farming community is in fact under negotiations. The farm organizations have asked, by the ministry of Agriculture, to address the issue and to come back to the ministry in approximately August. The Minister of Agriculture is in the what I would call the process of finalization through the negotiations including with all other provinces. In fact, I believe there's a four-day meeting coming up in New Brunswick very soon and that is the item that is up for discussion with the provinces.

We would not be releasing anything to you at this time. The farm organizations will have some input into it, and as I said, they will be back to the minister in August with stated concerns and positions. At that time in fact, the finalization would take place.

Mr. Romanow: — Mr. Chairman, the minister has noted again, reiterated again, an all too familiar refrain of this government which is that they will not produce anything to this legislature about the key issues in farming that I have raised here: transportation and safety nets. There are other issues, of course, debt . . .

An Hon. Member: — Ask Leroy.

Mr. Romanow: — Pardon me?

An Hon. Member: — Ask Leroy Larsen. He's on the . . . (inaudible) . . . transportation committee.

Mr. Romanow: — You see . . . I'm sorry I have to draw this to the attention of the House and to the public. The Associate Minister of Agriculture says that I shouldn't ask this government, I should go and ask an individual of an outside community, outside group. That is exactly what the Associate Minister of Agriculture, the member from Morse, has said. Now is that the position of the Deputy Premier?

Hon. Mrs. Smith: — Well if the member were honest with himself, he would have interpreted the hon. member from Morse's remark as being, one, if you don't believe him, then go talk to some of the outside people that he's been dealing with. That's how I interpreted his remark.

Mr. Romanow: — Look, I have asked you this question, and I'm going to ask you simply and clearly: will you table the studies — yes or no?

And if the answer is no, if the answer is no, are you telling me that I've got to go to the wheat pool or the UGG (United Grain Growers Limited) or somebody else in order to get those studies, as your Associate Minister of Agriculture says?

And if you're telling me no, I want to know under what democratic principle do you have the right to lock this information behind closed cabinet doors, keep it secret from us, and keep it secret from the farmers of this province. How dare you take that undemocratic position?

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — How dare I? What nonsense. What nonsense. You want to talk about secrecy and what happens behind closed doors, you take a look at your own actions, and perhaps the member sitting behind you. Like don't lay that stuff on me.

Mr. Chairman, I stated, I thought very clearly . . . Maybe the hon. member didn't hear me. Let me say it again. We are into what I call the process of final negotiations with other provinces and the feds. There is a deputy ministers' meeting, I believe, on Monday in Ottawa. The Associate Minister of Agriculture will be going to New Brunswick in August to meet with all the other ministers across Canada, of Agriculture. The farm organizations have been asked to discuss it, to come to a conclusion, right or wrong, and then to have input into any kind of final position paper. They have been asked to do that by August.

Now I am not about to stand up here and commit to you that I can release a paper to you tomorrow or next week when the process of final negotiations is not completed. So therefore, Mr. Chairman, there will be no paper released to the Leader of the Opposition today.

Mr. Romanow: — Mr. Chairman, there will be no paper released to the Leader of the Opposition because this government has no such paper. This government has no such paper because it's flying by the seat of its pants with respect to agricultural matters — always has since 1982 and is doing so right up to 1990. And if there was a paper, there would be no paper released to the Leader of the Opposition because this government is the most scared, secretive, closed-mouthed, paranoid government in the

history of the province of Saskatchewan. That's exactly the other reason why they won't do it.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — You won't release this to the Leader of the Opposition. You won't even release it to the Saskatchewan Wheat Pool. You won't release it to the UGG. You won't release it because there is no paper.

And don't tell me about negotiations, because if you're starting negotiations you've got to know from where you are going and to where you're headed and what your objectives are. Surely to goodness those aren't pulled out of the air on the spur of the moment. Your officials and all the people behind you — and you've got the Associate Minister of Agriculture advising you, you've got the Minister of Energy advising you right now.

Are you telling me in this House, credibly, that matters which affect the future of this province, this provincial government has no game plan and no ideas even in principles that it can share with the legislature and the farmers of the province of Saskatchewan?

I say that's an outrage. I say that is not only an outrage, that's a symbol and a symptom of a government that is so paralysed by political fear, so paralysed by its inactivity that it simply does not know where to move or how to move or how to act in this farm crisis situation, and you people should be ashamed of yourselves. What you really should do is have a provincial election to get a government in there to at least start tackling the problems. That's what you should do.

Some Hon. Members: Hear, Hear!

(1115)

Mr. Romanow: — Now, Mr. Chairman, I have another question for the Deputy Premier, and the Deputy Premier should tell me what her position will be on this nice, open provision. And I want to ask the Deputy Premier in this regard whether or not she will tell this legislature this: who is the unnamed financial institution committing itself to \$1 million on the Cargill fertilizer Belle Plaine operation?

Hon. Mrs. Smith: — Mr. Chairman, I know of no secretive financial arrangement.

Mr. Romanow: — Well, Mr. Chairman, we're into an issue of secrecy amongst other things and capacity to govern in policy. I may not have heard the Deputy Premier and I will try to lower my . . .

An Hon. Member: — There's no secretive arrangement.

Mr. Romanow: — She says there is no secretive arrangement. Who is the \$1 million player in the Cargill deal?

Hon. Mrs. Smith: — Mr. Speaker, that information would have to come forth from Crown management and I would have to . . . well you know, I don't have the information here, okay? If you want, we can undertake to get as much

information as we can today on the questions you raise. But you wanted to know who this secret partner was. I simply said, I know of no secretive arrangement.

Mr. Romanow: — Mr. Chairman, I know of no secretive arrangement, but I ain't telling you about the details of it is what the Deputy Premier says. There's absolutely . . . I shouldn't interpret that as being secretive, Mr. Chairman.

I want the Deputy Premier to tell me who the unnamed \$1 million player is in the Cargill deal. You say there's nothing secretive. You tell this legislature now and, if I may say so, please ask your deputy and one of his officials or as many as it takes to find out that information and to provide it for us.

Hon. Mrs. Smith: — Mr. Chairman, the officials do not have the information with them, and I've already stated that we would have to get that through Crown management.

Mr. Romanow: — Well, Mr. Chairman, I will wait. I will ask the Deputy Premier to instruct one of her officials to go to a phone call, phone the Crown Management Board people, anybody that they see fit necessary to phone. We will await for that answer. I'm sure it'll only take a minute or two.

Will the Deputy Premier please instruct the deputy to do so . . . her deputy to do so, and we'll await the answer of who the \$1 million — I will say "secret" because I do not know — player is in the Cargill deal.

Hon. Mrs. Smith: — Mr. Chairman, I have already said that I would undertake to get that from Crown management.

Mr. Romanow: — No, Mr. Chairman, I'm sorry. With the greatest deal of respect, I do not accept this undertaking because I had an undertaking last night which I did not get today, and I do not accept your undertaking. I want to base a series of questions on Executive Council estimates about who this unnamed and therefore secret \$1 million player in the Cargill deal is. I want you to tell us the name, please.

Hon. Mrs. Smith: — Mr. Chairman, somebody did go to find some information.

Mr. Romanow: — Somebody has gone to provide the information? Thank you, Madam Minister. I will come back to this shortly. I will want to know the name of this person and I have another question with respect to the Cargill deal.

I want the minister to table, since she has described this as a non-secretive deal, table the financial arrangements which exist between Cargill and the provincial government with respect to the fertilizer plant at Belle Plaine. I mean the financial arrangements with respect to equity, borrowings, and the like. Would she be kind enough to explain that for us and then table the relevant documents so that we may examine them.

Hon. Mrs. Smith: — Mr. Chairman, I am not going to give a commitment to table that now. And I think the Hon.

Leader of the Opposition knows that. I think that he should also, if he is sincerely interested in the project — and I have good cause to doubt that you are interested in the project and the benefits that it in fact is going to bring to Saskatchewan — he perhaps might want to pursue this with the Minister of Finance who is also the minister responsible for the Crown Management Board.

Mr. Chairman, as many projects in the past, and I would remind the Leader of the Opposition's memory, he will recall a few in his days in fact as a government member where nothing was ever tabled on projects, whether it was a small project or large project.

I think our record in terms of tabling documents in this House stands and stands well. And I will refer you to the Co-op upgrader and to issues like Weyerhaeuser, in fact, where everything was tabled in this House, absolutely everything. And I would expect that as things move along on the project and construction begins, that eventually Crown Management Board would be dealing with that matter.

Mr. Romanow: — No I think, Mr. Chairman, eventually Crown Management Board may be dealing with this matter, but, Madam Minister, eventually you will be dealing with this matter in these estimates too. Because as Executive Council estimates, these are the estimates which are responsible for overall major government projects. That's the history and the tradition and the rules of this House, and this is a major government project.

Madam Minister, you told me that there was nothing secretive about this deal. Lest I make an accusation which is premature, I will give you one more opportunity if I may put it that way to answer this question: will you table the financial documentation on the Saferco, Cargill Belle Plaine project for this committee now please.

Hon. Mrs. Smith: — No, Mr. Chairman, I am not at liberty to do that now and the Hon. Leader of the Opposition knows that.

Mr. Chairman, there are several sound reasons, and if I had the time I could probably pull a quote from *Hansard* by the Hon. Allan Blakeney as to why those things are not tabled in the House — the total financial documents. It has to do with competitive position, it has to do with markets, it has to do with commercially sensitive information. The member knows that, Mr. Chairman, he knows the answer as to why the financial packages are not tabled in their entirety. He knows that.

Mr. Romanow: — So is the Deputy Premier now telling me that in fact there is an argument for secrecy and that's exactly what this deal is shrouded in — secrecy?

Hon. Mrs. Smith: — Not at all, Mr. Chairman, not at all.

Mr. Chairman, we have said, the province of Saskatchewan on this fertilizer plant was going to put in \$64 million, Mr. Chairman. We have indicated that in fact we would guarantee the loan. There's nothing secretive about that. We have said the province is going to own 49 per cent. Cargill is going to own 50 per cent.

All of that is not secretive. What you are looking for is sensitive market information, for what reasons, who knows? I suppose only you could answer that. But once that's tabled publicly, it basically leaves the fertilizer and a plant of having all their competitors look at their information, their markets, their pricing structures, and where would it be? Down the tube.

And I suspect that's exactly what you want — down the tube. Because you have made no effort to support any kind of diversification or projects in this province from the fertilizer plant to the upgrader to Impact (Packaging) Systems in Swift Current, and others. No support whatsoever.

In fact you and your caucus have gone out of their way to ensure that there is a negative and a doom and gloom put on every opportunity for jobs for people in this province.

Mr. Romanow: — Mr. Chairman, we don't have to go too far out of our way to put a doom and gloom. Your record after eight years has made that self-evident to the people of Saskatchewan about the doom and gloom. We don't have to go out of our way.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — I'll just give the Deputy Premier a moment to get some advice from her advisors before I put the question to her.

Mr. Chairman: — Order, order. Why is the member on his feet?

Hon. Mr. Wolfe: — I would like to ask leave of the committee to introduce some students.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wolfe: — Thank you, Mr. Chairman. Mr. Chairman, I'd like to introduce to you and through you, some 17 grade 4 students from Assiniboia School, Assiniboia. Seated with the students in the Speaker's gallery are teachers Debra Hysuik and Brenda Henrikson; chaperons Janet Nicholson, Rita Hammel, and Judy Chubb; and bus driver Brian Putman. I ask all members of the Assembly to welcome these guests.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Executive Council Ordinary Expenditure — Vote 10

Item 1 (continued)

Mr. Romanow: — Thank you, Mr. Chairman. I'm going to ask this question of the Deputy Premier, which is the question that I asked before. But I wanted to pay particularly careful attention to the words that I use and perhaps her advisors will as well, so that the answers which they suggest she make are based on the question.

For the time being, Madam Minister, I am not asking

about, as you would describe it, sensitive marketing information. I might or might not get into that area and I might or might not get into a debate on that area with you and the propriety of releasing that.

What I have been asking you, Madam Minister, about, are the financial arrangements. How much money am I putting up to this Saferco plant? How much money are you putting up as taxpayers? I don't mean as a government, but as individuals, government and taxpayers. You may categorize those as being sensitive. I suspect they're very, very sensitive.

I'm not asking about the marketing arrangements; I want to know the financial arrangements. I want to know who's going to be responsible for operating losses, if there are operating losses. I want to know who's going to be responsible for cost overruns, if there are cost overruns. I want to know who's going to be responsible for the future liabilities, if there are future liabilities.

These have little to do, if anything, about the marketing and how competitors meet in the market-place. They have everything to do about whether or not this thing is put together on a sound financial footing. Because we've got \$370 million in one form or another committed by your government, Madam Minister, to the world's largest, privately owned corporation. You can't even buy a share in Cargill. We're giving them an arrangement, a financial arrangement, and we have no documents to that effect and you have the temerity to say that this deal is not secret. If it's not secret, I want to know where those financial arrangement documents are. Then we can talk about whether or not they're sensitive.

(1130)

Hon. Mrs. Smith: — Mr. Chairman, one would find it difficult to believe, particularly in a time when Saskatchewan does in fact need to diversify its economy, does need to have jobs out there for people, need, Mr. Chairman, an opportunity to in fact take our raw resources to make them into products here at home as opposed to for ever sending them south of the border or down East. That's an opportunity, Mr. Chairman, that the province has waited for for a long, long time.

The fertilizer plant has given us an opportunity to take our natural gas. And in fact the gas in being developed, when deregulation came into place, not only allowed extra and added revenues to the province, but in fact allowed this value added component that we're going to be seeing in the Saskatchewan fertilizer plant.

I find it interesting that the Leader of the Opposition takes the tack that he did. You know, I take a look at, for example, the city of Moose Jaw, and that's where the plant is going to be close by, and I see some members of city council in Moose Jaw saying we should be endorsing this project full steam ahead. That certainly is a different attitude than what we are finding in here. And it's interesting that the members, both members from Moose Jaw, have not had any comment on this. And of course when you look at the position of the people on city council in Moose Jaw, it's no wonder that there is silence.

Mr. Chairman, the Saskatchewan fertilizer plant has been done on a commercial basis. The financing has been done on a commercial basis. The guarantee has been done on a commercial basis. The business plans have been done on a commercial basis. And, Mr. Chairman, I can only state again, I am not at liberty to give the Leader of the Opposition the financial information that he is requesting, for confidential, commercially sensitive reasons.

We saw the same thing happen in here with the Regina co-op upgrader, Mr. Chairman. And in fact it made it extremely nervous for the co-op at that time when the NDP were asking that this be all laid out because of the details of their operation, the impact of their sales and their marketing being laid out to their competitors. Mr. Chairman, this situation is no different, so I can only simply say I am not at liberty to release those plans to the leader.

Mr. Romanow: — Mr. Chairman, I have a simple, direct question for the minister which can be answered directly and simply. The minister says that this deal without documents “is done on a commercial basis.” My question is: who says so?

Hon. Mrs. Smith: — Mr. Chairman, the . . . (inaudible interjection) . . . well the member from Quill Lakes, you know, he has a little difficult time with women in this House, particularly the voices. You know, some of them don’t have to worry about it, at least one, from here on in. Who knows, maybe he had something to do with that too.

Mr. Chairman, when I say that this is done on a commercial basis, the member knows Crown management people in dealing, negotiating, and putting projects together whether they take the initiative or it’s a private sector coming in and wanting a joint ventureship or perhaps the co-op, it in fact is done on a commercial basis. By a commercial basis it has to show some viability and profitability in order to get the investment back and where it’s going into the future.

So when the member says, who says it’s done on a commercial basis, I tell you it was done on a commercial basis.

Mr. Romanow: — Mr. Chairman, that answer exactly, exactly makes the point of the questioning. With the greatest of respect to the Deputy Premier, if the assurance that this thing is on a commercially viable basis is her assurance — I don’t mean this in a personal sense — I tell you, every one of us have got to be frightened in our boots.

With the greatest of respect to the Deputy Premier, whatever other skills she may have, she is not a financier. Whatever other skills she has, she is not a business person. Whatever other skills she has, she did not bring to the legislature the experience of dealing with one of the world’s largest corporations in this area.

So if she’s telling me that the assurance that this is commercially put together in a proper economic sense is on her words, with the greatest of respect and in a non-personal way, I say to you, Madam Minister, that is

not enough. Not only is it not enough, it should be ringing alarm bells as it is all over Saskatchewan and outside the States. How come the member from Rosthern . . . in a moment about the alarm bells . . . now just don’t wave your hands at us and say that these statements are outrageous. They may be in your minds.

If they’re outrageous, there’s one way to prove they’re outrageous. Not by some sort of childish responses or actions by the minister from Rosthern. Table the documents. If the documents are justifiable, surely to goodness that’s the end of the argument. You know that to be the case.

I’m not asking about the marketing arguments. I’m talking about the documents that deal with the finances. And you stand up, Madam Minister, and tell us that I am to say that it is safe because you assure it. I mean surely to goodness you’d be able to get up and say that it is so and so in the Crown Management Board or this study or whatever there is.

Who in the world has put this together? Was this written on the back of an envelope? Are these the same people who put together GigaText, who assured us that it was okay? Are these the same people who got up and said that Supercart is okay? Are these the same people put together on the back of an envelope Joytec and all of the other half-brained schemes that have been put forward by this government? Are these the same people? Who in the world have put these economic arrangements together?

And I want to say to you again, you are displaying your secretiveness. You have something to hide. You have something to hide.

And what is it that you’re hiding? Is it a deal that smells and you know that if it sees the sunshine and the daylight, that it’ll be revealed as such? Is that what it is? Do you know? Are there secret documents advising you that you shouldn’t be getting into it? What in the world could be the possibly rational argument for not making the financing arrangements public as I request? Give us the answer to that.

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Mr. Chairman, the member’s quite right. I’m not an expert in those matters. But I would venture a guess — neither is he. And if he wants to talk about business experience, as little as mine is, I would still take it and line it up against yours. So let’s not get into that, okay?

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Mr. Chairman, I think what is important is that in fact, the best advice and expertise is what is key. And I think the member would agree to that. Now, the member says who are they? Does he have no confidence in the people over at Crown management. There’s lawyers, there’s chartered accountants. Does he have no faith in whether they are . . . the expertise that they may very well go to in looking at these. And he knows that it’s not a closed shop — that they don’t sit in there and plot the world away, and not in fact have

contacts with outside groups and outside people. They have their own outside expertise that they in fact do go for advice.

And I think, Mr. Speaker, that when these projects are being looked at and evaluated to see if in fact they are viable, that it is important that the checks and balances are in place.

And so when I tell the member that I believe this is done on a commercial basis and he says, who said that; and I say, I tell him so; it is based on what I believe to be good advice that is being given.

Mr. Chairman, I want the member to think about some of the comments that have been made in regard to the fertilizer plant. Yes, there's been some negative comments, particularly from the competitors that will see in fact that plant in competition. There has also been some very positive responses from the fertilizer community that in fact this is a very, very positive plant for Saskatchewan.

An Hon. Member: — Ahh, that's just not true.

Hon. Mrs. Smith: — Well the member from Regina North East says that's not true, Mr. Chairman. It is true. This is going to be one of the biggest and the most modern in the world — the most modern in the world. Now, Mr. Chairman, I would say to the member from Regina North East that in fact he will find the modernization being the largest and most modern is going to give it a competitive edge.

An Hon. Member: — The trend is to be going smaller.

Hon. Mrs. Smith: — Now the member from Regina says, well the trend is going to the smaller. Is that right across the board? I don't think so, Mr. Chairman. There will be certain sectors that in fact you won't find that to be so.

Mr. Chairman, I can only state again this was done with good advice, expertise. It's on a commercial basis. It will be good for Saskatchewan not only in the construction phase — the jobs that it brings. It gives taxation base, but more importantly, Mr. Chairman, it gives us the opportunity to be able to produce and utilize raw resources here at home as opposed to shipping them down the pipeline.

Mr. Chairman, I see a plus all the way around in terms of the fertilizer plant for Saskatchewan. I believe that when up and running I think the members are going to be looking for nice things to say about it, rather than the position that they've taken to date. And I suspect that's why both the members from Moose Jaw have been silent on the matter.

Mr. Chairman, the government position on this . . . we laid out what this consists of and I'm going to state it again. Cargill is a 50 per cent owner; the Saskatchewan government has 49 per cent in there. On the equity, it was 64 million for the Saskatchewan government, Crown management, and 65 for Cargill. Mr. Chairman, we said up front we would be guaranteeing the loan.

Mr. Chairman, the benefits from the fertilizer plant, I will not get into now. I'm sure the Leader of the Opposition has some other questions, and I will take my place.

Mr. Romanow: — Well, Mr. Chairman, it is clear that they are stonewalling, stonewalling, stonewalling on this project — and my colleague says on everything. This is a shameful position by the government to take on a project which it ballyhoos will be an economic salvation.

Will the minister answer this question: if this project is so commercially sound — I am to take her word for this and she has studied, presumably, the documents to come to that conclusion — why is it that the Government of Saskatchewan in one form or another feels obligated to commit \$370 million to a company which has the financial resources itself to carry out this sound venture by itself?

Hon. Mrs. Smith: — Mr. Chairman, I don't expect that this company is going to fail. And I don't think he really believes that either.

He says it's going to cost this government \$305 million. It's not going to cost this government \$305 million. There's a guarantee on the loan, Mr. Chairman.

(1145)

An Hon. Member: — Which they're paying for.

Hon. Mrs. Smith: — Exactly. They're paying for it.

And down the road, Mr. Chairman, the shares in there, the equity, the \$64 million, we could very well take a position perhaps of putting it out for public shares, similar to what you did with potash. We said the same thing when we went into a joint venture agreement with Husky on the Lloydminster upgrader. So there's a variety of options there.

But when you make that statement, you neglect to tell everybody that you and all your expertise have assumed that it's going to fail. That's not so.

Mr. Romanow: — Mr. Chairman, I'm going to ask the question one more time of the minister. I may have to ask it a number of other times, or I'm going to ask it additionally.

Madam Minister, my question to you is this: if this project is commercially viable, as you have assured yourself that it is — note the words that I use, and maybe there'll be an answer here in between all the officials and MLAs who have got pieces of paper in this regard. Just answer this question for me if you will.

If it is commercially viable, why do the taxpayers of Saskatchewan have to commit, in one form or another, \$370 million to a corporation the size, the wealth, the independence, the expertise that you say it has, why do we need our money to get Cargill to get this commercially viable operation going? What is the public justification for that?

Hon. Mrs. Smith: — Mr. Chairman, I don't think it's any

secret, outside of at least a handful of people over there. Everyone else knows how competitive it has been, not only in this province, but in fact in other provinces and in fact in other countries. I mean, you know we compete right around the world when it comes to potash or uranium. It has been highly competitive in these times of change in Canada and the world economy.

Now we have a decision that we in fact are going to be serious about economic development and diversification in this province. And I want you to know that that's not an easy decision to make when the farm economy is down, when dollars are tight and you know you're going to have to go in debt if you stay on the path of diversification. You can't wait for the affluent time or the good time with the dollars on diversification.

And we saw that waiting and what it did in the past; it did nothing. So that when the downturn in agriculture came, the downturn in potash and oil, the prices on uranium, where were we? We were totally dependent on the farm economy and our resources. No value added component, no processing at home in our communities, and all the benefits that derive from that. It was not there.

Now this government, in its economic policies, made a decision that we are going to build on our strengths. One of the strengths was our resource of gas and the farming community. We wanted the value added component and the ability to be able to process goods here in Saskatchewan. Fertilizer is a natural and it is built on our strengths.

So, Mr. Chairman, it is no secret that we were in competition with perhaps the province of Alberta and perhaps a few other provinces. We wanted something in fact that was viable and that could compete right around the world. Because our market is not just in this corner of Canada but in fact is around the world, and you cannot ignore those world-wide competitors.

So it became important to have the ability to in fact attract the best that we could. We got the best. We are going to have the largest and the most modern plant tied to the company that has the best markets world-wide — world-wide, Mr. Leader of the Opposition.

And you tell me it's going to fail. It's not going to fail. We made that decision. The diversification had to take place, and I believe we made the right decision.

Mr. Romanow: — Mr. Chairman, the minister is telling me that the potash business is so competitive that the province of Saskatchewan has to pump in \$370 million to help out Cargill in that competition. Can you imagine a more ludicrous statement? Another possible interpretation is that the competition for fertilizer plants is so great that we've got to give away the store in order to get Cargill here.

Now you can't have it both ways. It is either here because it is a competitive and viable plant in the world's markets, in which case Cargill will have known that and Cargill would have come in here to make a buck if a buck was to be made . . . They're not here for your health, Madam Minister. They're not here for the health of the province of

Saskatchewan. Cargill is here for their own health, their own family's health, their own private health. They're not here for any other operation.

And if it was going to be a healthy, viable operation, as you maintain it is — and you are on a fundamental position of contradiction here — what in the world compelled you to pump in \$370 million to get them here?

An Hon. Member: — They're the best.

Mr. Romanow: — Pardon me?

An Hon. Member: — They're the best.

Mr. Romanow: — They're the best ones. The Minister of Highways says . . . the Minister of Environment says they're the best ones . . . (inaudible interjection) . . . Sorry?

An Hon. Member: — Investment.

Mr. Romanow: — Investment.

Now my question is to the minister again. She's been tipped off a little bit by the Minister of Environment as to what the answer should be. But my question remains: if this is such a good investment, why in the world did Cargill have to have \$370 million of our taxpayers' dollars pumped into it?

Hon. Mrs. Smith: — You see there's the myth. And there's a whole lot of myths around this province. Five hospitals closing in Assiniboia-Gravelbourg. Did you see five hospitals close in Assiniboia-Gravelbourg? No, you didn't see five hospitals close in Assiniboia-Gravelbourg. Pump in \$370 million, he says, into Saferco. I just told him our equity position is 64 million — 64 million.

Mr. Chairman, you know, one has to begin to wonder about the motives. Yes, there's a guarantee on the loan — 305.

An Hon. Member: — And that doesn't mean anything.

Hon. Mrs. Smith: — Of course it means something. But let's be honest and talk about the entire picture if that's what you want to do. And you never quite get to that point. Instead, it's better to have the myth out there that we actually took \$370 million and gave it to Cargill. That's the myth.

There is a guarantee on the loan, Mr. Chairman. We said we would make every effort to attract viable business and build on our strengths, and that's what we did with the fertilizer plant. There is an equity position and the guarantee of the loan, Mr. Chairman, and we believe that that in fact was a good deal for Saskatchewan.

You may not see a result on the short term, and by that I mean one year. Of course not; the construction takes time to get the plant up and running. But I suspect 10, 15 years from now, it in fact will stand us in good stead, Mr. Chairman.

Mr. Romanow: — Mr. Chairman, we're making absolutely no progress with these answers. Let me try

another question to see if there is any hope whatsoever from this government getting behind its shroud of secrecy on this very questionable deal.

Madam Deputy Premier, if you're interested in speeding up the estimates a little bit, you might just ignore the advice from the Minister of Highways about the political rhetoric and just answer the question. Is there a special marketing arrangement with Cargill and Saferco which pays Cargill a sum certain for the marketing of the product that Saferco, if and when it's up and going, the product it produces, is there a marketing arrangement? If there is, what are the terms and the conditions, and will you table that arrangement?

Hon. Mrs. Smith: — Mr. Chairman, anything to do with the company's competitive position, I would not be at liberty to release. And I believe that marketing plans, where their markets are now, what their plans are for the future indeed is very sensitive information. I think their competitors would love to have it. And I'm not about to put that position in jeopardy.

Mr. Romanow: — I will rephrase it. It's correct, isn't it, that Cargill will have a marketing fee — not markets now, a marketing fee — for the product that Saferco produces when it is marketed, and that fee is based on a percentage of 12 per cent? Is that correct or not?

Hon. Mrs. Smith: — Mr. Chairman, whether you call it management fees, you call it marketing fees, the member can call it anything he wants — I am not about to release commercial information that puts in jeopardy at all, even the hint of being put into jeopardy in terms of its competitive position.

Mr. Romanow: — Mr. Chairman, what is at risk to the Saferco plant if the government says that there is a marketing arrangement of a certain percentage, or whatever the marketing arrangement is? What possibly could the competitors find or seize from that? Perhaps you could explain that to me.

But let's leave that aside for the moment because clearly that's another veil of secrecy which has come down.

I want to know whether or not in the agreement that you have not tabled here and refuse to table, that you're hiding from the public, whether or not there's a provision that says you cannot table any of these agreements without the consent of Cargill itself. Note the question, Deputy Premier. I'm asking whether or not there is a provision in that contract that says no contracts can be released on this deal unless Cargill approves.

Hon. Mrs. Smith: — I don't know if in fact that provision is in there. I will have to take a look . . .

An Hon. Member: — What do you know?

Hon. Mrs. Smith: — Well that is not in every provision. I know that that was in the provision to do with the upgrader because federal government was involved, provincial, and of course the Co-op people. I know that in some transactions there is absolutely nothing released — nothing — and no provisions where you could in fact

have one partner agree and the other one not to. All I'm simply telling you — and I believe you are referring to the same kind of clause that I remember in the NewGrade upgrader, the Co-op upgrader — and I'm being perfectly honest with you in telling you I don't know if that clause is in there. I'll have to undertake to see if in fact it is.

Mr. Romanow: — Is there a clause in the agreement which compels Saferco to use Saskatchewan natural gas supplies first, and seek a balance if required elsewhere?

Hon. Mrs. Smith: — I do not believe that there is a clause that compels them to in fact do that, and nor do I believe that that in fact should happen. I know that there were discussions on what they were going to be using, and every commitment given. But the member will know that in fact in doing deregulation there were several phases that we went through, and we in fact had a commitment, you might say a closed border for Saskatchewan buyers and producers right at the very beginning in order to ensure that our industry did get up and running.

The Co-op upgrader, for example, may not use all of Saskatchewan gas. If they have been operating at a capacity and it's in a peak time, some of our gas producers might be down, the pipelines might be full, the commitments given on the various kinds of gas contracts, then you could conceivably see them on the short term buy gas elsewhere.

So I don't believe that there should be a lock-in that it in total is going to be Saskatchewan gas. I think to do that to any company, regardless of who the company is, is in fact to not put them in a competitive position. And it also takes away any responsibility that you would have on the producer ensuring that they are giving the best deal possible.

Mr. Romanow: — Well, Mr. Chairman, again I find this another contradictory, fundamentally contradictory and confusing position to adopt here. About a half an hour ago the Deputy Premier indicated to this House, in extolling the virtues of this plant, that we were going to have natural gas supplies from Saskatchewan producers used out of this operation. That was one of the big virtues of this operation. I would have thought that as a bare minimum there would have been some guarantee which indicates that that would be the case, acknowledging that in emergencies or circumstances as you've described, they can go elsewhere. I understand that. But are you telling me that even the idea that natural gas producers in Saskatchewan shouldn't have the first right to sell to this plant, is not even guaranteed in the agreement? That even that isn't there, and moreover you don't even believe in that? Is that the position that you take?

(1200)

Hon. Mrs. Smith: — Mr. Chairman, I can tell you that I'm prouder to be over here with the PCs, as the member from Regina Centre suggests may be not quite the case.

Saskatchewan producers, our gas producers, are going to have what we consider to be a natural advantage. I mean just the distance alone will not have the same degree of the transmission fees that you would find if it was

somebody, a gas producer shipping out of Edmonton or elsewhere.

The Saskatchewan producers, including our smaller gas producers, since coming on stream in fact have been extremely competitive. For the first time we have many Saskatchewan producers that got into the Ontario market about two years ago simply because of their competitive position.

I think you are going to find the Saskatchewan producers in the same mode when it comes to the fertilizer plant. It's going to be a large user of gas. They are going to have to ensure that in fact their back-up services are there, and I would suspect that you will see many contracts to the fertilizer plant as opposed to one big company. I don't think a small company would be able to give them any kind of a guarantee on what I would call a long-term contract, meaning 5 years to 10 years.

So our position has been that they must be competitive, the producers, but that every effort will be undertaken to facilitate a Buy Saskatchewan program, but it must be competitive. If it is not competitive, then it is simply going to put the Saskatchewan fertilizer plant in a non-competitive position outside of Saskatchewan, and of course nobody wants that because that means that the plant will not be viable. And that's the last thing I believe that any of us want with it.

Mr. Romanow: — Mr. Chairman, I have a copy of a letter here written to the Hon. Carla Hills in the United States . . . of the United States. She's the trade ambassador. I'm sure the minister has a copy of the letter. And I think it's appropriate for me to read this portion of the letter in the context of these answers which we've been getting this morning. The letter says in part, signed by a variety of senators in the United States, with respect to this project as follows:

It is reported that the private company . . . (here referring to Cargill, Mr. Chairman). It is reported that the private company involved has been guaranteed a per ton commission or mark-up on the tons it will distribute, assuring it a return on its relatively small investment even if the plant is not profitable.

And the words "even if the plant is not profitable" are underlined. The American senators further write:

It should be noted that Saskatchewan has refused to make public the details of this marketing (arrangement) agreement.

I might add, parenthetically, as we have seen over and over again the stonewall in my questions today.

The senators continue to write:

It is clear, however, that limited private participation in the project (referring to Cargill), given the separate incentives provided, is no evidence of the plant's commercial viability.

Now those are the conclusions carried out by people who

albeit have a vested interest. None the less, they are elected senators of a responsible jurisdiction, and they are senators and they are people who have looked at this document at best as the information is available to them, and have concluded that there is a guaranteed per tonne commission, thereby allowing Cargill to get its \$65 million out quickly; that the plant is not guaranteed to be profitable on this relatively small investment and the investment make-up; and moreover, indicating that the commercial viability is very much at issue in this context.

Now the minister is aware of this particular conclusion, no doubt. And she is also aware of the fact that the noted American consultants, Blue, Johnson of California, have said that this plant is going to lose anywhere between \$87 million to \$132 million in the first 10 years of its operation, and that on each one of its first 10 years, each year of the first 10 years, this is going to be a dead loss.

Of course, as the minister admits, we hold the bag on the guarantee for the loan. As the minister admits, we've got the \$64 million up front. As the minister admits, we have no guarantee that the natural producers in Saskatchewan are going to get the first call. As the minister admits, none of the details are going to be revealed. But this is the report by Blue, Johnson and this is the statement made by Carla Hills on trade by United States senators who, whether you agree with their proposition or not, raise some serious questions.

Now I seek to raise these questions in this House too, and I want you to tell this House whether or not Blue, Johnson is accurate in its study. And if you tell me you've assured yourself that it isn't, my next question is: I want you to table your studies which show the Blue, Johnson is wrong.

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Mr. Chairman, I believe that the document that the Leader of the Opposition is referring to would also show that . . . in fact studies released by competitors of Canada would show that the entire agriculture industry is non-viable.

Secondly, I'm going to take the Leader of the Opposition back for a moment and talk a little bit about potash. I think if he refreshes his memory on . . . and if we want to talk senators in the United States, I would expect nothing less out of those senators in the United States that are protecting own industries within their states. We saw the very same thing happen on potash. And you know, you know . . .

An Hon. Member: — That's false.

Hon. Mrs. Smith: — That's not false. You know what happened on potash. What does the senator in New Mexico say about the Saskatchewan Potash Corporation when it was a Crown corp? What did he say about the government, the subsidization and everything else? Was he right or was he wrong? Well you're going to tell me maybe he was right, but these . . .

An Hon. Member: — What did he say?

Hon. Mrs. Smith: — What did he say? He says, and you know on the potash, that in fact it was subsidized. It's under a Crown corporation, and therefore the actions came against it.

Well he shakes his head, Mr. Chairman. He shakes his head. It's only been a couple of years since we went through the anti-dumping charges on our Saskatchewan producers and had to deal with these senators in the United States. I believe what you see here is some lobby pressure being put on senators in the United States by the very competitors that are going to have to compete against the Saskatchewan fertilizer plant when it's up and running.

Mr. Chairman, Cargill is putting 65 million into this. Cargill. . .

An Hon. Member: — Boy, that's a lot of money.

Hon. Mrs. Smith: — Well you may not think it's a lot, some people would. I suppose in comparison to something else, you might make that argument. But that's fair. Cargill has never had a history of putting dollars into losing ventures; has never had a history of that. Mr. Chairman, they have great expertise around the world in the fertilizing industry, the agriculture industry. And, Mr. Chairman, they may be huge, but they've also been successful. And I think that that point has been forgotten in the context of the debate in this House today.

Mr. Romanow: — Madam Deputy Premier, you were going to provide me the name of the \$1 million investor, unnamed so far, in that Cargill deal.

Hon. Mrs. Smith: — I am informed that I do not have permission to release that name by the investor. And if you want to persist on that route, I would have to undertake to have Crown management in fact ask for their permission for release. I do not have that permission.

Mr. Romanow: — Mr. Chairman, this is why this government's credibility on economic matters is absolutely zero. Here is a million dollars only in this project, which is very small. They've named Saferco and Cargill's involvement and the provincial government's involvement, but they're not going to tell us who has put up that million dollars; who that secret partner is. Who is that secret partner? Who is it? I'm going to ask the minister. She may not be able to tell us the name, but I'm going to try to figure out whether it's a Canadian investor that's put up the million dollars. Will you tell me that, Madam Minister?

Hon. Mrs. Smith: — Mr. Chairman, I can only state I am not at liberty to release the name or information. And if the member wants that done, I will have to undertake to have Crown management people in fact discuss the matter with the investor to see if that could be made public.

Mr. Romanow: — Will the minister tell me whether or not this is an investor from Libya, for example, Middle East countries?

Hon. Mrs. Smith: — I have already told the member, I am

not at liberty to release the name or information on the investor.

Mr. Romanow: — Can you at least, without revealing to us, can you exclude some investors? Is it an investor from South Africa, for example?

Hon. Mrs. Smith: — Mr. Chairman, my answer is no different. The leader can persist as long as he wants, but the answer remains the same.

Mr. Romanow: — Mr. Chairman we have a situation where the minister and the government will not tell the people of the province of Saskatchewan who the million dollar secret investor is. It could be a South African investor or company. It could be a Libyan investor or company. It could be an American investor or company. It could be a Canadian investor or company. It could be a Saskatchewan-Canadian company. It could be a number of individuals, or in corporation million dollars.

Right on, the member from Cut Knife-Lloydminster says. Right on. Well . . . and the Minister of Finance — right on, to this kind of a shenanigan in financial arrangement. He won't tell me.

Let me ask you another question, since you've studied this deal and it is going to be so commercially viable, and you have all this great business expertise in the back there to help you out. Why was it necessary — I'm not asking the name now — why was it necessary to set up the arrangement in such a way that there was an unnamed million dollar investor?

(1215)

Hon. Mrs. Smith: — You know, Mr. Chairman, he doesn't want provincial dollars in it, particularly if it's tied with private sector. If it had been a Crown corporation, I suspect that would have been okay. Here we are in a position — there's debt, you're trying to diversify your economy, you're asking people to invest, you know the competition is going world-wide, you know the markets are world-wide, and we have an investor.

Now is the question . . . is his concern simply of who it might be? I don't know. Every once in a while, Mr. Chairman, one has to wonder about the motives. I have stated and I will state, I believe for the fourth or fifth time, I am not at liberty to release the name to you.

An Hon. Member: — He didn't ask you that.

Hon. Mrs. Smith: — Well he's asking for the location, and I've said I am not at liberty to release the name nor any information regarding that investor. That will come forth in due course, but I am not at liberty to do that today.

Mr. Romanow: — Madam Minister, please listen carefully to the question that I ask a second time. I am unhappy about the fact that you will give me neither the name nor the location of the investor. For the time being that's not what I'm asking you.

Here's my question, I want you to listen carefully to give me the answer. Why was it thought necessary that the

arrangement should be to involve three parties: \$65 million Saferco, \$64 million the taxpayers of Saskatchewan, and \$1 million unnamed, unlocated, not at liberty to release investor? Why did you structure it that way?

Hon. Mrs. Smith: — I think there are various partnerships and there may be three or four or if you want to do it, joint venture with ten companies. There would be various mechanisms as to how you're going to structure this deal. This one in fact has an outside investor. It has the corporation that has the expertise in the fertilizer plant and it has the government as another partner.

Now we have stated from the outset that we are not tied in for ever and a day. We may in fact be doing a public share down the road if in fact the timing was good, it was good for Saskatchewan, and it was good for the corporation.

One could ask the same question in doing the Co-op upgrader: why would the federal government . . . why did you structure it that way? You could do the same thing with the Lloydminster upgrader. Why Husky?

I don't think that in taking this one . . . I mean what you want is the name of the partner, and what I've said to you is that in due course that will be released and all the details with it. But for today I am not at liberty to disclose any of that.

Mr. Romanow: — Mr. Chairman, I really do believe that the minister, for whom I have a great deal of respect, and while we disagree, I do have a great deal of respect and I think she's an intelligent and competent minister, if I may say so. Who am I to say so, but I believe that to be the case. And therefore I find that it's simply incredible to accept her explanation that seemingly seems to miss the thrust of my question.

I'm off the question of who this person is. I'm off the questions about where this \$1 million is coming from. I am on to the issue of wanting to know why it was structured 65 million, 64 million, and 1 million. Why wasn't structured 65, for example, Cargill; and 65, Government of Saskatchewan? What possible role does the \$1 million investor play in this deal? That's what I'm getting at. What does this \$1 million investor bring to the deal?

Clearly, he doesn't bring the money. Cargill sales last year were \$38 billion so an extra million wouldn't make any difference. And clearly it wouldn't make any difference for you people for that extra million dollars.

Now there may be some simple legal explanation; there may be some other explanation. I'm prepared to accept that. I want to know what did that \$1 million buy to the deal? Thus the name, thus the role. The name --I want to know who that is so that I can make a judgement call on behalf of the opposition, and I dare say some people in the public, as to why it was structured so strangely in this fashion.

So I shall repeat one more time. Forget about names, forget about the upgraders and the federal government. Those were named in the upgrader. We knew who the

actors were. We knew how much money they put into it. We could make our judgement calls about that. I want to know who this third party, \$1 million actor is and what does he or she bring to the deal for a million dollars.

Hon. Mrs. Smith: — Well, Mr. Chairman, I've already said that I am not at liberty to disclose that today. In due course that information will be made public.

Mr. Romanow: — Well, Mr. Chairman, I don't know where to go from here. I do not know where to go from here. Other . . .

An Hon. Member: — I can tell you where to go from here.

Mr. Romanow: — Well I have no doubt you can. The member from Wilkie says he thinks he can tell me where to go and undoubtedly he can. His intervention is . . . well, I mean again, I don't want to get off onto that . . . (inaudible interjection) . . . What does the member from Wilkie want me to talk about . . . (inaudible interjection) . . . Oh no, we're not going to save \$100 million by knocking off leg. secretaries, but I tell you what we're going to do is we're going to save millions of dollars by knocking off the legislative secretaries who are sucking the taxpayers dry by this government opposite. That I guarantee.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Chairman, we have here on the Saferco operation a scandalous situation in this Legislative Assembly today. We have a scandalous situation, based on the questioning that I have put to the minister opposite which I have thought was straightforward — straightforward requests for questions. Maybe they were hard questions; maybe they weren't. But I thought they were hard in the sense of simple and straightforward and clean.

I've asked for the financial agreements. We have been shut out and it remains secret. I have asked for the deals on future operating losses. We have been told they are secret. I have asked about who is responsible for overrun costs. I am told they are secret. I have asked about whether or not the marketing fees are there; the Americans say there are marketing fees. We are told they are secret. I have asked about the marketing studies. We are told they are secret.

I have asked about the Blue, Johnson report which says this is going to lose money for 10 years, each year of those 10 years. We are told that is secret. I have asked about the \$1 million mystery investor — who and why and where. I am told that is a secret. I have asked them to table whether or not there's a commitment to use the Saskatchewan natural gas suppliers first, as one of the rationalizations for doing this. It's a secret.

If I ask the minister to table whether or not they've got a rebuttal to effect that the United States is moving now on anti-trust laws because this is violative of the anti-trust laws in the United States, I'd be told it is secret.

Everything is secret about this deal except that we are committed in one form or another to \$370 million. That's

the one thing that is no secret. We are committed in \$64 million cash. We are committed to \$305 million loan guarantee, not Cargill. They walked away from Pincher Creek, Cargill did, in Alberta. They walked away from it. And the minister says that they haven't walked away. They walked away from it in Alberta. They can walk away from it here if they want.

They've got themselves an arrangement where they'll get their \$65 million back and more on the marketing arrangements. And who do you think, if this thing goes bad, is going to be left holding the bag? The people of the province of Saskatchewan. And we are led to that conclusion in the absence of any other documents because this government has put down the shroud and the veil of secrecy around it entirely. Secrecy. Secrecy.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Afraid! Afraid of their shadows, afraid to defend, afraid to explain to the people. They may not be afraid in this legislature where all the back-benchers are sitting there and going to be voting like sheep on this issue all the way throughout the piece; they're not afraid in this House but they're afraid of the people of the province of Saskatchewan. And believe me, Mr. Chairman, if they had an answer to what I was raising, they'd be the first people to table all of these reports which we're asking them to show, but they have no answers. — none.

I say, Mr. Chairman, this is scandalous. I say this is not only undemocratic, but I say this raises serious questions about the financial viability of this operation. What other conclusions can I make since there are no answers? I say this is misplaced priorities. I say \$370 million going to the world's largest privately owned, wealthy-owned, privately owned corporation like Cargill when there are people who are in need of money either in farming or in other areas, that that is, unless it is justified, until further notice I say that is a scandal. And I say the government's activities in covering this up is just as outrageous as the substance of the approach. It is outrageous.

Is this what we've come to, Mr. Chairman, in this House? Look at this. Secret, secret, secret — 14 items of secrecy. Is that what we've come to? It's not \$370 we're dealing with . . . or \$370,000 we're dealing with; we're dealing with \$370 million and we're dealing with a long-term liability that some future government is going to have to deal with. And those people opposite say, it will be secret — cowering behind that secrecy shroud, paralysed by political fear, afraid to get out there and answer to the press and to the public what the deal is. Afraid to go to Rosetown and to explain it to the folks there. Afraid to go to Melfort and explain it to the folks there. Afraid to go to Melville and to explain it to the people there.

Fear — fear occasioned by the fact that this deal is a deal, until further notice, which the people of the province of Saskatchewan can only conclude is going to be laced with future trouble down the road. And the process of secrecy, let alone the substance, put all of it under question.

I say, Mr. Chairman, that this committee should condemn

this Premier and this government for not revealing the facts as . . .

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Mr. Chairman, I wanted to move a motion, but I think it's got to be out of order — condemning this government of its refusal to release the detailed financial arrangements on Cargill — and perhaps I should move it and see, maybe it is in order. I hope that it is. We've tried to study it.

Excuse me, Mr. Chairman. Haven't slept in Mao's bed for a long time. Where is the Premier today? Now we know why the Premier wouldn't show up.

Mr. Chairman, in the light of this scandalous performance by the government in the front benches opposite . . . And I want to say I do not particularly blame the Deputy Premier who has done the best that . . .

An Hon. Member: — Oh, no.

Mr. Romanow: — No, no. She's part of the government, but she's done the best that she can in handling a dossier which has been foisted on her today.

I have to move, seconded by the Deputy Leader and the member from Regina East, the following motion in this committee:

That this Assembly condemns the Government of Saskatchewan because of its refusal to release the detailed financial arrangements between government and Cargill Grain with respect to the Cargill fertilizer plant which is primarily financed by the province.

I so move, Mr. Chairman.

Some Hon. Members: Hear, Hear!

(1230)

Mr. Chairman: — Order, order. We already have a motion before the committee under item 1 of Executive Council, a substantive motion. Therefore, it is not in order. Order. I'll read in appendix, page 2:

That the practice of permitting substantive motions in the Committee of the Whole or Committee of Finance be discontinued.

Mr. Lingenfelter: — Mr. Chairman, I want to ask a few questions that I started out last night on. One of them, Madam Minister: can you indicate whether you have the list of the staff in the Premier's department that you promised last night? I would like to get that list. The Premier promised it to me last night that he would have it today, if you can give that to us now.

Hon. Mrs. Smith: — Mr. Chairman, I believe that this is the information as they have asked for and I will send it to the hon. member for Regina Elphinstone, and if it isn't he can let me know.

Mr. Lingenfelter: — Madam Minister, I also had asked the Premier for the list of flights taken out of province by the Premier and his staff. I wonder if you could deliver that to us because we have some questions on that as well.

Hon. Mrs. Smith: — I believe the commitment was not for today — that they would get it ready and ensure that it would go to you. So I don't have that for you this morning.

Mr. Lingenfelter: — I wonder, Madam Minister, if you could get that for us before the committee ends because I'll come back if you haven't got it with you now. I mean I can ask detailed questions about Air Canada and we can go through it one by one, or if you could make the commitment to get that to us before the day is out.

Hon. Mrs. Smith: — Mr. Chairman, the commitment last night was that they would do it as soon as possible. I can't give a commitment before the day is out. The department and the Premier had informed you last night that in fact it would be as soon as possible with no commitment for today.

Mr. Lingenfelter: — Madam Minister, I would have hoped that the staff and yourself would have come here prepared to deliver to us the air travel and the number of air travel, the amount that was paid for that kind of travel because these are standard questions that are asked every year. You would know that they were going to be asked, and I find it hard to believe that if you're not trying to hide the amounts and the number of trips, that you would in fact have them here today.

I want to ask you on the pointed question of what the cost of the air fare yesterday for the Premier to fly to Newfoundland. The Premier hinted that it was somewhere around 9,000 when he has done that trip before. But did you take the opportunity to check into that matter and find out for us what the exact amount of the air fare was to Ottawa, the lease of the jet that was used, how much was paid to Westwind airline of Saskatoon for the flight to Ottawa by executive jet?

Hon. Mrs. Smith: — Mr. Chairman, I will undertake to find that out. And on the first information he asked for, I will give him a commitment as soon as possible.

Mr. Lingenfelter: — Well I tell you that it's incredible that the *Star-Phoenix* is carrying a story in today's paper or yesterday's paper of the cost of that flight; that you would come here today, the Deputy Premier, and tell this committee, which is the spokespersons for the people of the province, and tell us that you're not going to, not going to tell us what the cost of that flight was.

Now do you think that it is fair, do you think that it's fair . . . well the members laugh about a \$10,000 bill being paid to lease a jet aircraft for the Premier to fly to Ottawa. The minister, the Deputy Premier, thinks that's funny. Well I can tell you out in rural Saskatchewan there are farmers today who are going broke who don't think that's funny at all. They think this is serious. They think it's the reason that we have a \$10 billion debt because of this flippant attitude by members of the front benches of this government.

And I want to ask you again: are you seriously telling me that you and your deputy don't know what the cost of that flight was to Ottawa yesterday, when the Premier left Saskatchewan to go to Newfoundland, that you don't have an understanding of what that price and what the cost was of the air fare?

Hon. Mrs. Smith: — Mr. Chairman, all I am indicating . . . We will wait for the bills. He wants to know the whole cost and that will be coming to him. If he wants accuracy, we will wait for the invoices and provide him with accuracy. If you don't want accuracy, then we can give you estimates of this and estimates of that and a second guess on this and a second guess on that. If you want the actual cost, then we will wait for the invoices to come in and respond to your question then.

Mr. Lingenfelter: — Well, Madam Minister, this is a strange way to do estimates. Do you understand what we're doing here? We're doing estimates. What we're talking about is the estimated cost of things that are going to be done by the government. Now it would be interesting if we used your approach that we have to wait for all the invoices, because the committee then can't function.

If you don't have the invoice, then do give me the estimate of what the airfare was for the trip yesterday. You're saying you can't give it because you don't have the receipt. Well obviously that's what we're doing here, is estimates by definition, and tell me what your estimated cost of that trip to be.

Hon. Mrs. Smith: — I will give you an about figure. It would be, as the Premier had indicated yesterday, about \$9,000. Now it might be a thousand less, it might be a thousand more, but we will know when we get the actual invoice.

Mr. Lingenfelter: — Madam Minister, I'm just having a great deal of difficulty getting the answers from you. But I wanted to ask about one of your employees, who is on the salary schedule that you have given me, an individual by the name of Ron Shorvoyce. I'm not sure that his name is spelt right on this list, but the senior press secretary to the Premier had been earning \$6,000 a month. He is listed as of April 1, 1990, being terminated. Can you tell me why Ron Shorvoyce was terminated, and what the settlement of the termination was?

Hon. Mrs. Smith: — Mr. Shorvoyce in fact resigned to seek work elsewhere.

Mr. Lingenfelter: — Well it says on the list that he was terminated. That is not leaving because he wants to go look for other work. And the previous deputy premier, the member for Souris-Cannington, says that he wouldn't work for what he was worth. He says that from his seat.

Well the member from Maple Creek will understand, having departed from cabinet as well. But I ask the minister: why was Ron Shorvoyce terminated, which is your definition, not mine? It is listed here that he was terminated, and I want to know what the settlement was. Was there an agreement? Was there a pay-out? And if so,

how much was the pay-out?

Hon. Mrs. Smith: — No. His definition of termination may be somewhat different. Perhaps we should have clarified it more. It simply means the termination of the employment upon his resignation. There was no severance because he was terminated by us and didn't want to go, no agreement. I've already told you, he was looking for work elsewhere and submitted his resignation to us upon having opportunities elsewhere.

Mr. Lingenfelter: — Madam Minister, I just want you to confirm, there was no severance package paid?

Hon. Mrs. Smith: — It was just a normal resignation.

Mr. Lingenfelter: — I want you to be clear on this, to tell me there was no severance package paid to Mr. Shorvoyce.

Hon. Mrs. Smith: — There was not a severance package. Having said that, he would have perhaps some holiday pay and that type of thing, but not a severance package as you refer to.

Mr. Romanow: — Thank you very much, Mr. Chairman. Mr. Chairman, I want to move to another area of discussion.

Mr. Chairman, my questions deal with the government's privatization drive, a drive and a position of which this government is very committed and very proud of. I'd like to ask the Deputy Premier when it is thought in the government's timetable that it will be propitious for the government to attempt to reintroduce the appropriate legislation for the privatization of SaskEnergy.

Hon. Mrs. Smith: — Mr. Chairman, the opportunity for public participation in this province has never been greater. And I believe we are seeing some of the confidence arising out of that, in fact, to do with investors and some of the projects that are coming forth. We are not looking, at least in the immediate term, at further legislation on SaskEnergy.

I think we have indicated as it relates to other projects on public participation that in fact there were many things that government could continue to monitor, could continue to pursue as it relates to government agencies or government services. And if they made sense, if they were efficient, if it gave perhaps a degree of stability within a community and better service, that it would be pursued on that point. But as it relates to SaskEnergy, we are not looking at anything in the immediate term.

Mr. Romanow: — The minister says the government's not looking to anything in the immediate term. Those are interesting words — in the immediate term. I presume that the minister still supports the policy of privatization. Is that not correct?

Hon. Mrs. Smith: — Mr. Chairman, I have always supported the idea of public participation. I have never for a moment believed for many, many years that the only economic activity in this province could take place under the roof of a Crown corporation. I've never believed that. I

do believe, when it comes to the utilities — the telephones, the electricity — that in fact there is the need for a monopoly as it relates to the population that's in this province now.

When I use the term "the immediate term," I think various situations have to be monitored. I think the SaskEnergy process and SaskEnergy itself, in terms of a new and upcoming industry in this province — and, Mr. Chairman, I'm speaking about our natural gas industry — in fact leads one into a monitoring basis to ensure that it is in a healthy mode; that people, including consumers, are getting the best prices possible but still having that assurance that in fact it is going to be delivered to their homes.

So public participation, I believe that all governments should pursue the matter. I don't for a minute believe that it is only government with the taxpayers' dollars that can deliver a service. That is not to say there aren't some services that in fact it will be only government delivering. However, that is my position on it.

(1245)

Mr. Romanow: — Well, Mr. Chairman, the minister says that she is in favour of privatization, she calls it public participation — I guess we can continue on the semantics debate for the moment — but she at least has the integrity to say that what they started four or five years ago with all of its disastrous results, they still support. That part of it troubles me, her admission.

But on SaskEnergy, you say you have no plans in the immediate future, but the government is clearly looking at its options, and the legislation has been studied, the Barber Commission has studied it. Is it correct to say that the officials at SaskEnergy themselves are very, very keen on implementing the privatization of SaskEnergy as soon as possible?

Hon. Mrs. Smith: — The officials in SaskEnergy, Mr. Chairman, have been very busy and successful in terms of the rural gasification program, putting in some of the feeder lines at their various stations over on the west and to the north-west side of the province; their emphasis has been one of development of that corporation for the production and the delivery of gas.

Mr. Chairman, I find it interesting in terms of . . . not only my position on what I call public participation, you call it privatization, but to note that in fact there are some of your colleagues across the way that have also been put on the record as being in favour of privatization. For example, I think of the member from Regina Elphinstone, who in fact has . . .

An Hon. Member: — Elphinstone.

Hon. Mrs. Smith: — Elphinstone. Thank you, thank you. Yes, thank you. Thank you. You're sorry?

He has clearly stated, Mr. Chairman, that in fact his party believes that privatization can be a good thing. And he goes on to say that in fact the NDP would not rule out privatization initiatives if it were to be government, and

he gave some examples from the Prince Albert pulp company and a few others. He goes on to say that privatization in fact has a role to play. The free enterprise market, in fact, has a role to play.

Now I find that interesting in terms of what he says outside of this Assembly, what you say outside of this Assembly, what other members say outside of this Assembly, but what you continue to say in here, whether it be for the benefit of the camera facing you or perhaps the media that are around.

I also find it interesting . . . it is one more example of the two faces that you continue to put on issues. And you can't have it both ways. And you still keep trying to do that, including on the issue of public participation or privatization, whichever we may call it.

Mr. Chairman, I think the issue of public participation in Saskatchewan, the initiatives, in fact have been good. And I would suggest if you in fact look at the participation rates, ranging from bonds, SaskPower bonds to SaskTel bonds, the potential that the Community Development Bonds are going to have — all of that is a form of public participation. It's going to be good for Saskatchewan.

And I believe if you want to talk about a mixed economy, you don't find a better mix than what you find right now with the joint ventureships that are taking place between individuals, between the private sector, between co-ops, between federal/provincial governments. And now the community bond level is going to give another partner out there to in fact become involved in the development of our communities and our province.

Mr. Romanow: — Again, perhaps the minister might turn her mind to my question for an answer. Is it not correct that the officials at SaskEnergy, like you and the ministers of this government, are still very keen on privatizing SaskEnergy?

Hon. Mrs. Smith: — I did address your question. You asked me if the officials over at SaskEnergy were putting an emphasis on their privatization, and I said no. I said their priorities were on the development and the producing of gas and the services, a new corporation, and that's where the emphasis has been.

Mr. Romanow: — Well, Mr. Chairman, how does the minister explain the fact that in many articles . . . but here in a *Leader-Post* article of April 9, 1990 one Oscar Hanson, president of SaskEnergy, he said:

. . . feels "as strong as ever" it should be opened up to private shareholders.

Referring to SaskEnergy's privatization, on the headline of "SaskEnergy (going) out to compete."

What disciplinary steps have you taken with respect to Mr. Hanson to make sure that his strength of feeling towards selling off SaskEnergy, which of course is your feeling as well, is tempered in the light of the new priorities with respect to rural gasification? What disciplinary steps have you taken?

Hon. Mrs. Smith: — Mr. Chairman, the government has made very clear its direction as it relates to SaskEnergy. I would expect the officials in SaskEnergy to in fact continue to look for efficiencies and ways for further development — ways for dollars to ensure that they have enough lines put into the system for the transportation system of Saskatchewan gas. I would expect them to be addressing those types of issues.

As it relates to Mr. Hanson's statements on privatization, I think it's always been clear where he stood on the issue and what he saw as SaskEnergy requiring in terms of dollar, investment dollars in the future, if the corporation was going to be in a position in the future to in fact be able to continue to deliver gas at a competitive rate also competitive with SaskPower to Saskatchewan residents.

The directive of this government has been given to SaskEnergy, the emphasis has been on the rural gasification program, and with SaskEnergy being a new corporation, to build and prepare for further development and production of gas and gas services in this province.

Mr. Romanow: — Well, tell me, Madam Minister, when will you, the government, seek to reintroduce the motion to privatize SaskEnergy? Will you do it in the next two or three months before a provincial election; or will you do it after the next election, if you win it? What is the timetable for selling off SaskEnergy and the other Crown corporations? I don't know if you can share it with us but perhaps you can give us an idea as to whether you're leaning toward doing it now before the election or doing it after the election.

Hon. Mrs. Smith: — Well, Mr. Chairman, I've already answered the question. The hon. Leader of the Opposition chooses to play games and come at it another way. And I suppose that's fair. It also is about the third myth that we've had in here this morning during these estimates.

There is no plan to sell off SaskEnergy in the next two or three months . . . (inaudible interjection) . . . No, there is not one to sell off SaskEnergy in the next two or three months. You asked me if the priority on SaskEnergy was legislation coming into this House and I told you that that was not a priority.

I said in the immediate term. That does not mean to say the situation regarding the state of SaskEnergy will not continue to be monitored to ensure that it is viable, to ensure that it has enough dollars, that it isn't just totally debt ridden and that perhaps they'll be borrowing money from New York, like potash corporation used to do. It will be monitored.

But there is no plan over the next two or three months to sell it off. There is no plan that says, "election time, after the writ, sell." There's no plan stating that. It will continue to be monitored.

We have acknowledged that people must be assured and feel comfortable with what SaskEnergy is and what it should be. And if there were to be a change in plans, that would have to be in place before anything was changed.

Mr. Romanow: — It's kind of like a Russian roulette for the voters. We're going to monitor it. And maybe after and maybe not after and maybe before and maybe not before, we're going to monitor it, which is an interesting position for the voters to be put in. I guess if they want to risk the future of SaskEnergy, it would be nice to risk it in that kind of a fashion.

And again, it confirms our position that the only way we can be certain that SaskEnergy is not sold off to Tory friends is to defeat this government opposite and to put in a government to protect the power corporation.

I'm sorry to see the Deputy Premier confirm that on the record for me, but at least we'll know where to stand and how the next election campaign will be at least fought on that issue.

In the meantime, Mr. Chairman, my colleague asks leave to introduce, and I'll yield for the moment.

Mr. Chairman: — Why is the member on his feet?

Mr. Brockelbank: — Mr. Chairman, I'd like permission of the House to introduce a group.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Brockelbank: — Mr. Chairman, I'd like to take this opportunity to introduce a group of seniors travelling here from Saskatoon city. I think, as probably the senior member for the city of Saskatoon — a triple A-rated city I might say, Mr. Chairman — it gives me a great deal of pleasure to introduce this group of about 41 seniors from the city of Saskatoon that are visiting in the chamber today.

They are in the fortunate position of watching a bit of the examination of the estimates of the House which I think they will find interesting. I know all members will join me in welcoming this group and wishing them a safe journey on the balance of their tour.

Hon. Members: Hear, Hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Executive Council Ordinary Expenditure — Vote 10

Item 1 (continued)

Mr. Romanow: — Thank you, Mr. Chairman. I want to continue for a few moments the privatization schemes or plans of this government. I have in front of me, Mr. Chairman, a report under date of June 6, 1990. Actually I think I should first refer to a report of April 25, 1990. Headline says: "SGI president just waiting for privatization." Picture of the president. Story down below says, "Alex Wilde says privatization would solve problems."

It's interesting about the timing. It's getting a little bit off

the topic, but it's an interesting little quotation which I think I just should take a minute of the House to explain. Story says, "Certainly the time is right for privatization as far as SGI is concerned. The company is profitable, lean and mean . . ." I might add that you certainly confirm the business about being mean. We've been getting all kinds of phone calls from people on that regard. But nevertheless the story says:

The company is profitable, lean and mean and the privatization plan is ready to go. "The timing is very good right now," he said. "If the political decision was made tomorrow, it could be done this year. (He assumes of course the legislature would have dealt with it expeditiously) It's sitting on the shelf waiting."

Madam Deputy Premier, is it correct that the privatization of SGI (Saskatchewan Government Insurance) is sitting on the shelf and waiting?

Hon. Mrs. Smith: — I believe that the minister responsible for SGI in fact had talked about that in the House about a week ago, and I'm not sure if the member was here while the discussion was going on. He had talked about, first of all, if SGI was going to expand, what was going to be required.

Now you can call that privatization or you can in fact look at it in terms of SGI being able to expand outside these borders and in a form that is acceptable to the people of Saskatchewan — that I am not aware of a study on a shelf.

I will go so far, Mr. Chairman, to state nothing surprises me, because for years and years and years everyone has talked about the studies that government do and put on the shelf to gather dust. But I quite frankly am not aware in this particular case of a study on the shelf on it.

(1300)

Mr. Romanow: — Mr. Chairman, again I find this somewhat incredible that the Deputy Premier of the province of Saskatchewan has no knowledge of anything sitting on the shelf, notwithstanding the fact that the president of SGI says that privatization of SGI is just waiting. It's on the shelf. It's ready to go. It's just a question of whether or not the political timing is right.

And I might add, Mr. Chairman, that several months later, in a headline in the *Leader-Post*, the headline saying "SGI needs privatization: Schmidt" is the story. There's a picture, a very good picture of the minister of economic development. He says that the SGI needs privatization.

Is the Deputy Premier asking this House to believe that she sits beside the minister of economic development, the member from Melville, and they have seen these various newspaper stories on SGI, and that she is unaware of the plans to sell off SGI? Is that your position, Madam Minister?

Hon. Mrs. Smith: — Mr. Chairman, I would refer the Leader of the Opposition to the *Hansard* from June 6, 1990. And perhaps for clarification for the Leader of the Opposition, let me read what the hon. minister

responsible for the Saskatchewan Government Insurance said. He said:

I want to make it clear that SGI will not be privatized, that SGI — the government insurance company of Saskatchewan — will always be there.

Now I think that's worthwhile noting. "I want to make it clear, that SGI will not be privatized," that's what the member said — the minister responsible for the Saskatchewan Government Insurance, Mr. Chairman.

While the Leader of the Opposition may find it absolutely shocking that I, as Deputy Premier, am not aware of some study on somebody's shelf in SGI, given the number of government agencies and government departments and the various papers and work proposals on various policy areas that government agencies get into, I don't find that surprising at all.

What I'm telling you is there has not been from SGI to my level this study that you allude to today. I can only go back and refer to the minister responsible when he said that SGI would not be privatized.

Mr. Romanow: — Mr. Chairman, I have been so astounded today by these answers that yet another astounding answer, I guess, has kind of a numbing effect on me. Here we have the president of SGI — the president, Mr. Chairman — Alex Wilde, saying as early or as late as April 25, 1990, and I'm going to read from this story:

Alex Wilde hasn't given up hope that his company — SGI — will be privatized possibly even this year.

"I don't think it's dead," said the president of the Regina-based general insurance company, referring to privatization plans that got shelved last year. (Privatization plans that got shelved last year) "But the government has other priorities and its time is running out".

Well, I can tell Mr. Wilde, his government's time is running out.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — And the story continues on to say:

Certainly, the time is right for privatization as far as SGI is concerned. The company is profitable, lean and mean and the privatization plan is ready to go.

Those are the words of the president.

Is the minister asking the people of the province of Saskatchewan to say that it is plausible for us to believe that the political people will be so much at odds with the top advisory people who have got these privatization plans on board?

Mr. Chairman, there is no government anywhere in Canada, I dare say in the world, that would tolerate a

situation where a president and a chief executive officer of a Crown-owned corporation, owned by you and by me and by the people of the province of Saskatchewan, would be permitted to advance and to advocate and say he's anxious for privatization without the knowledge and the consent of the ministers opposite there. Absolutely none.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — And if I am wrong, if it turns out that this president is talking without authority, then it is incumbent upon this Deputy Premier and on that Premier and on the minister in charge to take the appropriate disciplinary action to the president of SGI, who I will remind you, Mr. Chairman, as late as two days ago was on CFQC hot-line show in Saskatoon advocating all the arguments for privatization.

Now somebody's not telling the truth here. Either there is a privatization plan that the government knows of and has on the shelf but is not telling until after the election, or in the alternative, there is no such plan, in which case Mr. Wilde is not telling. Now these are not two minor officials. These are two senior officials. Which one is telling the truth, Madam Deputy Premier?

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Mr. Chairman, the minister has given his statement in this House. I think that in terms of the health of SGI, it has been clearly stated by the minister and by other members of this government that in fact the minister was interested in looking at the expansion of SGI — expansion that would include outside the borders of Saskatchewan. I think that's very progressive. I think that that will put SGI with a bright future. As opposed to one looking within, it will be looking out. He is exploring mechanisms for expansion.

Having said that, Mr. Chairman, he has clearly stated that SGI will not be out of Saskatchewan. SGI will be the Saskatchewan Government Insurance. And let's remember that there are portions of SGI that perhaps should require a broader base than what you find within 1 million population and the borders of Saskatchewan.

Now you have a negative tone on the word privatization. The member from Regina Elphinstone does not, as he's indicated to the *Star-Phoenix* a couple of times, and I believe the Prince Albert paper. So if you want to take what is written in the paper, the word privatization, what I'm telling you today is the minister says that SGI is not going to be privatized, but he will explore some mechanisms for expansion of SGI.

Mr. Romanow: — Mr. Chairman, I say to the Deputy Premier, tell us: are you going to bring in the motion to privatize SGI before this provincial election . . . on general insurance? Is it going to be this election . . . before the election, or will it be after the election? Which of those two options are the ones that you favour? On SaskEnergy, you say it's going to be a rolling assessment; it'll depend, I guess, on circumstances. When will the SGI privatization take place? Are your plans to bring it in right now before the next election?

Hon. Mrs. Smith: — No, Mr. Chairman.

Mr. Romanow: — The plans are to bring it in after the next election, then therefore?

Hon. Mrs. Smith: — No, Mr. Chairman.

Mr. Romanow: — Is Mr. Alex Wilde not telling the truth, Madam Deputy Premier?

Hon. Mrs. Smith: — What nonsense and you know it. I believe that any CEO (chief executive officer) of a corporation . . . I think there's no doubt that he would like to be out, in terms of the expansion of the corporation, and doing it now.

Now you want to take the word privatization and tie it to that. Fine, you go ahead and you do that. What the minister has indicated is nothing will be done on the expansion of SGI until he is fully satisfied that it is in the best interests of Saskatchewan people and in fact the corporation. But he is interested in looking at the expansion of SGI, a mechanism that would allow that corporation to expand outside the borders of Saskatchewan.

Now there's nothing secretive about that. He has stated it publicly. I'm stating it again. And I think that that is a progressive move for the corporation to in fact look at that. I wouldn't go so far as to suggest that the CEO Mr. Wilde is a liar. Not at all. But I also believe there's some room for interpretation on the papers, as you well know.

Mr. Romanow: — Well have you asked the president of SGI to issue a clarification of this? Since apparently it doesn't conform with your interpretation of government policy, has the president been asked to issue a clarification?

Hon. Mrs. Smith: — In terms of the policy, Mr. Chairman, as it relates to SGI, any discussions that would take place on public statements would be between the minister responsible for SGI, and in fact the CEO.

Mr. Romanow: — Well, Madam Minister, surely you know the president, Mr. Wilde, has been on public broadcasts to clarify misconceptions, as he would describe it, in Saskatoon about his plans to privatize. Now you are euphemistically calling it "plans to expand."

He said point blank that he wanted to reduce the level of Saskatchewan ownership in SGI. That's what he says. Is he not doing that with your authority?

Look, tell us the truth. He's doing this with your authority. You're waiting to privatize it. The minister of economic development has said it in the various quotations that I have. Don't let Mr. Wilde out there to dry. Tell us the truth of your position. And I want to know therefore, when are you moving with — call it your plans to expand — when are you moving with the plans to expand which involve among other things the sale-off of portions of SGI. When are you going to do it?

Hon. Mrs. Smith: — Mr. Chairman, the truth has been

stated. You either choose to ignore it or you don't listen. I'm not sure which one it is.

The minister has stated that SGI will not be privatized. He has gone on to add, however, that they would continue to look at mechanisms that would allow the corporation to expand outside the borders of Saskatchewan. Being that it's a Crown corporation, that may create some problems. However, he was going to pursue the possibilities of that expansion taking place.

And why, Mr. Chairman? Why? Number one, for the health of the province; the people that are dependent on SGI; small population, not room for a whole lot of corporations insurance-wise within the province; the base that it would give SGI for future growth; and SGI has had a fairly good track record within the industry. Why not move outside its borders?

Mr. Chairman, he has also stated in looking at those mechanisms for expansion, the timing might very well play a big factor. When the time is right, depending on the commercial basis, then that expansion might take place. But he wasn't about to do it for the simple reason of just doing it; that there were indeed good financial reasons for doing it, and if that's the case, then the timing would be key on it.

Mr. Romanow: — Mr. Chairman, I want to say to the members of this committee and I want to say to the people of the province of Saskatchewan, beware of this government and privatization. Beware, beware, beware.

This government has a plan, plans which in the words of Mr. Jake Henry Kutarna, Deputy Minister of Economic Development and Trade, as late as May 12, 1990 are in the hundreds with respect to privatization.

This government has a plan to sell off SGI, in the words of the Deputy Premier, "when the time is right." They have a plan to sell off SaskEnergy "when the time is right." They have hundreds and hundreds of privatization plans. Those are the facts and those are the statements made by the Deputy Premier this afternoon.

I say to the province of Saskatchewan, beware — beware because it's the sell-off of our heritage. It's not only the sell-off of our heritage, it's a give-away of our assets. The debt goes up to \$13 billion in the province of Saskatchewan, Mr. Chairman, and we have no Crown corporations because of those sell-offs by the government opposite, sell-offs which have been handled incompetently. Here is their own Crown Management Board report, 1989 report reporting a loss of \$441 million on the privatization of the Potash Corporation of Saskatchewan — \$441 million.

Mr. Chairman, we have heard this government give its commitments in the past. In 1988 the Premier, no less a personage than the Premier of this province, told the people of Saskatchewan that all Crown corporations, if the price is right and the interests of the people of Saskatchewan are protected, are for sale, with the exception of such utility Crowns as SaskPower and Sask Telecommunications. And then a year later, less than a year later, he betrayed that word as this government

attempted to privatize SaskEnergy. And it wasn't until the people of the province of Saskatchewan rebelled that this government stopped them dead in their tracks. That's the situation.

And what these questions and answers have revealed to me this afternoon is that this government is just biding its time. I say to the people and to the members of this committee, just re-elect the Conservative government in this province one more time and they'll finish off privatization of what's left in the province of Saskatchewan. Just one more time.

Some Hon. Members: Hear, Hear!

(1315)

Mr. Romanow: — I say, I say, Mr. Chairman, to the people of this province, to the farmers and to the business people, just elect them one more time and they'll finish the job on SaskEnergy and SGI if they don't tackle it before this election takes place. They are there; the plans are on the shelf. The ministers want to do it. They use fudge words; they use all kinds of other words to try and get around it. But the truth of the matter is they are out to give away this province to their friends. Beware!

Mr. Chairman, I say to the committee and to the members watching us, the people watching us on television, and to the community at large, there's only one way to be certain that we'll put an end to this folly of privatization, that we're going to put an end to this give-away and the dismantling of our heritage and our economy and our jobs and our hope. There's only one way to put an end to this folly and that is to defeat every Conservative MLA and candidate in this next provincial election — every one.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Don't take a chance on these people. They cannot be trusted on privatization. Do not take a chance as to what secret deals they have. They would not tell us anything about the secret deal in Cargill. They do not tell us anything about the secret deal on SGI or SaskEnergy — do not tell us anything. They deceive the people on SaskEnergy; they deceive this House; they do not give us the information.

Do not trust this Premier and this government. Their credibility and their incompetence is beyond doubt now whatsoever, Mr. Chairman. And I'm sure the people of the province know that to be the case and that's why they refuse to call the by-elections. That's why I say this election is going to be the end of the Conservatives in the province of Saskatchewan.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — Now, Mr. Chairman, I have one other area which I hope to deal with very shortly before I close off my involvement in these estimates and perhaps we'll close off on this side.

And, Mr. Chairman, it is to deal with the situation pertaining to the fiscal position of the province of Saskatchewan which, in a nutshell, is horrendous.

There's absolutely no doubt about that. It is horrendous.

An Hon. Member: — So sure that you've got it right at your fingertips.

Mr. Romanow: — Yes I do. Yes I do. The member says I got it on my fingertips and he's dead right, I got it on my fingertips: province's debt/equity position. This is a document, Mr. Chairman, July 1986, Saskatchewan economic and financial position. We have others more up to date which I will refer to. 1982 combined funds of the province of Saskatchewan equity at the end of the year 1982 was \$1 billion plus.

At the end of 1986, according to this document, we had blown the \$1 billion. Gone. And right here in this document, this figure, is a loss of \$645 million. That's in four years — \$1.7 billion turnaround. Today, estimated 1991, the province's debt/equity position is \$3.47 billion — \$3.47 billion.

Mr. Chairman, we have moved, in eight years of Conservative government, from a plus position, these are their own figures, of 1 billion-plus positive assets — that's what the state of the treasury was — to today, being in a negative position of \$3.4 billion. That, Mr. Chairman, is a turnaround of \$4.5 billion on the debt/equity situation in the province of Saskatchewan.

Mr. Chairman, I ask you to contemplate those figures one more time. From \$1 billion in the bank to 3.4, \$3.5 billion dollars in hock, net, after taking into account all of our assets and all of our liabilities in eight long, long, long years.

Mr. Chairman, this is a horrendous situation — a horrendous situation — where the total debt of the province has gone from about 3.3 billion in 1982 to about 13.2 billion in 1991. I just want to run those figures one more time. There was debt; there's always been debt of a province. From 1982 debt of 3.3 billion basically against the Crown corporations, which was self-liquidating on the operations of the Crown corporations, to today's debt of \$13.2 billion — that is appalling!

Is there no one over there on the back bench that has the decency of conscience, of principle, to say; my God, what have we done to this province?

An Hon. Member: — What have they done to this province.

Mr. Romanow: — What have they done to this province? They have sold off the Crown corporations. They say partly because of ideology, but they also say they've sold off the Crown corporations because they say that we've got to tackle this debt. And we don't have the Crown corporations and the debt keeps on going up and up — \$13.3 billion.

The question that the people of Saskatchewan are asking is: who's got the money? Where did the money go, Mr. Chairman? Who's got it? Is there nobody in the back bench at all who's got the principle and the commitment to ask some of these people in the front bench what they have done to this once great, proud province? My

colleague says we had the lowest per capita debt and now we have the highest per capita debt in Canada.

I'm going to give you one other figure here, Mr. Chairman. In the next election campaign we're obviously going to be explaining this in detail to the public. I have here in front of me July 1982, July 1982 economic and financial position report to the province of Saskatchewan prepared by the Department of Finance.

How I remember 1982, Mr. Chairman. The report is signed by one Hon. Bob Andrew. Right it is. Right here. Here's his signature. I see it on this report — Bob Andrew, Minister of Finance.

These figures of equity are set out as I've described — don't need to go over these figures again. But there is one statement here which I think needs to be read into the record. The Hon. Bob Andrew said the following:

On a combined basis the Consolidated and Heritage Funds showed budgetary surpluses, revenues of \$2,663.8 million; expenditures of \$2,524.5 million and a combined surplus of \$139.3 million.

That's what they took over. That's what they inherited on the operating side. \$140 million roughly profit. Overall assets of 1.1 billion in 1982. Today they have left us not a surplus of \$140 million. In cumulative terms, they've left us a debt on the operating side of \$4 billion. They have added to the Crown corporation debt all the while selling off the Crown corporations from 3 billion to 8 billion, plus 8, 9 billion — now a total combined debt of 12 to \$13 billion.

That is what they have left us. That is the legacy of this government — a legacy of a province at a debt of \$4 billion on its net position, \$4 billion on its operating side, \$9 billion on its Crown corporations side. From a surplus position, that is what eight years of waste and mismanagement and patronage and privatization and incompetence and mismanagement has wrought. That is the legacy for the children of tomorrow in the province of Saskatchewan.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — That's what you people will be remembered for. That's what you will be remembered for. When the future governments examine the private deals that you have made with the Cargills of the world, enriching them, and impoverishing our 64,000 children on the poverty line, that's what you'll be remembered for.

When the governments open and unlock the records of your arrangements with your friends, while we have been impoverished, that's what you'll be remembered for. When the future governments of this province examine in detail under careful scrutiny, under the open light of day, these deals and these financial arrangements, when farmers have been forced off their lands, when small-business people have been forced to bankruptcy, and you've impoverished them, that's what you will be remembered for. That's what you'll be remembered for.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — That the few profited at the expense of the public, that the trust which was given to you to husband what was left behind for you, carefully, properly, conservatively, if you will, in a proper way, you squandered. You squandered. When the kids are denied access to universities because we are told there is no money, some future government will expose the fact that you squandered the education of the youth because you had no money for them, but you had it for the Cargills of the world, and that you'll be remembered about.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — When some future government examines in public the decisions that you've taken with respect to the children's dental plan and the hospital care plan and the waiting-lists and the prescription drug plan and all of your schemes of privatization, part of the hundreds that are on the shelf as Mr. Kutarna says, when they find out that that's what you did in order that people should profit off health care, that they should profit when they are sick and that the province should be impoverished, that's what you will be remembered for too. I guarantee it. You doggone right I will.

There has never been a more incompetent government in the history of the province of Saskatchewan, bar none, by these figures.

Some Hon. Members: Hear, Hear!

(1330)

Mr. Romanow: — There has been no government more cynical, more manipulative, more determined that the few prosper and the many suffer than this government. Is there no shame on the part of anyone of you in the back bench there at all? Is there no shame? Is there no principle? Have you lost your voices? You say you're for the family. You've acted like a corporation in government, not like a family, and a bad corporation at that. You say you're for the family and you've impoverished to the tune of \$4 billion and more. Is there no shame?

What about to the minister over there, the former minister from Rosetown-Elrose, mind you he's not running again. Why don't you speak up on this? Why don't you speak on this? No shame, absolutely no shame. No concern for building for the future. This has been a process of search and destroy. This has been a government which says that anything and everything we touch was bad, and we're going to fix it like they never get a chance again to do it. It's a government which is motivated by maliciousness. It's a government which is motivated by no purposes except the values of acquisition and materialism or, putting it bluntly, good, old-fashioned greed.

It's a government which has turned its back on the hope that the people had when it was elected in 1982. You betrayed that trust that the farmers and people gave. You betrayed it with food banks since 1982. You betrayed it with this legacy of GigaText and mismanagement. You've betrayed this trust of your farming people, our farming

people. You've turned your backs on them.

Some of you have turned the backs and you've left, never to be seen again by this province. Some of you have turned your backs psychologically and politically; some of you have left because you can't stand it and your little silent protest is that way — you're not running again because of that. But in any event, this is a government whose legacy when they write this up, I say to the member from Rosetown-Elrose, I wonder what future historians will say.

Whether we win, the NDP wins this next election or not, some day some government will write this legacy up. And you, sir, are a part of that legacy. You, sir, were around the cabinet table making those decisions.

Mr. Chairman, I want to close my involvement with these estimates and my comments. I want to close by saying that there's one other aspect of this whole sorry tale which I think is very, very disturbing as well — one sorry other aspect. And that is, Mr. Chairman, that we've had a government this session in the face of this mess which has come forward with no legislative plan, no fiscal plan, nothing.

An Hon. Member: — No economic plan.

Mr. Romanow: — No economic plan, as my colleague says. This is a government that has delegated everything to Consensus Saskatchewan — a hundred people who, in the words of my dear friend, the member from Cut Knife, are going to be uncommitted and unbiased and non-political.

Who did they get — a hundred hermits in this province, Mr. Chairman, to be the members of Consensus Saskatchewan? I have nothing against the hundred who have come forward to try to improve this province. Every one of them of every political stripe I salute because they love this province, and in their own way they're trying to try to change things that you people have created, the mess you've created. I salute every one of them.

But I think there's a consensus, Mr. Chairman. People are voting with their feet by not coming to these meetings. They have decided what needs to be done. They know what needs to be done. The consensus is this government's got to go. This government's got to go.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — And the fact that they've delegated it to Consensus Saskatchewan, Mr. Chairman, means that this government is rudderless, it's leaderless. It's a government which has no game plan, has got us into this mess and doesn't know which way to go.

Consensus Saskatchewan is like a captain on a ship of a big cruise liner, Mr. Chairman, in the middle of the Atlantic, caught in a big economic storm and a political storm, battered in an old storm, and the captain turns around and he says, we're going to get all the passengers together in the deck and we're going to ask them how do we get to port safely.

Those are the captains of government, over there, the captains. That is the legacy.

Oh there'll be another legacy — give 'er snooze, Bruce. Don't say whoa in mud hole. First class and world class. Those will be legacies we'll remember. Magic. There is a magic. We're going to save the constitution on magic. There will be that legacy all right. There'll be all of those things.

And there'll be the legacy of brilliant debate as offered by the member from Cut Knife-Lloydminster. That'll be the legacy from this debate . . . (inaudible interjection) . . . The member says, I'm afraid you'll be in his riding. Actually I'm going to be there on Monday. Yes, I'll be there on Monday, to the hon. member. And to be quite frank with you, Mr. Member, we're right now concentrating on the ridings where we think that there's a bit of an opposition put up to us. That's why we haven't been to Lloydminster lately.

Some Hon. Members: Hear, Hear!

Mr. Romanow: — And by the way, Mr. Member, when are you going to be appointed the minister of this crew in the front? When are you moving to the front benches to add your brilliance to this situation? Has the Premier told you when your appointment takes place yet or not? Can you tell us that?

Mr. Chairman, it's lamentable. And if it wasn't so serious, it'd almost be laughable. Mr. Chairman, this government has run its course and the only thing we can pray and hope is that there's an election as quickly as possible in order to get on with the job of building a new Saskatchewan and building hope for the people of this province, Mr. Chairman.

Some Hon. Members: Hear, Hear!

Hon. Mrs. Smith: — Thank you, Mr. Chairman. I will honestly tell the Leader of the Opposition, if he cares to listen to it, that indeed his speaking ability never goes unmissed, and while periodically it may be difficult to sit and listen to him, one has to in fact recognize his speaking ability.

Having said that, Mr. Speaker, I would only suggest right now that his speaking ability at this time is far exceeded by the arrogance coming across from the opposition members. And that's sad, Mr. Speaker, because what we saw from a year ago in this House, and we will both, both of us together take responsibility, was in fact the attitudes and the arrogance of politicians within the system and how the system works.

And what's sad is that we are seeing that again today from the members over there, perhaps not just the Leader of the Opposition, but from some of those who sit around there. I for a minute would not second-guess, for example, the voters in Saskatoon Fairview as to who they're going to elect and who they are not. I would not do that. You may think that your seat is a safe seat for you, the NDP; and someone else may think their seat is a safe seat as a PC. But to stand in here as the Leader of the Opposition and to suggest that someone else is down, I suggest is an

indication of the arrogance that you have not got over since a year ago or before that.

Mr. Chairman, I want to briefly comment on a couple of the points that the member raised. See, the Leader of the Opposition and I are going to have to agree to disagree again. He says there's no plan, there's no vision; and I say, not so, Mr. Speaker, not so. That plan and that vision has clearly been laid out. It hasn't changed from one year to this year to the next year. But I haven't heard anything that would indicate a positive proposal, a plan, or a vision coming from the opposition.

I'll tell you what I do hear. I hear one member over there stand up and he says or she says, we have this for economic development. We believe in this. And then when a project comes along I hear the member from North Battleford or the member from P.A.-Duck Lake stand up and say, we don't like this; we oppose this. And then the Leader of the Opposition says, well of course we believe in economic development; we just don't like this one.

Every project in this province over the last several years has been the same thing. It doesn't matter if it's in regards to the conservation of water for wildlife, recreation, for power purposes. It doesn't matter what it is; you have an excuse, a reason. And so you continue on your negative path with it.

Well, Mr. Chairman, the plan is there, and it in fact does contain a vision. And I want the Leader of the Opposition to know that in fact that vision is one not unlike what the people of Saskatchewan have. And he can say whatever he wants about Consensus Saskatchewan. But the one thing that is clear not only at those meetings but if he goes down in Main Street in Saskatoon or a few others, he will hear the same comments. The public in Saskatchewan, and in fact across Canada, want to be included in the development of government policy. They want more inclusion, not exclusion in the course of decision-making in this democratic country we call Canada. That is clear.

Mr. Speaker, I don't think it matters if you go to education or health or economic development, small business, you will find the same thing. Teachers want a say in the decision-making, trustees, parents — parents who've had a fundamental right to have that say. They want a closer connection to government policy and how those decisions are made.

Mr. Speaker, we have laid out during this session, and prior to this session, over the last year. We've always recognized that it hasn't been particularly easy. I think if the member were to take a look, for example, of the dollars going into agriculture, he would find that in fact that has given a degree of stability within the agriculture community.

Mr. Speaker, the economic development we have stated along with diversification, it cannot be done in isolation of the people. It cannot be done in isolation of the potential other partners, Mr. Chairman. We have said there must be joint ventures. Government cannot do this all, nor should government do this all, that in fact there is a dual, a joint responsibility. And so we've said from day

one, Mr. Chairman, that we in fact are going to look for joint ventures.

Now somebody can come along and say, well we agree with that, we just don't like the people you picked. There's a lot of things that they can pick on to say, we don't like this and we don't like that, but the positives are never recognized.

(1345)

And that is in fact . . . there has been no better mix in the economy than what there is right now — from the private sector to the co-operative sector to the public sector. That's the reality and that's the truth. And no matter what you say does not obscure that truth. It's there. It's there on the books; it's there in estimates. You can go from community to community and you find the same thing — a mixed economy.

Mr. Chairman, we have stated in looking at the economy, we need to build on our strengths, we need to do some things differently than what we've done in the past. That's difficult when there's not a lot of money there and I'm the first to recognize that, particularly as it relates to diversification.

You can stand in your place today and you can say that this money should go into education and not to Cargill. The reality is, if this province does not diversify its economy, 15 years down the road whoever is in government is going to have some terrible decisions to make to finance education . . .

An Hon. Member: — Give the money to the kids and not to the Cargill plant.

Hon. Mrs. Smith: — Well, you say, give it to the kids. Our question is, Mr. Chairman, how in fact do you begin the process of diversification? It needs to happen. It became very clear with the agriculture situation and the decline on the resource. We had a changing world economy, Mr. Speaker, the prices going down, the markets changing. And there we were, dependent on agriculture and the production of raw resources.

Mr. Speaker, the markets changed — the markets changed. The prices fell — not only agriculture but on those raw resources. It was no longer simple to ship a boat load of potash to China. And if you did, perhaps the price was down. Uranium, the same thing.

What happens if you take that raw resource, Mr. Chairman, and you say we are going to make every effort in fact to produce some goods out of that raw resource at home? I'll tell you what happens. Take the natural gas industry in this province. You know, prior to 1983 we didn't have a gas industry in this province — we did not have a gas industry. SaskPower had the sole authority to buy and sell and produce gas in this province.

But you know what? They had the gas field in Alberta. Nobody else could invest. SaskPower could borrow, from New York mostly, and the money on the interest went to New York, and the gas in turn was sold to the consumers in Saskatchewan. The consumers had no say, absolutely

no say. A large business, a university, a hospital, they had no bargaining power; their hands were tied like this. No bargaining power to be able to sit down and negotiate a fair price at a competitive level as what was happening in other provinces. That didn't begin until deregulation.

Now, Mr. Chairman, that had an impact on economic development in this province. Because what it did with deregulation, they could now go and negotiate. They didn't have to buy it from SaskEnergy. They had the opportunity to go and negotiate a better price. Interestingly enough, we have some school boards that went together, municipalities, and they're negotiating better prices. The gas being produced here, they get a better rate. The tax dollars are being saved on that, and with that they may very well be able to improve the quality of services to the children or to the community.

On the business side of things, businesses have to remain competitive. So that policy, Mr. Chairman, in fact allows further economic development to take place. Because the simple truth and reality of the matter is that we are not isolated within our own borders in this province; that in fact we are going to be competing and having to compete with factors outside of our borders.

Mr. Chairman, on the economic development and diversification, Saskatchewan is a resource-rich province. It is rich in people, its traditions, its educational system. I have no doubt that a student coming out of the university system in Saskatchewan today can travel world-wide and be accepted as being well-educated, well-trained, good work ethic, no difficulty finding opportunities. What we want to do is to have some of those . . .

An Hon. Member: — How about opportunities here?

Hon. Mrs. Smith: — You're right. We want those opportunities at home. They should be able to have the choice, should they not? Yes they should. Now, Mr. Chairman, how are they are going to have that choice? If you don't diversify the economy, the choice is not going to be there. So we have steps all along the way that have to fall in place on the issue of the economic development and diversification.

Mr. Chairman, the plan and the vision has been stated clearly: economic development and diversification must remain a priority with the people of Saskatchewan and with the government. If in fact the future is going to hold the degree of stability that we all require, if we are going to be able to meet the educational needs of our young people and even our older people, if we are going to keep our commitment to the health institutions and people in this province, then the diversification must continue.

The Leader of the Opposition can be opposed to a lot of things, but in terms of the principle of diversification, Mr. Chairman, I believe if he were to look at it clearly, he would in fact find that there have been anchors put in place under this government that in fact will hold well for continued diversification within this province, Mr. Chairman.

Some Hon. Members: Hear, Hear!

Item 1 agreed to.

Items 2 to 9 inclusive agreed to.

Item 10 — Statutory.

Vote 10 agreed to.

Mr. Chairman: — I'd like to thank the Deputy Premier and her officials.

Hon. Mrs. Smith: — Mr. Chairman, let me also take the opportunity to thank the opposition. Let me take the opportunity to thank the officials. I know that it's often difficult in dealing with the Deputy Premier or an acting minister of a portfolio, but I appreciate their patience. And I would also like to thank the Executive Council staff.

Mr. Lingenfelter: — I want to say, as well, thanks to the staff for their involvement in estimates. I know they take a long time to prepare.

I would ask, as well, that notes be made of the commitment given for . . .

Mr. Chairman: — Order. After item 1 there's no place for that; just place to thank the staff.

Mr. Lingenfelter: — I just want to say thanks to the staff, and we really appreciate them being here and working with us.

The committee reported progress.

COMMITTEE OF THE WHOLE

Bill No. 46 — An Act to amend The Statute Law

Hon. Mr. Lane: — Thank you, Mr. Chairman. With me is Doug Moen, co-ordinator of legislative services; Darcy McGovern, Crown solicitor, legislative services; and Ray Petrich, master of titles.

Clause 1

Mr. Koskie: — We're on Bill No. 46? No, I have no problems in respect to that because it's just minor amendments to the Act. And we're prepared to allow that to go without any further comment.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 45 — An Act to amend The Land Titles Act

Clause 1

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, we are in agreement with the contents of this Act, other than I raised in second reading some concerns in respect to clause 3, which provided that in coming into force it will provide the same basic rights to SaskEnergy and

Provincial Gas Ltd. — certain consents, right of ways and easements — without registration, and that makes eminent sense in so far as extending their services throughout the province.

The concern that we raised at the time is that it was somewhat wide open — and we discussed that with the minister — wide open in the sense that we had a concern because of the government's privatization mania and their determination in the past to separate SaskPower into power and to gas and proceed with an attempt to privatize. Accordingly, we indicated that we wanted some basic protection in so far as providing this right. And we are willing to provide this right so long as it applies to the SaskEnergy corporation and also Provincial Gas Ltd., if they are Crown corporations or solely owned by an agent of the Crown.

(1440)

In discussing that with the minister, a provision has been brought in to provide that assurance. Accordingly, having received that amendment on our insistence — and I think it's a proper protection because I understand that other private gas transportation companies, such as TransCanada, do not have the same privileges, and therefore it only applies to Crowns as in SaskTel, SaskPower — and accordingly here it should only apply also in respect to SaskEnergy or the Provincial Gas Limited.

And that amendment has been provided by the minister, and accordingly we're prepared to agree to that section, and we have no problems with the other sections of this Act.

Hon. Mr. Lane: — Mr. Chairman, we appreciate the comments made by the opposition critic. They were fair criticism. We agreed with the concern of the hon. member with the legislation. The House amendment is now before the Chair and if that's the only point, then if we could proceed with that amendment as agreed.

Clause 1 agreed to.

Clause 2 agreed to.

Clause 3

Mr. Chairman: — The amendment to clause 3 of the printed Bill. Would the members take the amendment as read?

Amendment agreed to.

Clause 3 as amended agreed to.

Clauses 4 to 11 inclusive agreed to.

The committee agreed to report the Bill as amended.

Bill No. 43 — An Act respecting Police Services

Clause 1

Mr. Koskie: — Thank you, Mr. Speaker. I want to make

some preliminary comments in respect to this rather major piece of legislation. As I indicated in second reading, The Police Act was tabled in this House during the previous session and was allowed to die on the order paper and went out essentially as a white paper so that the various interest groups could in fact have a look at the Bill

At that time in second reading, Mr. Chairman, I indicated that I had concerns with the process of consultation at that time and having that white paper out for a total of one year. And the minister . . . we're sitting some 65 days and what he did is to table it on one day and subsequently came in a day or two later, moved second reading. At the time, we stood the Bill and wanted to do some consultation. And to our dismay after first reading, which he gave no time between first reading and second reading, many of the groups had not even received a copy of the final version of the Bill.

And there was a lot of concern in respect to the Bill. And meetings were held subsequently with some of the groups. And I think some of the concerns have been partially satisfied, at least to the extent of not totally opposing the Bill.

But in addressing the consultation of a major piece of legislation, the minister received on June 20 a letter from SUMA (Saskatchewan Urban Municipalities Association) that were concerned with a number of aspects. He says that is now cleared up.

He received a letter also, and I have a copy of it, to the minister from the Saskatchewan Federation of Police Officers. And I want to indicate that although they're not opposing it, they are concerned. And I want the record to show that this is lukewarm support because many of their concerns have not been addressed.

I want to read into the record this letter to the minister from the federation of police officers:

As a result of the federation meeting on June 20, 1990 concerning Bill 43 of 1990, the following was agreed. We have concern about section 56, section 85; however, we will not oppose the passage of The Police Act.

They go on to say that:

We accept the minister's assurance in his reply to our letter of June 16, 1990, of your assurance of consultation on regulations to The Police Act to address our concerns. And we also accept your assurances that the burden of proof, the balance of probability, will be on a sliding scale depending on the seriousness of the charge.

As I say, some of the concerns have been cleared up. But we had a whole year of the process where other interested groups could have had an opportunity to consult. And I know in respect to the John Howard Society, which would have a very much of interest in respect to the new Police Act, they almost . . . they put in some submissions, but they had to almost impose themselves upon the process, as I am advised.

I've asked the minister whether or not the native groups were in fact consulted, and if so, who were the native groups that were consulted? Because so many of our native people represent those that are the inmate population of Saskatchewan and have many run-ins apparently with law enforcement bodies. And in fact, the native people of this province have asked the minister to have a total public inquiry to determine how the law relates in respect to the native community. And I had no assurances that they were brought into the process.

And so I say while the minister, I know, is going to get up and he's going to say that the process of consultation is complete, I think it was a shoddy job to say the least, in respect to consultation. I think the minister . . . this Bill had been . . . the essence of the Bill had been out for over a year. The minister could have brought the first reading of this Bill early in the session, put it before the House, sent it out to all of the groups and given them sufficient time to review.

And in some of the changes that were made and submitted in the final draft of the Bill that came before this House and which was moved to second reading before any of the groups had a copy of it, some of the sections — at least, one major section — they had never seen before. And that's the section taking away the, virtually the right of the police force in the collective bargaining to the right to strike. That was newly put into the Bill, and of course they had concerns.

So those are some of the concerns that I have in respect to it. If you take a sort of look at this Bill, when the Bill was being drafted they were advised, the federation and those people who were drafting it, in their consultation with the federation and others that were interested, they were advised that the Act was drafted on the basis of industrial labour relations model. In other words, they attempted to charge the local boards with the responsibility for the management of the police forces and leave public administration and local police associations free to negotiate and otherwise work out labour relations.

However there are numerous examples in the Act of where they did not use such model or stopped short of that model in the interest of vesting greater control in management. In these specific instances where the model and the philosophy have been cast aside, that the federation has its strongest concerns about the Act, and I want to outline a few. And my colleague from Moose Jaw North will also.

In particular, section 85 provides that there must be 120 hours notice of a strike or a lock-out. There was no parallel section in Bill 92 that was introduced last year and sent out to the various groups. The federation believes that this section is clearly present to provide a greater period of time in order that the legislature could legislate the police back to work before any strike was commenced.

They take objections to that section because they consider themselves as a highly professional group. But you adopted this here legislation and I don't believe the minister can stand up and say that the police force in Saskatchewan have abused that right. I doubt if that's why

it's in here, that he has evidence that there was abuse. And as they said when I talked to them, we consider ourselves as a highly professional group. But if you're going to have the basis of collective bargaining agreement in effect, why do you take that portion out, particularly if there was no problem in the past.

Another section when it's counter to the overall model as I indicated before, section 40(2) provides the Act will override collective bargaining process. So if one is following an industrial relations model, why is there any requirement to restrict the collective bargaining process? That's the question they ask.

There was concern also in respect to section 83 and 84 — provide for a conciliation process, an arbitration process. And again one has to question why such processes are required if an industrial labour relations model is to be followed.

There are other more specific concerns regarding these two sections, and my colleague will be talking about that when we come to those particular sections or in general comments.

I would presume that section 83 provides for a mandatory conciliation upon the request of only one party. There certainly was also confusion in respect to whether or not a single party under section 84, I believe, whether or not a single party could initiate and carry the process to arbitration without the consent of the other party. We'll be asking for the minister's assurance because we got some amendments, and it's my understanding that that amendment will clarify that position. But we want that clarified.

In section 86 provides that another section . . . and we're talking about this model, this industrial labour model. But still in section 86, it provides that the local police association shall provide the commission with copies of its constitution and by-laws.

And one must question the utility of such a requirement. The concern of the federation is, I believe — at least that's my view that they would be concerned — is that dissident members of the association, particularly in a strike or other contentious situation, may be able to use this section to have the commission supervise whether a local association has exercised its power or authority in a particular manner.

(1415)

So it runs kind of counter that here you have a police association; they have to provide the commission with copies of its constitutional by-laws. And still you say it's on a model of industrial relations.

There are other concerns that we have raised, and I want to indicate to the minister, and that's in respect to the prosecutions under the Act now. Section 93 of the Act, Mr. Minister, provides that prosecutions and hearings under the Act shall be conducted on the basis of a balance of probabilities. In other words, when a police officer is charged with a disciplinary code offence, the prosecution must prove the offence only on the balance of

probabilities. The commission operated previously under the aspect of the higher burden of proof, and that was the criminal burden of proof, which was beyond a reasonable doubt.

It is felt by many officers that the disciplinary code offences, particularly for police officers, are in many respects very similar to the Criminal Code prosecutions. And police officers are intimately aware of the fact that the Crown must prove an offence against an accused person beyond a reasonable doubt. And as a result, many of the officers are opposed to a standard of proof on a balance of probabilities. And they believe that this section gives them less rights, when charged with an offence, than any other accused person in the street.

Those are some of the general concerns that we have in respect to this Bill, Mr. Chairman.

I want the minister to further comment, following the completion of my remarks, whether he indeed is satisfied with the total consultation process, whether he thinks that, once filing the Bill and first reading, and filing the Bill before the House, whether he feels that that should have been done earlier in the game, in this session, in order that interested groups could have had more time to review it, instead of having to call emergency meetings in respect to it.

I want to ask the minister whether he feels his consultation process was thorough. And I want to ask him specifically whether he had consultations of the final draft for say, the John Howard Society, native groups, or civil liberties groups; whether inmate associations, and I understand there are some, whether they were able to be given any input into the Bill. Those are the things.

Because I think the thrust, Mr. Minister, of bringing in a new Police Act was warranted, and I like the idea of setting it forward as a white paper as you did. But in the final analysis, I think somewhere along the line, in the view of many of the officers and many of the groups, they felt that going through the final Bill, that the process broke down somewhat.

And so I guess what I want to ask you specifically is in respect to that consultation process and whether or not you feel confident that the groups were properly consulted on that ground.

Hon. Mr. Lane: — The matter of consultation — I've just been handed a list — that this goes back to 1988, and there are 29 . . . (inaudible interjection) . . . Well this is right through '88, '89. I can list the dates starting November 30, '88. I've got 29 different meetings or discussions with the police chiefs. And this just deals with the police chiefs and the police officers, okay, and the associations.

The John Howard Society did raise with us the matter of the independent hearing process. And they recommended the Toronto process where everything was outside. The advice we have is that the Toronto process is not working, and we've made that clear to the John Howard. There are tremendous difficulties down there. It wasn't accepted, I gather, by the major players in this. So

yes, they did raise a point; they did make reference to the Ontario system, but the advice we have is that it is not working down there.

Now again one can agree or disagree, but it's interesting, at least in my view, that they did not push the concern after the response was made. I don't know whether we satisfied the concern or not, but certainly there was a counterargument to the matter that they raised.

The fact that it was left on the order paper, it was obviously left on the order paper the previous session for public discussion and public consultation. So having said that, there was certainly an opportunity.

We have to keep in mind on this particular Bill that the legislation is balancing competing interests. And as I indicated the other night, we have . . . the Act is an all-encompassing Act dealing with the operation of policing in the province. And it deals with the relationship between police commissions and the police service. It deals with the chief. So it deals with employer/employee; it deals with the public and its relationship with the police forces.

And certainly one of the difficulties that the hon. member raises . . . you have chosen to take . . . and the question on the hearings, the side of the peace officers . . . police officers not improperly when I say that. But we have to keep in mind that there are those same groups that you've raised are the very ones saying that this process has to be opened up. They're the very ones that say that the complainant should be able to attend the disciplinary hearings, that the standard is too high, that they're not given adequate notice.

And certainly some . . . the human rights groups, the representatives of the native organizations have raised those concerns. So we try to balance between protecting the rights of the police officer as giving the opportunity to the public to make sure that the process, when they make a complaint, is fairly dealt with and seen to be dealt with fairly.

I simply urge the Assembly to remember that we are dealing with competing interests, and so the Act requires some choices, required compromises by all of the participants. SUMA had some questions, but again SUMA has now written to us urging that the legislation be passed. And so does the Saskatchewan Association of Chiefs of Police.

The Act will be an improvement over its predecessor which has served society well for 15 years as Deputy Chief Ed Swayze, president of the Saskatchewan Association of Chiefs of Police, the letter you've already read into the . . . by the president of the Saskatchewan Federation of Police Officers. I will say in fairness that we did have indications from some of the actual associations themselves, as opposed to their province umbrella organization, that they were very supportive of the legislation and wanted the legislation to pass. So yes, I freely acknowledge that we are balancing competing interests.

I'm not sure if I . . . and we will, I assume, to the hon.

member, some of the specific questions you raise, you will raise when we get to the section. I would just like to raise one concern . . . or respond to one concern, because I'm a little surprised by it. And it's your concern about section 86, that they had to give their by-laws and constitution to the commission and the Minister of Justice.

I note two things. One, in the original letter from the Saskatchewan Federation of Police Officers, they did not raise any concern about section 86. But more importantly, in section 43 of the existing Act, which was passed by the previous administration, section 43(13) . . . it makes it abundantly clear that provision was there then, that:

A local labour union, of which members of a police force are members, shall provide a copy of its constitution and bylaws and any amendments that may be made thereto to the commission and the . . . (Minister of Justice).

So that is not a new provision. And I simply raise that specific one because I was, frankly, a little surprised that there was a view that that was a new provision — in fact, it's not — that it was in the previous Act.

So the consultation process in general terms, when we're dealing with a number of interests — your local municipalities; your urban municipalities; SUMA, the umbrella organization; the various provincial or municipal police forces; the chiefs as an association; the various cities themselves, their respective commissions; the provincial Police Commission; the provincial police officers' association — that's a number of organizations. And it's been going on since 1988.

At some point the legislature would have to make the decision. That's nearly two years. And whether it's adequate . . . Well if someone didn't get everything that they wanted, I would understand that they would say it's not adequate. Those that feel that the Act is an improvement would view the consultation as adequate.

So I don't expect in a situation like this to satisfy everybody. On balance, I think it fair to say that we have to look at the letters that we have received from the respective associations. And in all cases, they urge the passage of the legislation.

Mr. Koskie: — I want to proceed with some dispatch, but specifically, Mr. Minister, I want to ask you . . . You've kept records of when you met with the various groups. I want to ask you: were any native groups involved in the process? In the final analysis, was the John Howard Society sent a copy of the Bill and asked to . . . in the form that we have it here now, and whether or not they had an opportunity to provide you with any input in respect . . . even if they can't get unanimity on consensus of what's in the Bill, surely the various groups should have the opportunity. And I didn't hear you mention your contact with native groups and certainly not in respect to providing them with the opportunity to look at the final copy.

I doubt very much whether the John Howard Society was

sent a copy of the final draft of the Bill. I wonder whether you sent it out to any civil liberties groups, inmate associations group, I asked you about. Those are groups that are certainly interested in it. And I want to know if you could provide us with a little more details in respect to whether or not the final version you had any contact with those major groups.

(1430)

Hon. Mr. Lane: — Not on the final version. But again we should put it in perspective. One, the legislation was there for public review; secondly, the John Howard Society initiated with us their position with regard to the independent hearing process, and they had a model that they advocated. I've discussed that. We gave our views as to why we wouldn't proceed with the Toronto model.

And we also should keep in mind that we were aware through the development of the process of this legislation that most of the organizations, if not all of the organizations — for example, human rights, native organizations — were concerned primarily about the independent hearing process. Those were tended to be the complaints in the past. And so that that change, and I believe a fundamental and a progressive change that we're making, goes a long way to addressing the common concerns that have been raised by these organizations. So there was an awareness of that concern during the development of this legislation.

So no, I acknowledge that there wasn't a consultation. To my knowledge they weren't sent a copy of the final draft. But if we stand back and look what . . . Everyone was aware of their concerns. I believe we've addressed them in the legislations. And again I don't expect the John Howard Society to be satisfied. We did have a difference of opinion, but my officials and the participants were of the view that the model that was selected here is superior at least to the Saskatchewan situation than is the John Howard proposal.

Mr. Koskie: — I'll move very shortly, Mr. Chairman, and Mr. Minister, into the specific clauses and three pages of amendments to this new Act that was out there for a year.

And you need a number of . . . yes, you might think it's funny that you draft legislation and the day before you come in, and you have to have three pages of amendments.

An Hon. Member: — It is laughable.

Mr. Koskie: — You think it's laughable too that you put a Bill in and take first reading, and immediately second reading, and when I contact groups they haven't even received a copy of it. And you're saying in the House that everybody's on the side. That may be funny to you, but it's not.

You indicate that you're surprised that they're complaining about section 86 in providing to the commission, copies of the constitutions because it was in the previous legislation. Well I tell you that if you compare the previous legislation to this one, and we'll get into the specifics when we come to the clauses, but you

purport this to be on a labour relations model. And when we get to section 83 and 84 and 85, you depart from it. And why wouldn't they have some suspicions here in respect to providing it, when under 83 you apparently take away the . . . you make it mandatory that you can go to conciliation? And in 84 the same thing, the arbitration, the way it initially came to us.

So they do have some concern in that, because the direction that you have taken this Bill is counter to good labour relations model. You have essentially eliminated the right to strike. Yes, you have. By excluding . . . by making it a five-day period; and secondly, in respect to section 83, which my colleague will explain when we come to there, because we can point that out to you.

So naturally now they have suspicions in respect to your labour relations so-called model that you have put forward in respect to this Bill. And that's the basis of their concern. Because while you say it's a labour relations model, many of the sections go counter to that.

And as we go through this particular Bill, we have specific sections, if you want to note them, Mr. Minister. I guess we'll have to go clause by clause, because just about every clause is amended. But in any event, section 40 we'll be taking a look at. Section 56 I want to raise just to see . . . (inaudible interjection) . . . section 40, I think it's subsection (2). Section 56 I just want to ask a question in respect to that. I think it's been clarified for me. Section 83, 84, 85, and section 93 are the essential sections that we want to deal with and we'll raise specific concerns in respect to those.

Just in a general way if you could indicate, I've had some concern expressed by officers in respect to the provision for suspension without pay, and I guess I ask you a specific one on that. What length of time is it possible to suspend an officer without pay? What period of time?

And does it somehow correct here the situation that arose in the Prince Albert case with a police officer there, I believe — Spence I believe it was. So if you could just in a general way, so that I at least have raised these issues which individual officers either contacted me or by another method, indicated their concern.

Hon. Mr. Lane: — I'm advised that with regard to the suspension provisions, that there is no fundamental change with what was there before. The regulations do deal with mandatory requirement upon a suspension of 30 days pay. But understand the improvement for the police officers under the suspension is now, and the suspension only arises after the . . . the final suspension arises after determination of guilt.

An Hon. Member: — Of the hearing of . . .

Hon. Mr. Lane: — Yes. There is now an appeal provision for the police officer to the provincial Police Commission which he or she did not have before. So they now have another avenue of appeal which is something I'm advised was very much desired by the police officers.

Mr. Koskie: — Now the concern perhaps wasn't totally understood by the individual that contacted me, but his

concern was that the potential, like in the Spence case in Prince Albert, that there could be a suspension and also of salary and the concern that they would be cut off of salary for a given period of time.

But you're saying that there is no preliminary process of saying to the officer, while we're prior to this investigation, our preliminary information leads us to the conclusion that until the hearing is held that we are going to suspend you and cut your pay. I just want clarification of that process if I could.

Hon. Mr. Lane: — If there's an interim suspension under the existing legislation, regulations, there is a payment for 30 days. That's the only pay. I mean if the individual was suspended for two years . . . okay, it's still the only payment that's required is the 30 days. I'm talking about the existing legislation. That could happen again under the new . . . on an interim suspension for example.

The difference this time is again there is an appeal, okay, which was not under the existing legislation. And secondly, if you go to clause 9, there's now a statutory requirement that where the charges have been dismissed . . . or I mean, or the individual acquitted, they now have a statutory right to receive all of the pay, remuneration, pension benefits, and seniority that the individual would have had during the period of suspension.

So this goes two steps further than the existing legislation: one, giving an appeal; and secondly, setting out the statutory right to be paid, plus seniority — plus seniority so that they are restored to the position they were prior to the suspension if they're subsequently acquitted. So again there are two significant improvements over the existing legislation which benefit the police officers.

Mr. Koskie: — I've just one other, then we'll start rolling on the . . . get to the specific ones. There was some concern expressed by the officers in respect to the hearing where they have the attendance of the complainant. And I know you indicated that there's some protection there in respect to the hearing officer can exclude the complainant, I believe, in the event that it would not be in the public interest that he be present.

Are you satisfied that in your discussions with the federation of police officers and the chiefs and other groups, that they're satisfied with that protection? Because there are some implications, at least they feel there could be some implications because some of those that bringing forth complaints — not frivolous because they can be thrown out — but a complaint could be a criminal, and being able to hear everything may jeopardize subsequent or future police work. Are the groups basically satisfied in respect to that because that was raised as a concern too?

Hon. Mr. Lane: — My understanding is that they are, that the issue is the question of accountability to the public. And the point that they raised can be a fair one. I mean, I would expect some of the criminal element would try and use this process to be aware of . . . make themselves familiar with police procedures, which is why we gave the power to the hearing officer to exclude that at the

request of the police associations, if it's in the public interest.

So I mean, I'm going to assume throughout, as all the players — and there will be full consultation on the hearing officer — we're going to assume good judgement, and that everybody's going to believe it's a fair situation. I suppose if in time we found out the judgement wasn't being properly exercised and there is a problem, we would be back before. But some things you can't legislate — the question of good judgement — but we are balancing the question of accountability and satisfying the public's need to believe that this process is fair, that the complainant is aware of the process, knows what's going on and is satisfied, at the same time protecting the rights of the police officer.

So we're satisfied, and I believe they are, that with that provision they can be excluded if it's in the public interest, that it should work.

Mr. Koskie: — I take it in respect to that, that it's solely in the discretion of the hearing officer, but I also are aware . . . am aware, rather, that the hearing officer has to be a lawyer — is that correct? — and therefore should be more cognizant of the procedure and the . . . because it's often applied in court proceedings . . . or not often, but to some extent.

There is no possible method there whereby individual officer or officers where an investigation is going on, that the individual officer being tried or disciplined, or other investigating officers that may be members of the investigation, or may be witnesses, rather, there is no procedure that they can make an application to the hearing officer in respect to the sensitivity of what is likely to be the evidence coming forward to put him on guard at least. And I think there are ways of doing that because certainly the jury is excluded at certain periods of time.

I just wondered whether you pursued that, or are you satisfied with what we have here?

(1445)

Hon. Mr. Lane: — Again, the only way the hearing officer could exercise his or her jurisdiction is if they got the matter raised as to make that decision. So we're satisfied. And to give some comfort again to the officer, B.C. for example, the concept of expelling a complainant is not even considered under their legislation. And I could go through other provinces where again the complainant has full rights of cross-examination, legal counsel, and everything else through this process.

So we tried to walk the balance and we're satisfied that this will accomplish two objectives — one, give confidence in the public on the question of accountability; at the same time, give the protection to the police officers.

Mr. Koskie: — Thank you on that, Mr. Minister. Then we're prepared to proceed and will raise questions at the specific sections that I had indicated to you.

Mr. Chairman: — Before we begin with this Bill, I would

like to ask the member from Quill Lakes — he indicated, I think, six different sections that you had questions with over and above the amendments.

Mr. Koskie: — Yes, those are the essential ones that I listed to the minister that we'll be dealing with. There are a whole series of amendments, some three pages . . .

An Hon. Member: — House amendments.

Mr. Koskie: — Yes.

An Hon. Member: — The first one you raised is 40. Go to section 40?

An Hon. Member: — Have you got some before that?

Mr. Koskie: — Well we've got section, House amendment for section 24, 28, 48 . . .

An Hon. Member: — Well if we could go through to 40.

An Hon. Member: — Do you want to do your House amendments and then stop at 40?

An Hon. Member: — Yes.

An Hon. Member: — Yes, just go through . . .

An Hon. Member: — Yes. And the House amendments as well up to 40.

Mr. Koskie: — Okay if you do that, yes, that's fine.

Mr. Chairman: — So is it the agreement and the understanding of the committee then that we'll lump them together wherever possible, stopping at the six that you indicated and the amendments because I have to do the amendments on an individual basis?

An Hon. Member: — Do 1 to 39 inclusive and the House amendments.

Mr. Chairman: — No, we'll have to do 1 to 23 inclusive and then do the amendment on 24. Okay then.

Clause 1 agreed to.

Clauses 2 to 23 inclusive agreed to.

Clause 24

Mr. Chairman: — Clause 24 has a House amendment. Will the committee take it as read?

Amendment agreed to.

Clause 24 as amended agreed to.

Clauses 25 to 27 inclusive agreed to.

Clause 28

Mr. Chairman: — Is the amendment agreed?

Amendment agreed to.

Mr. Koskie: — I just ask the minister in respect, it's a fairly significant or a fairly long amendment, whether he'd run by us the explanation of what you're achieving there with the amendment under section 28(b).

Hon. Mr. Lane: — This general provision allows, as I've indicated, the opportunity for the smaller communities that perhaps have a one-person police force that are having difficulty attracting individuals because they can't give holiday time or they can't give leave or they can't necessarily make the job easy. It becomes a 24-hour-a-day job by virtue of the individual being there, that we could let them get together and perhaps share individuals and then have a better chance of attracting people. That's the objective.

Three ministers must sign off on this or give their approval. If it's a question of, say, three small communities that are in two different municipalities, then subclause (b)(i) would require the minister responsible for The Rural Municipality Act to sign off and give his approval to that.

And then if the same situation we've got three small communities, two municipalities but there's a smaller community in there under 500, of course the Minister of Justice is responsible for policing in those areas. And of those less than 500 . . . so in that case requires the Minister of Justice, the Minister of Urban Affairs to sign off. And the northern administration district, it's also under the urban Act, so the Minister of Urban Affairs would have to sign off.

Clause 28 as amended agreed to.

Clauses 29 to 39 inclusive agreed to.

Clause 40

Mr. Hagel: — Thank you, Mr. Chairman. Mr. Minister, I listened carefully to your response on Tuesday when we were in second reading debate on this. And as my colleague from Quill Lakes has indicated, we've given notice of the areas of concern both through debate and again here today.

The part of section 40 that causes us some trouble to find it acceptable, Mr. Minister, is (2) quite frankly, and in particular (2)(c). And if I can just read that together, then it reads:

(2) Except where specifically allowed by this Act, every collective bargaining agreement or contract that provides that:

(c) any benefit or remedy provided by this Act is in any way limited or modified, is null and void and of no effect.

Now having listened to your comments earlier in second reading debate, Mr. Minister, I heard you refer to not wanting to see through collective bargaining the possibility to remove any of the protections provided in the public interest, in order to be able to bring complaint against police officers and their conduct. And with that

explanation, Mr. Minister, I don't have any difficulty accepting most of this.

However, the Act does specifically outline conciliation, arbitration and also does specifically override The Trade Union Act. And those are three items about which it is normal to find reference and formula for solving problems within a collective agreement.

What you've said in effect, Mr. Minister, through 40(2)(c) is that if the parties who were involved dealing with the formulas that are normally used to remedy negotiations difficulties, if those parties come to their agreement between them, as to there being a better procedure, a more acceptable procedure, that this Act does not allow them to do that.

And so I ask, Mr. Minister, why you did not in this section specify specifically those areas which cannot be remedied and made it sweeping applying to all portions of the Act including sections 83, 84 and 85, Mr. Minister. And I would say quite frankly that unless you would be willing to introduce an amendment to specify those particular areas that you are concerned about and including section 40(2), that we would find ourselves in the position where we would feel honour bound to have to oppose this particular section.

Hon. Mr. Lane: — The legal advice that we have is that the section certainly simply provides that management and labour cannot contract outside the Act; they cannot contract outside the Act. In other words, the discipline process and the process for dealing with competency are codified and the statute is paramount. In the advice that we have, and I gather it's the assumption of the participants to the development of this, is that that was always the case. That there was always an understanding in relation to those issues and the section simply provides legal certainty.

But let me come at it from the police officer's point of view, because we were a little surprised at the concern raised. The advice we get from police officers, this is a protection for them because management then cannot put forward in the bargaining process to take away some of the protections that are put in the legislation.

So . . . (inaudible interjection) . . . Well let me come . . . because we'll be able to deal with those when we come to those. Understand, understand as well that with regard to 83, the point of conciliation with respect, if there is procedure, if both agree on conciliation, they don't . . . they can go ahead and do that.

But understand as well that the conciliation provision in here, and again we're a little surprised at the concerns raised because it's taken from The Education Act. And The Education Act, sections 246 and 247 provide that either party may request the appointment of a conciliator, and those are long-standing provisions of The Education Act, not brought in by this administration.

So that's where it came from. It's not some new precedent here that's being set. And with the matter of both parties choosing conciliation, they can go ahead and do that.

So I believe we've answered some. And again, our advice is that the codification — what everybody believed was the law in the first place — is certainly a protection for the peace officers, and the benefits that are given to them under this Act cannot be contracted away or taken out by management.

Mr. Hagel: — Well, Mr. Minister, let me point out three things. First of all, the conciliation, the conciliation section 83, requires, as I read it, conciliation to be engaged in with the request of only one party. Arbitration, as it's written right now, section 84, implies the same, although it may be that your House amendment will change that and we'll ask you about that. And 85 overrides The Trade Union Act and it too is a brand new section introduced here, Mr. Minister — point number one.

Point number two, you referred to The Education Act as being the precedent that you decided to draw this from. Mr. Minister, I simply point out that we are not here to debate the merits of what's in The Education Act, we're here to debate the merits of what's in The Police Act and interested in seeing the Act when it's introduced to be done correctly. So I simply do not accept that it justifies its inclusion because it's found in another Act that was written at another time. Surely our intentions should be to do the right thing.

Thirdly, Mr. Minister, you say that this is at least in half to provide protection for police officers so that the boards cannot remove those or reduce the sections of 83, 84, 85 in any way their protections.

An Hon. Member: — Protection was given in the Act.

Mr. Hagel: — Well you say there are protections in The Act. As I point out, Mr. Minister, that we have some concerns about those three sections and that the police officers, the rank and file officers, are not so certain that these are great protections that you've provided for them in the Act — (a) and (b), Mr. Minister. I simply point out as well that in negotiations for a collective agreement any party can put whatever they want on the table, but you don't have a change unless both parties agree.

So to say it protects the rank and file officers from the board being . . . to put that option on the table, Mr. Minister, means absolutely nothing. If they don't accept that they simply reject it at the table, Mr. Minister. That's how collective agreements are arrived at.

(1500)

And so I ask you again, Mr. Minister, having heard your explanation I don't accept any of the three reasons that you offered as having being valid for including 40(2) as you've got it here. I ask you again: why you did not specifically either include those sections which you wanted to protect in the interest of the public good? Or, Mr. Minister, why you would not put forward the House amendment, excluding at the very least, applications of sections 83, 84, and 85 from being affected by section 40 as you presented it here.

Hon. Mr. Lane: — Well again, you know, and

interestingly enough, that the association raises the concern about 85. Okay. If we can set 85 aside, just for the purposes of this discussion, I mean there is a view in this process that this will encourage the parties to negotiate, negotiate resolution of the differences.

Certainly the provision that one could apply for conciliation, I've given you the source of where that comes from. It seems to work well in that situation. But it doesn't prevent, if both parties agree to conciliation, of doing it outside the Act. Okay. There's no way that that's prevented.

So if we've got that situation where both of them come to a conciliation proposal, they can go outside the Act to deal with that. So it doesn't prevent that. Okay? It certainly does . . .

An Hon. Member: — Where does it say they can waive it?

Hon. Mr. Lane: — It's not a matter of waiving; they just go ahead and do it . . . (inaudible interjection) . . . Certainly one party can request. And I've given the source of that — The Education Act. It seems to work well in that situation.

Your point's not an unfair one when you say that The Education Act is The Education Act. But I mean I go back to the point that you made . . . that your colleague made, is that we're dealing with professionals here as happens in the case of The Education Act, and it's worked well I understand, between professionals in that legislation. So we're again very comfortable that it would work here. Again the point being made to us was that the officers did raise the concerns about 85. The question of arbitration again, the view of most was that it was going to facilitate negotiations. So I understand our difference on 85.

But you know, I suppose on the other two we can agree to disagree but again the associations when they got down, their concern was 85 and that I believe the process will work. We've got precedent for the process working and if both parties agree to a conciliation process on their own, they can follow that process.

Mr. Hagel: — Mr. Minister, I simply don't believe that you've responded to my concerns, and I also don't accept for a moment that we've set aside 85 in the argument. However, having said that, I do recognize that you're bringing forth the amendment which may satisfy our concerns for 84 — binding arbitration.

But, Mr. Minister, let me just jump ahead. We have to do this in order to understand the implications of section 40(2). When we jump ahead and look at conciliation, and I accept when you say that both parties, if they both agree, they could proceed in a different manner. However, Mr. Minister, conciliation, arbitration, strike, these are things that occur. These are processes that are used to resolve differences when they're not being resolved in an amicable fashion, Mr. Minister.

In Section 83, related to conciliation as I read it says that either party — not both — either party can request conciliation, and if so, the minister shall appoint a conciliator. And also it says that until a conciliator has reported, either a strike or a lock-out cannot occur. That's

what section 83, related to conciliation says.

Now, Mr. Minister, with section 40(2), what you're saying is that boards and police associations cannot sit down together and agree between themselves, that they have to both agree to conciliation before it's requested. And when the implications are that there can be neither a strike or a lock-out until the conciliation report is in, you're saying by section 40(2), they can't agree, that they both have to agree in conciliation, the implication of which is to eliminate strike or lock-out until the report is done.

Now, Mr. Minister, that sounds to me as though what this Act is doing — and I bring that example because I believe that to be a crystal clear one — that says to me they can't find a better solution, when it would seem to me obvious that there are better solutions than what the Act is providing in conciliation alone.

And so I come back again to my original question which is to ask you why, or to request of you to exempt at least sections 83(4) and (5), from being affected by section 40(2).

Hon. Mr. Lane: — Again, I want to caution the hon. member that the concern raised with us was 85 . . . (inaudible interjection) . . . No, just a minute — 85, I'm not prepared to accede to your request. But with regard to 83 and 84, we think you're unwise, but if you want to make an amendment to section 40, if you want to move a House amendment to 40 with regard to 83 and 84, we will accept that.

An Hon. Member: — And 85.

Hon. Mr. Lane: — No, we won't accept 85, but certainly 83 and 84. If you want to make the House amendment, or an amendment to section 40 or want to propose one, again we don't think you're wise. It's possible to do this. The objective, understand, through this process is to, one, encourage negotiation. Secondly, we keep in mind a very important issue, through all of this, of the issue of public safety.

And the thrust of the changes are to keep the parties talking and protect public safety and obviously the rights of the participants. So we're satisfied. And except for the matter of 85, most of the participants were satisfied. But if you want to take it as far as 83 and 84 — I know your arguments in 85 but we're disagreeing on 85 — we're prepared to accede on 83 and 84 if you want, but again we don't think you're wise.

Mr. Hagel: — Well, Mr. Minister, our concerns are with the whole bargaining process to ensure that it is done fairly and without prejudice to the rank and file police officers of Saskatchewan — the police officers of Saskatchewan and the public. We'll talk about that a little later. And I'll be asking you, under section 85, to describe to us what problems there have been in Saskatchewan that you're solving here, Mr. Minister.

But it is our view that conciliation, arbitration, and the right to strike must . . . When you're overriding The Trade Union Act, Mr. Minister, then it is not acceptable that they

should be locked in, and the parties should have the privilege, at least, of being able to arrive at the solutions for dispute of collective agreement, Mr. Minister.

You're saying that if we move an amendment exempting sections 83 and 84, you'll accept that, Mr. Minister. That's not acceptable to us. It's 83, 4 and 5. That's our position. And, Mr. Minister . . . So we won't even . . . we won't take the time of the House to move that, if you're saying you'll reject that. Obviously, at the end of the day, you will have your way.

If you want to move a House amendment for 83 and 84, Mr. Minister, then I will leave that to you. But unless it has all three, we just simply cannot find that acceptable.

Hon. Mr. Lane: — Again, I've given the arguments. We can agree to disagree. I've given what the thrust and what the objective, and I understand that when we're dealing with that question of public safety, you know, it's a different situation.

An Hon. Member: — . . . (inaudible) . . . public safety in other professions.

Hon. Mr. Lane: — Perhaps there can be. But again I think Saskatchewan's had some experience with the situation over time. If you choose not, then we can agree to disagree on those three. But I would, as I say, on 83 and 84 I'd accede to a request if . . . Otherwise, I mean, we're comfortable with the three sections, obviously. And except for 85, I believe all of the participants are satisfied.

Clause 40 agreed to on division.

Clauses 41 to 47 inclusive agreed to.

Clause 48

Mr. Chairman: — Amendment to clause 48 agreed?

Amendment agreed to.

Clause 48 as amended agreed to.

Clauses 49 to 55 inclusive agreed to.

Clause 56

Mr. Koskie: — Just in respect to section 56, subsection (5), "The rules of evidence for all hearings conducted pursuant to this Part are the same as in civil cases . . ." Is this what procedure that was used in the past or is this consistent now with the new burden of proof or was it followed previously?

Hon. Mr. Lane: — It's nothing to do with the burden of proof. It's what the parties have agreed what they want for the rules of evidence. So the parties have agreed what basis they want for the rules.

Mr. Koskie: — Is this the rules of evidence that is being applied here has nothing to do with the burden of proof. I know that. But I'm asking you, is this the rules of evidence that were followed previously, where the civil rules of evidence prior to this new Act?

Hon. Mr. Lane: — The previous was that the hearing panels would set their own rules. This is in fact a higher standard, and again agreed upon by all the parties. Now that we've got the hearing officer, we can set the higher standard of rules of evidence.

(1515)

Clause 56 agreed to.

Clause 57 agreed to.

Clause 58

Mr. Chairman: — Amendment to clause 58, is that agreed?

Amendment agreed to.

Clause 58 as amended agreed to.

Clauses 59 to 64 inclusive agreed to.

Clause 65

Mr. Chairman: — Amendment to section 65, is that agreed?

Amendment agreed to.

Clause 65 as amended agreed to.

Clauses 66 to 68 inclusive agreed to.

Clause 69

Mr. Chairman: — Amendment to section 69, is that agreed?

Amendment agreed to.

Clause 69 as amended agreed to.

Clause 70

Mr. Chairman: — Amendment to section 70, is that agreed?

Amendment agreed to.

Clause 70 as amended agreed to.

Clauses 71 to 80 inclusive agreed to.

Clause 81

Mr. Chairman: — Amendment to section 81, is that agreed?

Amendment agreed to.

Clause 81 as amended agreed to.

Clause 82 agreed to.

Clause 83

Mr. Hagel: — Thank you, Mr. Chairman. Mr. Minister, I don't need to take a long time here; I've already outlined my concerns about section 83 dealing with conciliation.

Mr. Minister, this is a new inclusion in The Police Act from the previous Act, is my impression. And in effect, Mr. Minister, this is the 44-day strike or lock-out delay clause, is what it is. When you read this section, when I tie them together, Mr. Minister, it says when there is a dispute between a police association and board related to a collective agreement, either party, not both, either party may request of the Minister of Human Resources, Labour and Employment that a conciliator be appointed. The minister has 14 days to do that and if he does that, the conciliator has 30 days to write the report, and during that time there can be no strike or lock-out, Mr. Minister.

So this is in effect the 44-day strike or lock-out delay clause in the Act, is what it is. Mr. Minister, I ask you — at the initiative of either party, the initiative of either party, not both — and I want to ask you, Mr. Minister, why it is that you would include a new conciliation section which makes it possible for just one party to request conciliation and for the process to therefore take place without it having to have the agreement of both?

It seems to me, Mr. Minister, that if both parties do not agree to conciliation, the chances of conciliation achieving anything are extremely low at best, and in effect this becomes the 44-day strike or lock-out clause.

Mr. Minister, why are you introducing this section in conciliation and making this possible at the request of just one party?

Hon. Mr. Lane: — Again, we have precedent — we've referred to it earlier in our debate — with regard to The Education Act. It seems to have worked. Secondly, we should keep in mind that the appropriate minister has the right to refuse to appoint a conciliator, and thirdly, that the parties do have the ability to agree on conciliation throughout the process.

So again, during the development of the legislation, these provisions were . . . (inaudible interjection) . . . No, they were, except that I stated at the outset that . . . throughout what the objectives were, and these provisions — although the hon. members disagree and I understand that — are designed to: one, in our view and I believe in certainly the participants', to try and keep the parties negotiating. Secondly, we have the balance of trying to, if the situation deteriorates, to protect the public and deal with the concerns of public safety.

Mr. Hagel: — Mr. Minister, can you tell me what problem that has occurred in the past, you're solving by throwing this in? Because I can see problems that it will create — there's no question about that. When you've thrown in a conciliation section that, in effect, is a 44-day strike or lock-out prevention clause, that's . . . I mean, you read this thing — that's what it says. I mean, that sounds to me, Mr. Minister, as a very effective way of inflaming relationships between two parties that are having some difficulty coming to conclusion.

So it's very clear to me what kinds of problems it will create. What's not clear to me at all, Mr. Minister, is how, by putting this in, you are solving some problems that have occurred, Mr. Minister.

Hon. Mr. Lane: — Well again, you know, we simply disagree on this, that we have had situations in the province of rather heated situation with regard to disputes involving the police and the commissions and that the opportunity to cool off between the organizations, protect the public safety is a fair balance.

So again, we simply have a difference in interpretation. Our view, and the view certainly of most if not all, is that this will give that balance between keeping the parties going in a heated situation and then, secondly, protect the public safety. And those are the thrusts as I indicated from the outset.

Mr. Chairman: — Section 83 as amended, is that . . . or I'm sorry, the amendment to section 83, is that agreed?

Amendment agreed to.

Clause 83 as amended agreed to on division.

Clause 84

Mr. Hagel: — Yes, Mr. Minister. I don't think I'm troubled at all by your amendment. I think it is a helpful amendment, but I want to ensure that by asking you on the record and getting your response on the record, Mr. Minister. The concern that I presented in second reading was that this was not clear at all, and it seemed to provide for the possibility that binding arbitration could be enacted at the request of one of the parties.

Mr. Minister, I think what you're intending to do with your amendment is to ensure that the request for arbitration has to be agreed to by both parties, and would you please confirm that, Mr. Minister?

Hon. Mr. Lane: — Yes, and the amendment, the House amendment states if I can just simply refer to the first line, "Each party, within seven days after agreeing." So our interpretation is that both parties have to agree to it.

Amendment agreed to.

Clause 84 as amended agreed to.

Clause 85

Mr. Hagel: — Again, Mr. Minister, section 85, I put my concerns on the record in second reading debate. But section 85, Mr. Minister, we find offensive and simply unable to support, Mr. Minister. Section 85 requires five-day notice for strike which you've explained as having something to do with the long weekend.

But, Mr. Minister, as I've followed labour relations practices and experiences, I have yet to ever hear of a strike that just cropped up in the middle of the night without anybody having any idea that it was coming.

Obviously strikes occur because there has been a dispute of some magnitude for some time. There has to be by The Trade Union Act, Mr. Minister, there has to be a democratic vote taken in order to make a strike legal, Mr. Minister. And so obviously, party does not get to this stage without substantial notice to everyone affected, and particularly when it's something as high profile as police services.

Mr. Minister, I simply am not aware of what problem you're trying to solve with this. And, Mr. Minister, also my concern goes beyond the implications only to police services. Obviously you are of the view that it's necessary to have a longer period of notice required here than applies to every other organized working body in the province of Saskatchewan, justified, I assume, by necessary services. Which of course, Mr. Minister, when you introduce this in effect what you're doing is eliminating the right to strike.

What I think you're saying is that you want to ensure you've got enough time to legislate an end to the strike before it starts. And if you didn't intend to use it, why would you introduce it? You're drawing attention to this by overriding The Trade Union Act that affects every other collective negotiating body in the province.

So obviously you intend to use it. And listening to your explanation, all you want to do is make sure that if it should occur on a long weekend, that you've got enough time in the Legislative Assembly to use it to ensure that police officers will never have the right to strike. That's what it's all about.

That is of great concern to a large number of people well beyond the rank and file of police officers, Mr. Minister. Because if it's justified on the basis of public interest for necessary services, then where do we go next? Is it the nurses that we exclude and provide the same provisions because they provide health care services? Then do we go from there to publicly funded people like teachers who provide what some would consider necessary services?

We saw your government, Mr. Minister, take action to legislate an end to university professors' strike. And so, Mr. Minister, this is a principle of great concern which has implications well beyond, as I said, the rank and file police officers.

And so I would like to ask you several questions, Mr. Minister. We can deal with them one at a time, or why don't I just put them on the record here and then you respond to them.

I'd like to know, first of all, who asked for this provision. Who asked for this provision? Is this something that while you were reviewing the Act you just felt it would be good to put in, or was it at the request of somebody in particular?

Secondly, I would like to know why you're putting it in, what problem you're trying to solve, Mr. Minister.

And, Mr. Minister, thirdly, I ask what past events in the province of Saskatchewan tell you that it's necessary to have this provision within the Act. Because as I said

before, it simply appears to be eliminating the right to strike, and that has a great deal of impact on the bargaining power of police officers in the negotiating process when the legislation under which they are negotiating in effect eliminates their right to strike and the whole world knows that.

In effect with this clause in here, the answer to the question, have they lost the right to strike? correctly you could say no. But then when asked, well do they really have the right to strike? the answer to that is, well not really. That's the effect of inclusion of section 85, Mr. Minister, and I'd ask you to respond to those questions.

Hon. Mr. Lane: — I mean, the 48-hour requirement in The Trade Union Act doesn't eliminate the right to strike. Your argument is predicated on the assumption that the legislature will bring in back-to-work legislation. That's something that, in fairness, that each legislature is going to have to make the decision at the time. To say that it's only this government that has legislated people back to work, would be highly inaccurate.

I sat in the opposition benches and saw dairy workers legislated back and others legislated back. So it is the right of this legislature, no matter who the government is, to make that decision.

If this legislature does not act, chooses not to act in the case of a police strike, then the five-day notice doesn't stop any right to strike, obviously. The reason for the five days is, as I've said, we now have a situation where we can have the earned days off plus three days, long weekend. You could effectively have a situation where there's four days out there with the possibility of a strike and perhaps difficulty, action, if the legislature so decides.

So that's where the five days came in, for that reason. You can choose to extend it beyond that, but the difficulty with trying to extrapolate that it's going to apply it in all cases is that we can't forget the fundamental right of this legislature to act in the public interest at any time it so chooses, no matter who it is. And I know you're not disagreeing with that.

We did have a situation, a very unfortunate one. The hon. member may recall back in '76 in Regina where the strike went on for a period of 24 days. There was pretty serious property damage. There was a rampage in downtown Regina, and certainly in this case, the chiefs and the various boards asked for this type of provision.

So you asked where it came from. That's where the thrust is. I gather we agree to disagree. I simply suggest that your premise of taking away the right to strike is on the assumption that the legislature will act. That's not an assumption I think is necessarily a fair one — a probability, but not necessarily an assumption to be made. But it's certainly a fundamental right of this legislature at any time and in any dispute to so intervene.

(1530)

Mr. Hagel: — Mr. Minister, I'm not disagreeing with your statement about the fundamental right of the Legislative

Assembly. And you give me an example where there was a strike for 24 days, you say — 24 days . . . (inaudible interjection) . . . Well that's what I heard you . . . How many days?

An Hon. Member: — Twenty-four hours.

Mr. Hagel: — For four hours?

An Hon. Member: — Twenty-four hours.

Mr. Hagel: — Twenty-four hours.

An Hon. Member: — That was 24 days he did say.

Mr. Hagel: — Well you said 24 days is what you said . . . (inaudible interjection) . . . Okay, the minister says 24 hours.

But, Mr. Minister, I simply point out what you have said. The legislature does have the privilege of taking that action if it so chooses, regardless of what party may be in government, in the interest of the public good. But, Mr. Minister, I find it, I guess, somewhat telling when you say the request came from the chiefs. And I suspect, Mr. Minister, that this request has more to do with bargaining power, what the balance of power is around the bargaining table, than it has to do with protecting the public good.

Quite frankly, Mr. Minister, you are overriding The Trade Union Act and I simply from . . . you've told me nothing that convinces me otherwise, that other than . . . that you were simply introducing this because you're intending to use it. Otherwise you simply would not be introducing it and overriding a Trade Union Act that applies to every other category in our province. That's a dangerous precedent to set in taking away the rights of working people, and particularly those who by some public body's definition may fall into necessary service or quasi-necessary service, and particularly in the track record of your government, Mr. Minister.

You seem to want to respond and obviously it appears as though we are going to agree to disagree on this. And if you're not prepared to withdraw this section, then the opposition will clearly be voting against it.

Hon. Mr. Lane: — My understanding as well, from discussions and negotiations that led to this, that the smaller police forces in the smaller communities support this type of procedure as well. And the reason being that they feel that it may not be likely that the legislature would ever intervene in their situation in the smaller communities, and that the police officers want that five days to put pressure on management.

So it's not totally one-sided. Your argument tends, with respect, to be tailored to the larger centres. In fact the reverse is the case. In the smaller centres, where I'm advised that it's the police officers, not expecting legislative action, believe that this type of provision will put more heat on management. So there are some of the employees who do favour this, I'm advised.

Mr. Hagel: — Mr. Minister, just in wrapping up on this

particular section, I do point out that obviously in the smaller centres as well, Mr. Minister, it is a much easier task to use the enforcement support of the Royal Canadian Mounted Police to fill in if there should be a strike in a smaller centre. You and I both know that. I don't think that argument carries a whole lot of water in a practical sense, quite frankly. And obviously it appears, Mr. Chairman, as though on this section we shall agree to disagree, unfortunately.

Mr. Koskie: — Yes, I want to make it clear that in the federation not opposing the Bill, did in writing to the minister indicate that we have concerns, and in part section 85. And so I want that recorded that the rank and file members of the federation have great concerns in respect to it.

I understand from what the minister said, there is no other comparable legislation in respect to any other professional group of the mandatory five days preventing them from going on strike or giving notice of five days. Is that accurate?

Hon. Mr. Lane: — Alberta, they . . .

An Hon. Member: — No, here in Saskatchewan.

Hon. Mr. Lane: — No, I'm not aware of any other in the province. That point's right again. I have made reference in agreeing with the hon. member that yes, they raised that particular point in their letter. And other provinces have varying . . . but most seem to prohibit the right to strike generally. This does not do that.

Clause 85 agreed to on division.

Clause 86 agreed to.

Clause 87

Mr. Chairman: — Section 87 amendment is that agreed?

Amendment agreed to.

Clause 87 as amended agreed to.

Clauses 88 to 90 inclusive agreed to.

Clause 91

Mr. Chairman: — Amendment to section 91 is that agreed?

Amendment agreed to.

Clause 91 as amended agreed to.

Clause 92

Mr. Koskie: — I think I had indicated that I had concerns in respect to section 93. And here, Mr. Minister, I accept what you're saying, that there is in decreasing the burden of proof in this section . . . and this is of some concern also to the officers that reducing it from the burden of proof as provided by the Criminal Code, reducing it down to balance of probabilities which is the civil burden of proof.

There is considerable amount of concern. And as the minister knows what he has done is improve the right and the procedure in respect to launching the complaint and giving rights to the complainant in respect to that complaint. And I'm wondering whether or not, Mr. Minister, since there is considerable amount of fear in respect to the application of this and many of the officers feel that reducing it down to the balance of probabilities will make it rather difficult, in many instances, they argue, may well in fact hinder them from proceeding with their work, because of the fear of a breach of a regulation which could bring them before a hearing in respect to discipline or incompetence or unsuitability for the force.

And they say that it may well inhibit . . . in other words they won't take . . . be far more careful, I suppose. And I suppose you could argue then that you want them to be careful, but what I'm saying is that . . . what they're indicating is that the fear overrides them to the extent of being overly cautious.

Since you have developed better methods for hearings and for the complainant, I was wondering whether or not indeed you would consider, at least with the institution of this Act, to consider keeping the burden of proof the same as it was before, or at least was used before — that it has to be proven beyond a reasonable doubt.

I say that because until the Act gets into some experience with the Act, and in light of the concern of the officers, and since I am not aware of problems before with the balance of . . . or the criminal standard of burden of proof . . . So really what I'm asking you is: would you consider at this time going back to the previous burden of proof?

Hon. Mr. Lane: — Here's the difficulty. And if I could, and I'm sure you and I may have the same reservations about the source, but in *The Globe and Mail* of Monday, April 23, the headline, it's regarding policing on the Prairies, and the headline is, "Police force watchdogs almost never bite because legislation is crippled, critics say." Myron Kuziak, who may be familiar to some of you, is quoted as saying:

It's ridiculous. You don't apply that standard of proof to any other profession. Why should police be different?

And in Manitoba and Saskatchewan . . . and they go through a list of critics that the previous standard of proof has in fact discouraged the public from bringing complaints that they believe are legitimate.

Having said that, the change in the balance . . . the burden of proof is part of the whole . . . one of the main thrusts of this legislation which is to give confidence to the public that if they have a complaint, a legitimate complaint against a police officer, that that complaint, their complaint, will be dealt with fairly, that they will get a fair hearing. And we have the question of then of the reverse of that, which is . . . or the obverse, which is the accountability of the police to the public.

Having said all of that, we should keep in mind — and I'm prepared to forward over the legal opinion to the hon.

member because I do think that it's important that the police be aware of that, if they're not already. We have talked to them about it.

But the Supreme Court, the experts and evidence of Pinka and Letterman in their treatise, *The Law of Evidence*, talks about the civil onus:

... it requires the party having it to establish his case or an issue on a balance of probabilities. (And then it goes on.) Within these broad categories are degrees of probability which may vary according to the subject matter. This does not alter the basic standard of proof, but casts upon the party having the burden of proof the obligation of adducing more evidence or evidence of greater cogency, and of the part of the trier of fact, the obligation of subjecting the evidence to closer scrutiny.

The Supreme Court in *Smith v. Smith and Smedman*, the court ruled:

I wish to emphasize however that in every civil action, before the tribunal can safely find the affirmative of an issue in fact required to be proved, it must be reasonably satisfied; and that whether or not it will be so satisfied must depend on the totality of the circumstances on which its judgement is formed, including (and this is very important) the gravity of the consequences of the finding.

In 1963 again the Supreme Court made a definitive statement. It goes on ... I'll be very, very brief:

There is a higher standard of proof in criminal cases than in civil cases, but this is subject to the qualification that there is not an absolute standard in either case. Many great judges have said that in proportion as the crime is enormous, so the proof ought to be clear; so also in civil cases. The case must be proved beyond a preponderance of probability but there may be degrees of probability within that standard. The degree depends on the subject matter.

So the hearing officer, who must be a lawyer, we are going to assume will understand the ramifications of the change of the balance of probabilities. And it's a sliding standard. The more grave the consequences, the more serious the consequences, then the higher that standard. That is the law of the Supreme Court of Canada. It is the advice of the experts on evidence in this matter that it is in fact a sliding scale.

Having the requirement of a lawyer, we believe, will give the adequate protection to the police officers as well as dealing with the issue of public accountability.

(1545)

Mr. Koskie: — Mr. Minister, in respect to that particular section, I am of the firm opinion that since there's so much consternation in respect to the officers, that I would be prepared to move an amendment reinstituting that it be on the basis of not proven beyond a reasonable doubt.

I say that only from the standpoint that I understand what you're saying, that if you put it on the balance of probabilities, that it can be on the sliding scale. My argument for doing this is, fully recognizing that there is a balance between competing interests, but just until the operation of the Act gets into place under the new provisions that you have for the right and proved hearing and also for the complainant.

So accordingly, I want to submit a House amendment in respect to this — I think you need six copies — and what I'm doing is amending section 93 of the printed Bill by striking out "is proven on a balance of probabilities" and substituting "is proven beyond a reasonable doubt".

The basic argument being the concern at this time, you got a new procedure of the right of the complainant. You can always move in the other direction, get some comfortability with the new Act, and then if you find it necessary to move to the new balance through the civil standard or burden of proof that you can always do that. So that's the amendment that I put forward, Mr. Minister.

Hon. Mr. Lane: — I again express some surprise, given your arguments earlier about consultation with John Howard Society and the native groups.

An Hon. Member: — Well I said it's a competing interest, but ...

Hon. Mr. Lane: — Yes. Now they're the very groups out there and the civil rights groups that are advocating for what's in the legislation, that this standard of proof be changed to the civil proof. So in fact the change is being brought by the ... or advocated by those who are concerned about police accountability ... (inaudible interjection) ... No, but I indicated very clearly with respect in my remarks that it was this whole question of accountability which we knew their concern was. And it's people like Myron Kuziak who advocate that the present standard be changed.

So I believe, and we're certainly prepared to communicate with the police officers on this as to what the law is, that they have the protection that it is a lawyer, that it is a sliding standard, that the more serious the allegation against the police officer, the higher that standard will be, so that the police officer will have his or her rights fully protected under the process that's been established.

But I urge all hon. members to oppose the amendment because it does fly in the face of again what the native organizations, the human rights people, want in terms of changing the balance of proof so that there is more public accountability.

Mr. Koskie: — Well just on that point, you admitted, first of all, that there's a ... on the balance of probability that's on a sliding scale. Therefore you're admitting that there are more serious offences, and less serious. And therefore I ask you as an alternative, whether or not you could in fact divide them so that the more serious ones you have the higher burden of proof, for the lesser ones that you have a lesser burden of proof.

That was a possible consideration which I put to you as a possible solution to it. Not having dealt with it that way, I am proposed to put an amendment.

Hon. Mr. Lane: — I can respond this way. I will certainly, during the course of the development of the regulations, raise that very question. I'm told that it's a minefield in trying to define what would be a major offence and which would be minor. But I'm prepared to ask my officials and the parties to direct that. And if it could come back so that at the end of the drafting of the regulations that they could make that distinction, I would be prepared to come back in the future with an amendment if that could be resolved in the development of the regulations. Otherwise I would urge members to support the Bill as it is written.

Clause 92 agreed to.

Clause 93

Mr. Chairman: — Is the amendment agreed?

Amendment negated on division.

Clause 93 agreed to.

Clauses 94 to 96 inclusive agreed to.

Clause 97

Mr. Chairman: — Amendment to section 97, is that agreed?

Amendment agreed to.

Clause 97 as amended agreed to.

Clauses 98 and 99 agreed to.

Clause 100

Mr. Chairman: — Amendment to section 100, is that agreed?

Amendment agreed to.

Clause 100 as amended agreed to.

Clauses 101 to 103 inclusive agreed to.

Clause 104

Mr. Chairman: — Amendment to section 104, is that agreed?

Amendment agreed to.

Clause 104 as amended agreed to.

Clause 105 agreed to.

The committee agreed to report the Bill as amended.

Mr. Chairman: — I'd like to thank the minister and the officials.

Hon. Mr. Lane: — Yes, Mr. Chairman, I want to thank the officials who worked, obviously on a number of years on this rather complex legislation. I also want to thank the many participants in the development from the police officers, their associations, the local governments, their representatives, the police chiefs, the provincial police commissions, and the provincial Police Commission. As I say, they've worked diligently to bring this legislation forward, and I want to thank them both for their co-operation and their assistance and support.

Mr. Koskie: — Thank you, Mr. Chairman. I too want to extend thanks to the minister's staff who helped clarify some of the amendments which were brought in in the last hour, the three pages, and certainly they were very useful and helpful in determining the content of the Bill. However, I only say to the minister, had his consultation been a little better, it would have been a lot easier in proceeding with the Bill.

Bill No. 21 — An Act to amend The Education Act

Mr. Chairman: — Would the minister introduce his officials please?

Hon. Mr. Meiklejohn: — Thank you, Mr. Chairman. Beside me is my deputy minister, Dr. Eleanor Rourke; behind her is Rita Archer, who is executive director of finance and operations; and behind me is Ivan Yackel, who is the director of field services; and also assisting us will be Rick McKillop, who is with secretariat, policy personnel.

Clause 1

Ms. Atkinson: — Thank you very much, Mr. Chairperson. Mr. Minister, we basically have very little difficulty with this legislation, but we do require some clarification. You established the Correspondence School Revolving Fund with this legislation, and I'm wondering whether this fund will be totally self-sustaining, or will students have to pay tuition fees or fees for their correspondence school courses that will cover the total cost of the administration of the correspondence school?

Hon. Mr. Meiklejohn: — Mr. Chairman, it will be full cost recovery. We've got two classifications, or two classes of students that take courses through the correspondence school. The one is the high school students, where the tuition fee is paid by the school board, and the second was for adults who are taking courses where they pay a portion of the fee and the balance is picked up through the department.

Ms. Atkinson: — So, Mr. Minister, you are saying that correspondence school fees will be continued to be funded or partially subsidized by the Government of Saskatchewan for adult students?

Hon. Mr. Meiklejohn: — That's correct.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

Clause 8

Mr. Chairman: — Amendment to clause 8. Is that agreed?

Amendment agreed to.

Clause 8 as amended agreed to.

Clauses 9 to 15 inclusive agreed to.

The committee agreed to report the Bill as amended.

Mr. Chairman: — I'd like to thank the minister and his officials.

Hon. Mr. Meiklejohn: — We'd just carry on then. My officials will be staying here with me.

Bill No. 50 — An Act to amend The Teachers' Superannuation Act

Clause 1

Ms. Atkinson: — Thank you very much, Mr. Chairperson. Mr. Minister, we have here today an Act to amend The Teachers' Superannuation Act. And obviously there have been some negotiations that have taken place between the Government of Saskatchewan and the teachers in this province.

And I'm wondering, Mr. Minister, can you explain to the House and to the teachers of this province how it came to be that this difficult situation arose, the difficult situation that we have experienced in the last several weeks where superannuated teachers were concerned that their pensions were in some sort of jeopardy. How did it come to be that the Government of Saskatchewan decided to ask the Provincial Auditor for some form of interpretation of the legislation and the regulations and whether or not the commission was following its own legislation and regulations?

(1600)

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I'm sure, as the member opposite is aware, there has been a lot of discussion with regard to changes to the teachers' superannuation plans. In other words, there are the two plans in operation right now — the defined benefits plan and the annuities plan.

The request is that all teachers would be returned to a defined benefits plan. Now this of course is going to involve a lot of changes, a lot of additional expense. And as a result of looking at that, there was a joint study done, an actuarial study done by the teachers' federation in conjunction with the Department of Education.

There was a lot of information that was brought out at that particular time, and it was also discovered that there were some discrepancies with regard to the way in which pensions were being paid in line with what the legislation indicated. So it was after that that the Minister of Finance asked the Provincial Auditor to take a look at what was happening and to make a ruling on it.

That of course, as you know, came down some time in the latter part of May, and the move then had to be made to try and correct the problem. And that of course is why we're here today.

Ms. Atkinson: — Mr. Minister, can you tell me who discovered this problem and the course of events that took place in terms of your discussions with the teachers in the province of Saskatchewan once this problem was discovered?

Hon. Mr. Meiklejohn: — Well there've been several studies done, Mr. Chairman, and the Minister of Finance was the one then that pointed out to the Provincial Auditor that it would appear from the studies that there were some irregularities, and asked for his advice in taking a look at what was happening.

So it was initiated then through the studies that had been done, and on the part of the Minister of Finance.

Ms. Atkinson: — And once the Minister of Finance discovered this problem, what did the provincial bargaining team that represents the Government of Saskatchewan, what did they do to correct the problem?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the provincial government-trustee bargaining team was prepared to discuss this issue on several occasions at the table, as I understand it, but not all parties agreed to that. So as a result, it was not discussed through the regular course of the negotiations.

Ms. Atkinson: — Mr. Minister, are you saying that it was not discussed during the regular course of negotiations? Was it discussed through the course of mediation, Mr. Minister?

Hon. Mr. Meiklejohn: — Mr. Chairman, it was raised on March 26 during negotiations by the government-trustee committee, but the STF (Saskatchewan Teachers' Federation) had refused to negotiate the issue. It was also raised again on April 2, April 12, April 24, and May 3, and it was raised again during the mediation discussions in Saskatoon last week.

Ms. Atkinson: — Mr. Minister, can you confirm the practice that was in place was agreed to by the Government of Saskatchewan and the teachers and prior to this coming . . . the problems with the regulations and legislation coming to your attention. So I guess what I'm asking you, Mr. Minister, is to confirm that the formula that had been in place, governing the integration of CPP (Canada Pension Plan) into teachers' pensions had been a negotiated item and had been agreed to by both the Government of Saskatchewan and the Saskatchewan Teachers' Federation.

Hon. Mr. Meiklejohn: — Mr. Chairman, it's never been part of the bargaining and that the Canada Pension Plan came into being in 1966 as you will recall. The idea and concept of provincial bargaining did not come into effect until some years later, I think 1973. And it was simply referred to that. But it's something that's never really ever been bargained at the bargaining table.

Ms. Atkinson: — Mr. Minister, you're saying that integration of Canada Pension Plan into the teachers' pension plan had never been bargained at the provincial table. That's what you're saying?

Hon. Mr. Meiklejohn: — Mr. Chairman, the formula was never ever negotiated as we understand it. It was simply incorporated then into the collective bargaining process in 1973.

Ms. Atkinson: — Well, Mr. Minister, if it's incorporated into the collective bargaining process in 1973, it wouldn't have been incorporated unless there had been some type of negotiations. Would you not agree with that?

Hon. Mr. Meiklejohn: — Mr. Chairman, it was simply referred into it. You didn't have provincial bargaining prior to 1973, and of course the Canada Pension Plan started some seven years prior to that.

Ms. Atkinson: — Yesterday in your comments you advised the legislature that pensions had historically been part of the collective bargaining process, that any changes to pensions had to be negotiated, and you were pleased to introduce this legislation because this was part of the negotiating process and that pensions had been negotiated.

So what are you saying? Had pensions been negotiated or haven't they?

Hon. Mr. Meiklejohn: — Mr. Chairman, the formula, as I understand it, was in place prior to the provincial bargaining coming into place in 1973. Since that time, it has been part of the process, the collective bargaining process.

Ms. Atkinson: — And therefore, Mr. Minister, in order to change the formula would you not have had to have had some sort of agreement at the bargaining table? Or, Mr. Minister, could you have unilaterally changed the legislation?

Hon. Mr. Meiklejohn: — Mr. Chairman, the whole problem that we have here is the fact that the formula that is being used was never, ever supported by the legislation.

Ms. Atkinson: — Minister, you've made us aware of that on several occasions. But I am asking you a question, Mr. Minister. Yesterday you said in this House, in speaking to second reading to this Bill, and I quote:

Mr. Speaker, teachers' superannuation is a mandatory item in the provincial teacher bargaining and it has been past practice for changes in the superannuation plan and the legislation to be agreed to during the bargaining process. This Bill follows the traditional approach in that it is enabling legislation designed to allow the terms of a negotiated agreement to be implemented.

Now, Mr. Minister, that's what you said yesterday, and obviously you were confirming some sort of historical trend since 1973. Now I'm wondering, Mr. Minister, is it

your view that you could have amended the legislation and the regulations without having to go through the collective bargaining process?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, according to the information that . . . the direction that we have from the Provincial Auditor and also from the Department of Justice is that these amendments were necessary, that it could not be done through a normal regulation with the superannuation commission. The only way that the problem could be taken care of was through the introduction of legislation such as we are doing now.

In regard to your question, of course, it could not take place without legislation.

Ms. Atkinson: — I'm sorry, Mr. Minister, I didn't hear your last sentence because of the noise. So if you could repeat it, please.

Hon. Mr. Meiklejohn: — Mr. Chairman, I'll say again, the only way that this could be corrected was through legislation such as we are doing here today.

Ms. Atkinson: — Mr. Minister, then I have to repeat my question again. You said yesterday that in order to change the legislation, the past practice had been that the teachers and the government went through some sort of bargaining process and that you were simply following the traditional approach in that this enabling legislation was designed to allow the terms of a negotiated agreement to be implemented. My question, Mr. Minister, is could you have changed this legislation and the regulations without having any kind of negotiated agreement?

Hon. Mr. Meiklejohn: — Mr. Chairman, as I understand it, it was within our power to do this. We're talking about enabling legislation here, and it is going to enable this process to now take place through regulation as was negotiated or agreed to this past week.

Ms. Atkinson: — Mr. Minister, I'll ask a very specific question. Can you change The Teachers' Superannuation Act and the regulations without having ever negotiated with the teachers?

Hon. Mr. Meiklejohn: — Mr. Chairman, as I understand it, there is with the conflict that there was between the regulations and the Act, that in fact we do have the power to do that.

Ms. Atkinson: — So, Mr. Minister, what you're saying is that you have the power to amend the legislation and the regulations without ever having negotiated anything with the teachers? Is that a yes or a no?

Hon. Mr. Meiklejohn: — Mr. Chairman, let me point out again what I'm saying here. The fact that there is a conflict between the regulation and the Act and the fact that the superannuation commission has asked for me to fix this in the best way that we can and in the appropriate fashion, that we in fact do have the power to do this and this is enabling legislation.

We are now taking a look then at putting through

legislation that has been agreed to by all parties, and this will in fact take care of the problem that was pointed out by the Provincial Auditor. So it's something that probably should have been addressed some years ago, but for some reason was never ever discovered. So . . .

Ms. Atkinson: — Okay so, Mr. Minister, you then have said that you have the power to change the legislation and the regulations without consulting the teachers. But, Mr. Minister, you say that in your comments yesterday during second reading on Bill No. 50, that past practice for changes in the superannuation plan and the legislation has been agreed to during the collective bargaining process, and the Bill follows the traditional approach in that it is enabling legislation designed to allow the terms of a negotiated agreement.

That being the case, Mr. Minister, can you explain why it was that you served notice of intention to amend The Teachers' Superannuation Act on Monday night before you had ever reached an agreement with the teachers?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, let me clarify again to the member in trying to read in something here that I am not saying. We have the power to change the legislation. The commission then has the power to change the regulations through that Act or through the legislation that we are in fact bringing in.

Now when you ask with regard to why was there a notice of intent given that legislation was going to be brought in, I think that you should have a full understanding that you have to give 48 hours notice before a Bill can be introduced. And I think we've seen part of the problem that can result from not doing this when we consider what's been taking place in Manitoba in the last week or so.

With regard then to the notice of intent was simply that legislation was being considered and would be introduced and could be introduced on Wednesday. With regard to the finalization of legislation, that was not possible until Wednesday, after which we know that the discussions had taken place and it was agreed to what should be included in that legislation. But because we were in a wind-down mode, I think you understand why or should understand why the notice of intent had to be given.

Ms. Atkinson: — Mr. Minister, as I understand it, this issue was discussed during mediation on Thursday and Friday between the Government of Saskatchewan and the teachers, and that there had been a proposal put forward by the teachers, a proposal similar to what we see here today. And nothing had been agreed to on Thursday and Friday and the mediator, Mr. Ready, had returned to Vancouver. Your government, on Monday, served notice of its intentions to introduce An Act to amend The Teachers' Superannuation Act. And once you did that, then the negotiations started to take place, as I understand the situation, Mr. Minister.

And so, I'm wondering how it could be that your government, which says that the past practice for changes to the superannuation plan has been negotiated — you acknowledge that — and then amendments take place

after the negotiations, how could it be that you would introduce your motion of intent before you negotiated anything?

Some Hon. Members: Hear, Hear!

Hon. Mr. Meiklejohn: — Well you made a lot of statements last night that were totally inaccurate. You're known for giving misleading information, and you certainly gave us a good bit of it last night.

Now I would point out to you, when you talk about the fact that it was raised with the mediator last week, it was raised with the mediator, but you kind of changed your song as you went through your speech last night. At first you said that it was nearly the same, nearly the same as what the Act that we're dealing with here now — was nearly the same as what was presented last week — but by the time you were finished you had it being exactly the same, which is totally inaccurate.

I mean, you can take a good look at them. The fact was that it was introduced last week with the mediator, but when you consider the main issue that we have here is how the integration was to take place, and those specifics were not put on the table last week. Those were the deals that were negotiated, those were the deals that were agreed to on Tuesday.

Now you talk about the fact that I gave notice of intent on Monday night. The decision was made, as I understand it, long before that, that the meeting was going to take place on Tuesday. What we did not know was what the outcome of that meeting was going to be.

But the fact remained that the Provincial Auditor made it quite clear that what in fact was taking place was not legal, that there was no law that gave the right to carry on the practice of paying the superannuation payments, as was being done.

So there had to be some changes made. The fact of the matter was that the legislation was not completed because at that point we did not know exactly what was going to be included in it, other than the fact that we had a problem that had to be taken care of. We had to assure the superannuates, as I did in my letter, that I would do everything in my power to see that they did not have to make any repayments of money that they had received up until this period of time. We had to do that. But it had to be corrected.

The other thing of course was what was going to happen from here on, in that the process that is in place would continue on. Now of course what happens . . . when does the integration take place and how does it take place?

I am very pleased that they were able to reach an agreement on Tuesday and that that now can be put into practice in the regulation so that the issue that we have had to deal with here, that was uncovered, is now going to be taken care of and people can carry on, not having to worry about paying money back or that their pensions are going to be changed in any way.

Ms. Atkinson: — Well, Mr. Minister, in response to my

comments of yesterday, this is what I will say to you. I have a copy of the teacher proposal dated June 15, 1990. In the legislation, Mr. Minister, as the teachers were proposing on June 15:

All superannuated teachers as of the date of this proposal will retain all superannuation benefits under The Teachers' Superannuation Act and regulations to which they are entitled.

Teachers who begin receiving an allowance under The Teachers' Superannuation Act prior to December 31, 1991, as per the regulations that will come into effect after this legislation has passed, shall receive benefits according to the provisions of The Teachers' Superannuation Act and regulations in effect as of the date of this proposal and pursuant to paragraph three below.

Notwithstanding the foregoing, the Government of Saskatchewan shall immediately undertake to enact the teachers' superannuation amendment regulations which are attached as appendix A.

(1615)

Very little difference between what the teachers were proposing in those regulations and what we see before us today, Mr. Minister. And then it says number four:

The teachers' collective bargaining team agrees to negotiate an amended provision to the regulations outlined in appendix A which would provide a CPP integration formula similar to other teacher organizations in Canada and which would form part of the collective agreement which is under negotiation and which will be effective January 1, 1992.

Now, Mr. Minister, that's what you said in your comments yesterday that the new regulations that are coming into effect in January 1, 1992 are similar to other teacher benefits in other parts of this country.

So I ask you, Mr. Minister: what wasn't true? I heard you say from your chair yesterday that I was lying through my teeth. Now I want to know, Mr. Minister, how was I lying? This is the teachers' proposal from June 15, 1990. This is what they had on the table. What difference is there in terms of the regulations and legislation that we see? What fundamental differences are there?

Hon. Mr. Meiklejohn: — Mr. Chairman, the fact of the matter is that the regulations and the difference between what was on the table last week and what we're talking about here does not bring about the integration after, as you say, December 31, 1991. That's what is missing, and that had been asked for on different occasions. And it was finally then put on the table on Tuesday, a proposal then as to how this could take place after December 31, 1991. So that's the basic difference, but it's a very significant difference.

Ms. Atkinson: — Mr. Minister, as I understand from your remarks yesterday, you advised this House what has been tentatively agreed to is the integration of the Canada

Pension Plan into the teachers' superannuation plan that is similar to other teachers across the country. That's what you advised us.

When I look at what the teachers were proposing in their proposal of June 15, they were saying that:

The collective bargaining team agrees to negotiate an amended provision to the regulations which would provide a CPP integration formula similar to other teacher organizations in Canada.

Now I ask you, sir, what is the difference?

Hon. Mr. Meiklejohn: — The fact of the matter is, Mr. Chairman, there was no detail provided as to how this was in fact going to happen. No detail.

An Hon. Member: — It did happen.

Hon. Mr. Meiklejohn: — It didn't.

Ms. Atkinson: — Mr. Minister, it did happen. Now, Mr. Minister, I just want you to provide me with some specific details in terms of the implications of this legislation and the proposed regulations for teachers in the future.

I understand that teachers who are presently superannuated are entitled to continue to receive their existing benefits. Teachers who superannuate between now and December 31, 1991 will continue on the old formula. Teachers who retire after January 1, 1992 are on a new formula.

Can you explain to me what we're looking at in terms of cuts to Canada pension, come January 1, 1992, should this agreement go through?

Hon. Mr. Meiklejohn: — Mr. Chairman, what is going to be taking place, and I would just review that again for you and I think this is what you were suggesting as well; there will not be necessary any repayments. The legislation will in fact make it appear as if there were no overpayments. From now until the end of 1991, those people who are superannuating, will continue on with the present formula. After December 31, 1991, there will not be any change to the Canada pension payments, as you have suggested. The change will come about through the Teachers' Superannuation Fund, in that there will be some offset there to make up for the other.

So there will be a change for those, and I think this is something and I certainly commend the STF (Saskatchewan Teachers' Federation) for putting this proposal forward with the detail in that it does bring about, I think, a fair and reasonable way of doing it. It's going to be fair not only for the teachers, it's also going to be fair for the taxpayers. It is going to mean that there will be a difference of course in the amount of money that people receive, but I guess that we can consider the fact that today many teachers retire somewhere between 50 and 55 years of age. So they are going to be having that pension. It will be indexed, it will be increasing over the years for 10 or 15 years before this actually kicks in, before they will feel any impact of it.

Ms. Atkinson: — Mr. Minister, I'll give you an example. A teacher has 30 years of service, retires at \$40,000, average salary, 65 years of age, Canada Pension Plan, \$486 per month. What happens to that teacher now? What will happen to that teacher as of January 1, 1992?

Hon. Mr. Meiklejohn: — Mr. Chairman, I believe that the difference in the example that the member has used could be in the neighbourhood of \$200 a month when the change kicks in, when they're 65 years of age.

Ms. Atkinson: — What happens to that teacher today?

Hon. Mr. Meiklejohn: — A teacher retiring today, there won't be any impact at all. I mean, that will carry on the same as it has in the past. There won't be any change when they're 65. We're only talking about those teachers who retire after December 31, 1991. It's only those teachers that retire. And let's keep in mind that we've been talking about overpayments here. So in fact what's going to happen is that the integration will take place and that the overpayments will no longer exist.

Ms. Atkinson: — Mr. Minister, as I understand it now, about one-third of the Canada Pension Plan is deducted, about an average of a third. As I understand it, come January 1, 1992, we're looking at about two-thirds. Is that correct?

Hon. Mr. Meiklejohn: — That's roughly correct, Mr. Chairman.

Ms. Atkinson: — I'm sorry, Mr. Minister, I didn't hear you.

Hon. Mr. Meiklejohn: — That is roughly correct.

Ms. Atkinson: — Right. And, Mr. Minister, as I understand it, the legislation that we're dealing with today, by amending The Teachers' Superannuation Act and allowing for integration to be in whole or in part, that allows you to change the regulations come January 1, 1992. Is that correct?

(1630)

Hon. Mr. Meiklejohn: — Well what in fact this legislation does, Mr. Chairman, it protects those people who are superannuated now, but it is also going to mean that changes can take place then as they are negotiated. As there are changes made, then the regulations can be set up accordingly and brought into play. But it will be according to the negotiations that take place.

Mr. Kowalsky: — Mr. Minister, when you discovered the incongruity between the regulations and the way the pay-out was being made, you had two options, did you not? You had an option to, number one, bargain down, as what you did. The second option was to change the regulations to put them into . . . to update the regulations so that they would meet existing practices — so that they would meet existing practices. In fact that's what you did retroactively.

Would you confirm, Mr. Minister, that you could have simply changed the regulations with the accompanying legislative change to meet existing practices without

going back to the bargaining table and rebargaining anything. And why didn't you do that?

Hon. Mr. Meiklejohn: — Mr. Chairman, we could not have just changed the regs. I mean that was made quite clear by the auditor. Before that could happen, we had to change the legislation.

You have to keep in mind that we're dealing with three different areas here. We're dealing with what's happened in the past and what is going to happen over the next couple of years, and then what is happening beyond that. And that was of course the proposal that was put forward by the STF, and that could not have just happened without doing what we're doing today.

Mr. Kowalsky: — I agree with part of that, but you didn't get my whole question, Mr. Minister. You changed the legislation and the regulations so they would accommodate past practices retroactively. You did not have to go back and rebargain. You could have continued the present practice without going back to the bargaining table. All you had to do was change the regulations and legislation, as you said yourself. You didn't have to go back to the bargaining table which ended up in costing every teacher 200 bucks a month.

Hon. Mr. Meiklejohn: — That's not so at all. Where are you getting this costing every teacher \$200 a month? You can't have it both ways here. I mean it's been indicated when the Canada Pension Plan came in that integration was to be reached within a certain period of time. Now what we're doing here takes care of not only the past practice, but it also, because of the agreement that was reached on Tuesday, allows for the integration to take place after the end of 1991.

So for you to say that every teacher is going to be losing \$200 is totally inaccurate. I mean that's part of misleading information that you as one member over there likes to put out. That is not going to cost every teacher \$200. And let's keep in mind that this is a proposal that the STF has put forward. And it's only those teachers who superannuate after December 31, 1991 that are going to be affected by this, and that will kick in when they reach age 65.

Mr. Kowalsky: — Well, Mr. Minister, I'm using the figure 200 based on the reply that you gave to us just a few minutes ago, and that is based on a \$40,000 salary, teacher of 65 years of age retiring with 30 years experience. You said that there would be a differential of \$200. That's what this amounts to. So you know darn well what I mean, Mr. Minister. You know what I mean.

And every retiring teacher that would be in that category would lose \$200 a month. Anybody who would have a little higher salary would lose more. Presumably anybody who had a lower average salary would lose a little less.

But the thing that I'm asking you to verify, Mr. Minister, is that that's the effect which you negotiated down, whereas you had the option also of leaving it where it was.

Hon. Mr. Meiklejohn: — Mr. Chairman, let's be clear on one thing. The practice that was in place was illegal. It

had to be corrected. This is the best way that it could be corrected. And when you talk about what teachers who retire after the end of December 1991 and how they're going to be affected, I would point out to you again that this was a proposal that was put on the table by the STF and was acceptable and was agreed to by the government-trustee bargaining team.

But the fact was that it had to be corrected and this is the best way that you could go about doing it. It think it's fair and reasonable for all of those who are presently on superannuation. It is going to impact those, certainly, as they retire. But I mean for you to say all teachers, that covers a pretty broad range here. Let's talk about the teachers that superannuate after December 31, 1991.

Ms. Atkinson: — Mr. Minister, if you are a teacher and you're going to retire prior to 1991 and your Canada Pension Plan averages \$600 a month, with the present formula you lose about \$200. If you are to retire after 1991 at age 65 with a \$600 Canada pension, you lose about \$400. Is that true?

Hon. Mr. Meiklejohn: — Mr. Chairman, the member is partly correct in what she's saying in that there is now, when you reach 65, there is a change with regard to the Canada pension that the person would receive. Again though, keep in mind that those teachers who retire up until the end of next year, there won't be any impact on them. And so what we're trying to do here is correct a problem that we have.

And the practice that is going to be followed, Mr. Chairman, is in line with what most of the other provinces in Canada are following. So it's not that our teachers are being treated any differently. In fact I think in discussions that I've had with the general secretary of the STF, and I'm pleased that he's with us this afternoon, is that in fact that we are still going to have the better part of both worlds in so far as our province compared to teachers in the other provinces.

Ms. Atkinson: — Mr. Chair, I just have a question for you: is this where I can wrap up my comments on this Bill? Okay.

Mr. Minister, we're prepared obviously to support this Bill because we do believe in the collective bargaining process. We always believe that it would be unethical for the government to introduce amendments to the legislation before the teachers have had the opportunity to negotiate any changes to The Teachers' Superannuation Act, so I can tell you, Mr. Minister, we will be supporting this legislation.

But we do have a great deal of difficulty with the process that you used in order to get this legislation into the House.

Now we are of the opinion that you can't put a hammer to people's heads. You can't do that. That is not the way one goes through a process of conciliation and negotiation. That's not what you do. And it seems to me, Mr. Minister, that you signalled your motion of intent on Monday night, your motion of intent to introduce legislation to amend The Teachers' Superannuation Act before you had

collectively bargained any kinds of changes to the Act, Mr. Minister.

And we find that regrettable. We find it regrettable that teachers from all over Saskatchewan had to phone literally all of the members of the legislature — we received hundreds of phone calls. It's regrettable that we had to receive faxes and telegrams and letters outlining teachers' opposition to any kind of legislation before negotiations. We find that regrettable.

And, Mr. Minister, we find it regrettable that in order to get yourself some sort of negotiated settlement, you had to propose or you had to serve your notice of intention of amending The Teachers' Superannuation Act before you could get to the bargaining table and negotiate.

We don't think that's the way we develop positive labour relations in the province of Saskatchewan, particularly at a time when teachers — since Christmas, Mr. Minister, I would suggest to you — have not felt very, very positive about the collective bargaining process that has been occurring, and haven't felt that positive about your government.

Now we know, Mr. Minister, that you have a long ways to go before a collective agreement is arrived at in the province of Saskatchewan. I understand that negotiations are to start up again on Monday of next week. We know that there are many, many issues on the bargaining table, many issues, and we believe that it's extremely important that teachers have a collective agreement by September 1 of this year in order that teachers can start teaching in the fall of 1991 with some notion of security, with some notion that they won't have to take any kind of work action in order to get themselves a collective agreement.

I think that the teachers of this province have served notice on all of us, because of what we've seen in the last several days, that they are not very happy with what's been happening at the bargaining table. They're not very happy with what's been happening in education.

Because when teachers were calling us and writing us about changes to their pension plan, they also raised with us the underfunding of education, the fact that rural school divisions in many parts of this province have cut three, four, five teachers from the local school division, the fact that they're faced with multiple class-rooms. I have heard from a teacher who now will be teaching from K to grade 6 — one class-room. There was a teacher cut in that school, and that's unacceptable.

So when the Government of Saskatchewan threatens to impose legislation instead of negotiations, Mr. Minister, all it does is further entrench the notion that this government is not supportive of teachers and is not supportive of education.

I can assure the teachers of this province we will be supporting this legislation. I can assure the teachers of this province that we want the Government of Saskatchewan to get to the bargaining table and negotiate a settlement. I can assure the teachers of this province that this side of the House is firmly committed to having increases in funding to education so that teachers don't have to have

huge classes. They don't have to have multiple grades in their class-room — so that they don't have to be in a situation where they're feeling more and more pressure and stress because of underfunding of education.

Mr. Minister, we will support this legislation, and we would encourage you to get to the bargaining table on Monday and Tuesday and negotiate a collective agreement.

Some Hon. Members: Hear, Hear!

(1645)

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I'm certainly pleased that the opposition is going to be supporting this Bill because it is something that has to happen because of the circumstances that we found ourselves in. But I would point out, Mr. Chairman, that part of the problem that we've seen in this province over the last number of months is certainly not been helped by that member and other members in the opposition.

I think that in many cases, in many cases, we have seen examples of the misinformations gone out. Mr. Chairman, it was interesting, you know, I've talked to a lot of teachers this week. Mr. Chairman, you could talk to ten different schools this week, and you could get ten different answers as to really what the problem was. The fact of the matter is that what was taking place was illegal, and the problem had to be taken care of. And the member over there chastises us for the idea that we had to introduce legislation that was going to correct the problem that was, in fact, illegal.

There was not any intent here that any people should be hurt in any of this process at all. In fact, we are here to help the superannuates and ensure that they are being protected, that they are not going to have to repay any of that money and that their pensions are going to be protected on into the future.

So, Mr. Chairman, I think that as far as education in this province, we are concerned about seeing things go ahead. We are concerned about seeing a collective agreement fairly quickly in this province. And for the member to stand in her place and suggest that we may be a long ways away from a settlement, Mr. Chairman, I would really wonder where she's coming from when she makes a statement like that because I'm sure that the two sides of the bargaining committee and certainly this side of the House are interested in having a settlement just as quickly as possible.

I'm pleased that they're going to be back at the table next week, and I don't have any doubt but what a settlement will be achieved within very short order. So, Mr. Chairman, we're doing the best that we can here.

Some Hon. Members: Hear, Hear!

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 46 — An Act to amend The Statute Law

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

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

Bill No. 45 — An Act to amend The Land Titles Act

Hon. Mr. Neudorf: — Mr. Deputy Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

Hon. Mr. Neudorf: — Mr. Speaker, by leave of the Assembly, I move that this Bill be now read the third time and passed under its title.

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

Bill No. 43 — An Act respecting Police Services

Hon. Mr. Neudorf: — Mr. Deputy Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

Hon. Mr. Neudorf: — Mr. Speaker, by leave of the Assembly, I move that this Bill be now read the third time and passed under its title.

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

Bill No. 21 — An Act to amend The Education Act

Hon. Mr. Neudorf: — Mr. Deputy Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Neudorf: — Mr. Speaker, by leave of the Assembly I move that Bill No. 21 be now read the third time and passed under its title.

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

Bill No. 50 — An Act to amend The Teachers' Superannuation Act

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

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

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

**Provincial Auditor
Ordinary Expenditure — Vote 28**

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Hepworth: — Mr. Chairman, I'm pleased to introduce to you and to members of the committee, Art Wakabayashi, who's sitting on my left, deputy minister of Finance.

Item 1

Mr. Anguish: — Mr. Minister, I was wondering if you could advise us today in this Assembly when in fact the Provincial Auditor will be appointed. We have an acting auditor right now, Mr. Wendel, and we're wondering if you're going to follow traditional practice in the appointment of the auditor. And if you are, when are you in fact going to make the appointment of the Provincial Auditor?

Hon. Mr. Hepworth: — At this moment I'm waiting for a report back from the committee that was struck, the selection committee.

By way of background, for your information and members of the committee's information — and this was something I had discussed with your leader in mid to late March, relative to the process that would be put in place. And that process was establishing a selection committee, chaired by the chairman of the audit committee and a person who is also dean of the College of Commerce at the University of Saskatchewan; that's John Brennan. As well, the president of the Institute of Chartered Accountants of Saskatchewan and a professor of accounting at the University of Saskatchewan sits on that committee; George Baxter, past president of the certified management accountant society; and senior vice-president and chief financial officer at Ipsco, Mario Dalla Vicenza sits on that committee; Ross Giles, chairman of the disciplinary committee, Saskatchewan Institute of Chartered Accountants, also general manager, Degelman Industries sits on the committee; and as a facilitator, John McPhail, chairman of the Public Service Commission.

They are charged with, as the name would suggest, the selection committee, and I have not had a report from them yet, but as well when I do, I recognize the commitment, legal and moral, to consult with the chairman of public accounts, your member.

Mr. Anguish: — Well that's certainly not traditional practice as you've laid out. This selection committee process is something new and has not been traditional practice. And you would know that very well, it's been documented in other letters. I'm not going to pursue that, but you know that what you're doing does not go with the traditional practice of appointment of the Provincial Auditor.

I would remind you, sir, that one of the things that's crucially important is that the role of the Provincial Auditor is much different than the role of the private sector auditors, in that the role of the Provincial Auditor

means that the Provincial Auditor is a servant of this Assembly on behalf of the people of the province of Saskatchewan. Private sector auditors report to their board of directors, they report to management to let them know the financial standing of their company. A provincial auditor has a much different role than that.

But accepting that you have broken traditional practice, Mr. Minister, I would ask you now as to whether or not you expect that report from your selection committee in the near future or some time distant in the future, is there some sort of end to their terms of reference whereby they're going to be reporting to you?

Hon. Mr. Hepworth: — No, I think it would be in the near future. We're not expecting this to take several months by any stretch of the imagination. I would say in a matter of . . . I can't say precisely. I haven't said to the committee, you must report by such and such a date. But certainly, very much sooner, not later.

Mr. Anguish: — Could the minister tell us the size of the staff of the Provincial Auditor today, in 1990? And could you also tell us the size of the staff in 1982, Mr. Minister?

Hon. Mr. Hepworth: — Mr. Chairman, '81-82, person-years, Provincial Auditor, 72; 1990-91, 50.

Mr. Anguish: — So you've reduced the size since you've come to office of 22 person-years within the Provincial Auditor's office. I also find it a little appalling that the Provincial Auditor only now in his last year's Provincial Auditor's report, only sees about 50 per cent of the government expenditures now. And I think it's incumbent upon your government to make sure that the Provincial Auditor gets to see every item of expenditure where there's taxpayers' dollars involved, Mr. Minister.

My next question to you is in regard to the increases in the budget of the Provincial Auditor. I'd like to ask you to tell us what the budget of the Provincial Auditor was in 1982-83 fiscal year and what the budget is in the '90-91 fiscal year.

Hon. Mr. Hepworth: — Mr. Chairman, I don't have the numbers for '82-83, but I have them for '81-82; '81-82, the budget in estimates was 2.529 million, roughly, and 1990-91, the year before the committee, is slightly over \$3 million, an increase of 520,500 over that time frame. However that does include 247,400 for rent of space that wouldn't have . . . To try and help you compare apples to apples and oranges to oranges, it wouldn't have been reflected in the '81-82 budget estimate.

(1700)

Mr. Anguish: — Mr. Minister, I want to go on just a bit to a couple of motions that have been moved in public accounts, and I'd like your response to them. The Public Accounts Committee has at times been bogged down, to say the least, and quite often the work of the committee blocked because the members of the government side don't wish to allow some witnesses to be called before the Public Accounts Committee.

Mr. Minister, on June 12 of this year, the chairman of the

Public Accounts Committee moved the following motion, and I quote:

That the committee recommend the government promote the accountability of government in its management of Crown-owned share capital in corporations where the extent of Crown equity is less than 100 per cent and greater than 10 per cent, by tabling in the Legislative Assembly all quarterly statements, annual reports, and other documents received by virtue of its equity position, and by requiring the Crown Management Board or other agencies to account annually, or as required, for their stewardship of Crown equity to the Crown Corporations Committee.

Basically what we're trying to get at here, Mr. Minister, is that since there's about 50 per cent of government expenditures, taxpayers' expenditures, that are now blocked from the Provincial Auditor, we are attempting to make sure that you can give your undertaking that the Provincial Auditor, as a servant of this Assembly, not your party, not your government, but to make sure that the Provincial Auditor has access to all expenditures made by the provincial government on behalf of the taxpayers of this province.

Hon. Mr. Hepworth: — Crown-owned and Crown-controlled corporations are fully accountable, both to private interests and to the Government of Saskatchewan. They are subject to audit by their appointed auditors and follow standard reporting practice common to all private corporations. They must also report to their shareholders as well as to the Crown Corporations Committee.

The accountability that exists with respect to investments in mixed corporations, which would be where the Crown interest is 50 per cent or less, is the same as it has been for decades. Government policy with respect to investments is already established.

These investments expose the government to the same risks and reward as other shareholders. Mixed corporations are subject to reporting requirements under The Business Corporations Act and other regulatory bodies such as relevant securities commissions.

Mr. Anguish: — Technically you're right; in practice, you're wrong. Technically you're right, is that it has been like that for some length of time. In practice, you're wrong because it's well documented by the auditor's own report that many Crown-controlled corporations have blocked the auditor from having access to information that's crucial to the public interest.

And I ask your assurance and to give us your undertaking here this afternoon, Mr. Minister, that any Crown-controlled corporation that blocks access to the Provincial Auditor will be severely reprimanded and your government will intervene immediately to assure that the Provincial Auditor can access the information which is required in the public interest.

Hon. Mr. Hepworth: — Well this practice has been going

on for three, four years now perhaps. Obviously there's a disagreement and a difference of opinion. The practice, the controls, the safety net if you like, on behalf of taxpayers and shareholders is there as I outlined for Crown-owned, Crown-controlled, and mixed corporations. And I can repeat it, but it may well be that you and I will still end up disagreeing on it.

Mr. Anguish: — Well we may still disagree. All we want is your undertaking that when a Crown-controlled corporation blocks access by the Provincial Auditor to information that is in the public interest, that you would give us your undertaking that that corporation would be reprimanded by your fact that it is a Crown-controlled corporation; and secondly, that you would intervene immediately to make sure that that information is accessible to the Provincial Auditor and the staff of the Provincial Auditor to make sure there is . . . the interest of the public is being honoured.

As I say, Mr. Minister, before, the Provincial Auditor has a different role than an auditor in the private sector. An auditor in the private sector has a role to audit for the financial accuracy of the transactions of the corporation, and they report to the management and board of directors of that particular corporation.

The public auditor, the Provincial Auditor is a servant of this Assembly and therefore a servant of the people of Saskatchewan, and they audit to make sure that money is spent in accordance with the provisions that have been passed by this legislature or the board of directors — distinctly different, Mr. Minister. I want to leave that though.

If you're not going to give us your undertaking in that point, I want to go to another motion that was put forward in the Public Accounts Committee on May 24, 1990. And the motion I would quote as follows:

Whereas WESTBRIDGE Computer Corporation is a Crown-controlled corporation with 80 per cent of its shares held by the Government of Saskatchewan as at April 1, 1989; and

Whereas WESTBRIDGE Computer Corporation was referenced in the 1987-88 auditor's report and the 1988-89 auditor's report;

Be it resolved that WESTBRIDGE Computer Corporation be called before the Public Accounts Committee.

Under any normal circumstances, Mr. Minister, that corporation should have appeared before the Public Accounts Committee. But because of the fact that your colleagues have the majority of members on the Public Accounts Committee, they voted down the motion and blocked a Crown-controlled corporation from appearing before the Public Accounts Committee as a witness to answer questions as to the conduct of that particular Crown-controlled corporation.

We also know that that very Crown-controlled corporation has assured contracts with the Government of Saskatchewan in excess of \$90 million a year, and we

know that \$54 million worth of public assets were put into that corporation to get it going. The very meat and bones of that particular Crown-controlled corporation came from SaskTel, Crown Management Board, and SaskCOMP.

Now, Mr. Minister, do you agree with your colleagues that sit on that committee that in that situation, when there is an entire chapter in the 1987-88 auditor's report, that the weight of the majority and the partisanship of your members should be allowed to block that corporation from appearing before the Public Accounts Committee to answer questions that are legitimate and in the public interest, because at the date I mention in here, April 1, 1989, 80 per cent of that corporation was owned by the province of Saskatchewan, Mr. Minister.

Does your government condone that type of activity by your back-bench members?

Hon. Mr. Hepworth: — Well, Mr. Chairman, I would just reiterate our view on Crown-controlled corporations, whether it be WESTBRIDGE or any others. They are fully accountable, both to the private interests, as say the shareholders, and to the Government of Saskatchewan.

They are, as one would expect, subject to audit by their appointed auditors, and follow standard reporting practice common to all private corporations. And additionally, and I suppose these are the toughest judges of all perhaps, they must also report to their shareholders. I think I read that into the . . . or made those points into the record here just earlier, when we looked at the entire mix of Crown-owned.

The difference with Crown-owned, the 100 per cent Crown, is that they must report to the Crown Corporations Committee. I talked about the mixed corporation, which is up to 50 per cent, and the accountability that exists there. And I don't think it matters whether it's WESTBRIDGE or any other Crown-controlled company, they are subject to audits, their auditors, to their shareholders. I think the checks in the system are there, Mr. Chairman.

Mr. Anguish: — Well, Mr. Minister, again you're right in theory but you're wrong in terms of what happens in practice. They are accountable, but what happens when you have 10 members, say, on a Public Accounts Committee? Six of them are Progressive Conservative members of your caucus; four are members of this side of the House of the opposition. And when we try and call a Crown-controlled corporation before the Public Accounts Committee, the raw majority of the vote of your members blocks them from coming before the committee.

If you would read back, there were some outlandish comments by your members. They said, well go and buy a share in WESTBRIDGE to have WESTBRIDGE come with more information to you. We are shareholders. At the date that we were requesting this information, 80 per cent of the shares were held by the people in the province of Saskatchewan. But you don't choose to exercise your authority of the 80 per cent position with the company to exercise accountability.

And I think I would close off, Mr. Minister, by just saying that your government has successfully hid more information about expenditures, growing expenditures, than any government in the history of the province of Saskatchewan. And I think that's shameful, Mr. Minister.

Some Hon. Members: Hear, Hear!

Mr. Anguish: — Now you can talk theory all you want and you're right in what you say, but the practice that happens is totally not right. It is not right.

Some Hon. Members: Hear, Hear!

Mr. Anguish: — When your government and members on the Public Accounts Committee can hide information and block information coming before a committee that should be non-partisan and serve the public interest because of the billions of dollars that are expended by your government. And I submit to you, Mr. Minister, that the day will come when you will be held to account, and that day will be next election day in the province of Saskatchewan.

Item 1 agreed to.

Vote 28 agreed to.

**Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Provincial Auditor
Ordinary Expenditure — Vote 28**

Item 1 agreed to.

Vote 28 agreed to.

(1715)

**Consolidated Fund Budgetary Expenditure
Legislation
Ordinary Expenditure — Vote 21
Ombudsman**

Item 13

Mr. Pringle: — Thank you, Mr. Chairman. Mr. Minister, just maybe a couple of comments before I have basically two questions, and my colleague from Moose Jaw South has a question or two as well.

Maybe before I start I would just like to acknowledge the co-operation that I received over the past year from the Office of the Ombudsman. And I know that he and his staff have done an excellent job, but there's been some sickness on staff, some prolonged sickness, and the staff has had a very busy year. A busy year of cases, but also a busy year relating to a couple of major reviews — one of Bosco Homes and the other of course of the Principal Trust issue — that consumed a tremendous amount of time from that office, and I understand with the existing staff.

And so I think that . . . I'm sure I join you in extending and commending the Ombudsman's staff for such a fine job.

And there's no question that today a lot of the complaints are very complex and time-consuming, and they have done a very good job.

As I look at the 1988 report for a moment, and then I'll look at the '89 report, I see that back in the '88 report where the Ombudsman is calling for some kind of mechanism to deal with complaints where he feels on selected cases he may like to have . . . as an official of the legislature he may like to have access to a committee of the legislature regarding selected cases, and also with regard to the budgetary and resource requirements of that office.

And he makes that case initially, the special standing committee, in the 1988 report. And I discussed this last year with the deputy premier at that time about the government's position with regard to this request. And the deputy premier advised me that he would be thinking about it over the next year and that perhaps we should talk about it this year.

And so I will be asking you the position of yourself and your government regarding this special standing committee, which I also discussed with you briefly during estimates on the Human Rights Commission. Because I envision the same standing committee, the independent committee as identified by the legislature, serving to act as an accountability role for all of the watch-dog agencies — Ombudsman, Human Rights Commission, and the Provincial Auditor.

In his 1989 report you'll note that the Ombudsman makes the same pitch, that he has a good relationship with the public service and they can normally resolve issues. And he's talking about the political level being another matter entirely, on page 2. And then he goes on to that the standing committee that he had requested be considered the year before, which exists in Alberta, New Brunswick, and Ontario, that that kind of standing committee be given some consideration in Saskatchewan. In fact I would suggest two years in a row now he is making a strong pitch for such a committee.

And I think given the activities of this office over the last year, particularly with the two major investigations based on decisions of the government, namely Bosco and the Principal Trust issue, that he makes the case that this standing committee is perhaps more necessary than ever.

And I would like to ask you, Mr. Minister, given that I discussed this last year with the Deputy Premier at the time, have you discussed this special standing committee with the Ombudsman's office, and are you personally supportive to such a mechanism?

Hon. Mr. Lane: — Well in principle and concept I don't have difficulty with the proposal. I haven't discussed it with the Ombudsman.

Understand that the whole question of freedom of information and who is going to administer that is one of the areas under review by the government which affects the Ombudsman. I believe that the role of the Ombudsman should be looked at in light of whatever policy decisions are made with regard to freedom of

information.

So it may be premature at that time to have a committee, if in fact the Ombudsman is chosen to administer, then is it become a right of review of the freedom of information which is supposed to be in the responsibility of the one assigned to dealing with it.

So no, I haven't met but I would like to have in my own mind finalized what the policy decisions, if they affect the Ombudsman with regard to freedom of information, before I would formally support the proposal. Conceptually, I don't have difficulty with it, but I'd like to know the ramifications if freedom of information is administered by the Ombudsman.

Mr. Pringle: — Mr. Minister, I don't necessarily see the question I asked you affected in a negative way by freedom of information.

One of the concerns that the Ombudsman has expressed with me — and I'm not being critical of you or the government — is that he really has no one to discuss issues that are important to him. He really has no one to go to. Sure he can write a report about the activities of his office. He makes his pitch for funds in the normal budgetary process. But he really has no one that he can sit down and discuss the evolving role of the office, the evolving needs, the changes that are occurring in other parts of the country related to the Ombudsman's offices.

And one of the things that he was impressed with at a recent conference was . . . In Alberta, for example, there is such a committee, an independent committee, an all-party committee. And the Ombudsman from Alberta finds that very helpful just to discuss the needs and the changing demands of that office. So I see that irrespective of any freedom of information legislation which would be a specific request that the Ombudsman's office get involved in freedom of information.

I wonder, would you be willing to join myself and the Ombudsman at some point over the next weeks or months to sit down and discuss his specific request for this standing committee so that we all have an understanding of what his request is? And we can discuss the pros and cons of that and at least give the Ombudsman the opportunity to talk to the government and the opposition about the prospects of establishing such a committee.

Hon. Mr. Lane: — Yes, I'd be happy to sit down. Understand my argument is that if freedom of information is to be under the Ombudsman, that changes the role of the committee quite extensively than what the Ombudsman is talking about right now.

Secondly we should keep in mind that the Ombudsman's ability to get a hearing depends on his ability or her ability to persuade the public. And I think it fair to say that the Ombudsman gets a fair hearing in the public media whenever a report is made, any comments are made. So that the ultimate abilities and powers of an Ombudsman depends on public support for whatever recommendations the Ombudsman makes.

So again, my argument simply is that if freedom of

information is under this, it changes the role of that committee perhaps quite substantially. But I'm quite prepared to sit down with you and Mr. McLellan and discuss the point about some review of his operations. I note . . . and he is pragmatic, he doesn't anticipate, and he hasn't requested staff. So it would be a discussion based on ways to improve the operation of the Ombudsman. And I'd be quite pleased to sit down with you and Mr. McLellan.

Mr. Pringle: — Thank you, Mr. Minister. I will initiate that meeting, and I appreciate that.

Mr. Minister, the Ombudsman talked in his '88 report about, on page 2, and you may not have that before you, but he talks about the fact that he cannot tolerate, his office cannot tolerate any budget decreases, and of course as it relates to the '88 report, he didn't receive any decreases the following year.

But I understand, as I note from the budget for this year, a year ago he couldn't stand any decreases in funding, and I note in the budget request this year, he has been allocated some \$16,200 less this year than last year. Not on salaries — and I recognize that the complaints are down a bit but on other expenses — and I guess I would like to know, in light of his comments in 1988, how he can afford to lose 16,200 in this budget year?

Hon. Mr. Lane: — This was the amount requested by the Ombudsman.

Mr. Pringle: — Okay, thank you.

Mr. Minister, one other comment as I say again, the complaints were down last year. He does make the point in his report that over the last three or four years, complaints are up substantially, particularly in the area of community corrections, which he attributes to overcrowding of jails, and in Social Services which he attributes to welfare reform. And of course, that isn't surprising.

Welfare reform, despite the fact that there's been a training component to that and a work component to that, which has been a mixed blessing in some ways, welfare reform has contributed greatly to increasing numbers of people using food banks and not being satisfied with the quality of service and programming and budgeting in social welfare.

So I think what he's pointing to there are some signals for the government that I'm sure that you're certainly the minister responsible for the correctional system and I'm sure that the Minister of Social Services and the Minister of the Family will be taking note of his comment regarding welfare reform.

I guess, Mr. Minister, having made those comments, I'll turn the questioning over to my colleague from Moose Jaw South. Thank you very much.

Mr. Calvert: — Thank you, Mr. Chairman. Mr. Minister, you will have reviewed the Ombudsman's report, and it's clearly pointed out in this year's report that he in essence undertook two major investigations in 1989 — one into

Bosco Homes and the other into the collapse of the Principal Group of companies.

Mr. Minister, I would like just for the record to read what the Ombudsman says in his report regarding his investigation into the collapse of the Principal Group of companies. He says and I quote from page four:

My investigation concluded that the Superintendent of Insurance had placed undue reliance on the Alberta regulators and, thus, had not fulfilled the obligation and duties imposed on him by the legislation. In consequence of that finding I recommended to the Minister of Consumer and Commercial Affairs that the Saskatchewan government "... should act to bring the investors recovery from company and provincial government sources to 90 per cent of the value of their investment as at July 2, 1987 — the day the F.I.C./A.I.C (First Investors Corporation/Associated Investors of Canada) licenses were suspended in Saskatchewan . . ."

(1730)

And then, Mr. Minister, he goes on to say . . . this is the ombudsman:

I regret to report that my recommendation has not been implemented and the Provincial Government has declined to pay any compensation to Saskatchewan investors.

Mr. Minister, of two of the major studies that the Ombudsman did in 1989 — and I would argue the most significant of those two was the investigation into Principal Trust, a long investigation, a thorough investigation that concluded with a recommendation from the Ombudsman that your government should act to compensate those investors who lost money.

Mr. Minister, I guess my question is a relatively simple one. If your government so quickly and so blatantly will disregard the results of a long and thorough study by its own Ombudsman, sir, what is the point of having an ombudsman in the province?

Hon. Mr. Lane: — With the greatest respect to the hon. member, the Ombudsman is rather extensive in his report as to the files that are closing, the resolution of most of the matters.

And from time to time the government will disagree. I mean, that's certainly the government's right and prerogative. In some of the times government, in terms of the operational side of government, may disagree with the resolution of the matter.

So I gather there are closings of files in, I think, 1,599 . . . I'm assuming that that means resolutions of matters. Resolution being either that things were handled properly or it was . . . if there was a difference, that it was resolved. That's a significant number, and I think that it's indicative that the Ombudsman has a significant role to play.

But from time to time there will be differences.

Obviously, there are differences of opinion with regard to compensation for those who invested in Principal Trust. It's now before the courts; the courts will resolve it. But there will be differences from time to time. There was differences from time to time before this government was elected. That does in no way diminish the role of the Ombudsman.

Mr. Calvert: — Well, Mr. Minister, in my memory, never before in the province of Saskatchewan has the Ombudsman's office undertaken this kind of a major study into a major issue that affects thousands of Saskatchewan people, to then bring to the government of the day a clear recommendation based on the findings of the study, to have the government of the day and the minister of the Crown responsible to whom the report was addressed, describe the Ombudsman as a little soft, well-meaning but soft.

That was the kind of comment we received from the Minister of Consumer and Commercial Affairs today. Mr. Minister, no other minister has been able to clearly explain to this side of the House and to the people whose lives have been affected, why it is, sir, that you chose, your government, to reject this major report of the provincial Ombudsman. Would you care to address yourself to the fact or to the reasons why you chose, as a government, to reject this substantial report of the provincial Ombudsman?

Hon. Mr. Lane: — The fact is you've had several explanations, several times during this session. You disagree with them which is certainly your right, but the fact that you disagree with an argument doesn't mean that reasons weren't given. And there was a disagreement. The government is of the view that without getting into the court case, that the responsibility is that of the province of Alberta.

The court will resolve that, that the province of Saskatchewan, when it had a trust company under its jurisdiction and the trust company went into severe financial difficulties, this government, because it was a Saskatchewan company, stepped behind and compensated the investors no matter where they lived. Our argument is that the province of Alberta should do the same.

Now it's not that you haven't had that reason given to you. With the greatest respect, you've had it numerous times. You may disagree with it; you do disagree with it. That obviously is your right and your choice. But to say that they haven't had a reason, with respect, is not accurate.

Again the fact that in the vast majority of cases the Ombudsman resolves matters, never takes away the right of a duly elected government to disagree. And so we do disagree on that one. But again I simply state that that in no way diminishes the role of the Ombudsman nor does it negate the role of the Ombudsman.

Mr. Pringle: — Mr. Minister, the Ombudsman builds such a convincing case in Principal Trust and he's got . . . this is my point about the committee, the standing committee — he's got nobody to discuss it with. And your

Minister of Consumer Affairs, who's supposed to protect the rights of consumers, attacks the consumers — it's their own fault that this company went down the tubes — when the responsibility is clearly on the shoulders of the government, according to the Ombudsman, an objective investigation, plus most of the Saskatchewan public. So that's the value of that committee I talked about.

One final comment, Mr. Minister. I guess something that does concern me — and in a way I'm sorry the Ombudsman isn't here — and that is that he carried over 450 cases or complaints, outstanding files, into 1990. Now I don't know what stage those are at — maybe that's not a serious issue — and I don't expect you to. But it seems to me, 450 outstanding files is a significant way to enter 1990, a new year.

And he pretty well . . . now he didn't request more staff, and maybe he's not concerned about unnecessary delays in those investigations. But when you and I meet with him, I would like to pursue with him the status of these 450 complaints, because my hunch is that he didn't request more staff because he knew it was hopeless. But if we had that standing committee he could come and discuss his budgetary and his staffing needs with an all-party committee who could make that kind of a responsible decision in an objective way, and then he wouldn't have to rely on the government of the day and on the goodwill of the government of the day.

And so those are all my comments for now, Mr. Minister. Thank you.

Hon. Mr. Lane: — I thank the hon. member, but we should keep in mind that the number of closings was virtually the same, which tells me that the work-load was fairly constant. He's had the two major cases. And that ultimately no matter what forum, whether we have a committee or not, it's still public suasion which gives the power to the Ombudsman.

And I mean a committee could be debated, and ultimately the government has to make that decision as to the allocation of funds, so we never get away from that responsibility even with a committee. But that's not to denigrate the hon. member's arguments; that's not my intent. But it's to put them in perspective. I don't have the answer.

Your question is very much a fair one as to the outstanding files. I don't know what category he would place them in or whether they're routine or otherwise, but certainly a fair question to ask the Ombudsman when we meet.

Item 13 agreed to.

**Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Legislation
Ordinary Expenditure — Vote 21**

Item 3 agreed to.

**Consolidated Fund Budgetary Expenditure
Saskatchewan Gaming Commission**

Ordinary Expenditure — Vote 58

Item 1

Mr. Calvert: — Thank you, Mr. Chairman, and I mean that. Mr. Chairman, I'm wondering if the minister's waiting on an official . . . (inaudible interjection) . . . He just wants to go ahead. Well, Mr. Minister, some of the information that I would like to receive, perhaps you can provide in writing. I'm sure you won't have this information at the tip of your fingers and I wouldn't expect you to.

An Hon. Member: — Try me.

Mr. Calvert: — Well all right, sir; you say try me. Mr. Minister, I understand that under the new legislation that the registration for primarily bingo halls was to be completed, mandatory by June 1 of this year, and so I'm wondering if you can provide for the information of the committee, how many businesses have been registered now under the new registration policy. I wonder if you could give me a breakdown on how many of those are under the categories, as the registration form indicates: individual proprietor, a partnership, a corporation, non-profit, or other. So I'm looking for the statistics from the registrations.

Mr. Minister, maybe I should just pause there. Are you prepared to provide that information?

Hon. Mr. Klein: — Mr. Chairman, we're just in the process of doing the registrations right now, and in the process of proclaiming the Act, so that the member's questioning at this point in time is just a little bit premature because we're still in the middle of gathering all of this.

Mr. Calvert: — Well, Mr. Minister, I have a copy of a letter here that went to all commercial bingo halls in the province. It's dated March 30, 1990 and it begins with a paragraph that reads:

On March 20, 1990, my letter to you indicated the preparations which had been made to introduce and implement the registration program. Registration will become mandatory on June 1, 1990.

I'm assuming that all of the commercial bingo halls in the province will by now have filled that in and supplied it. And what I'm asking, sir, is just the information that you've garnered from this in terms of the numbers of those who have registered and the numbers in each type of ownership is indicated on the form, whether it be an individual proprietor, a partnership, corporation, a non-profit organization, or other.

Hon. Mr. Klein: — Well you see, Mr. Chairman, as I explained a moment ago, while all of those applicants have now applied, and we are in a process of doing the registrations, this is the first year, as the member knows, because we are just forming this new Crown corporation and the first time for the registrations. And that is all in the mill at this point in time. The questions that you are asking right now have not yet been concluded as we are doing

this.

I would offer you this, that if you wrote me a letter and brought it to my attention within the next few weeks, as soon as that information is compiled, I don't have a problem with sending you a breakdown of the various items.

Mr. Calvert: — Well, Mr. Minister, how would it be if we just save the stamp and I'll put the request formally now that when the process is complete, I will ask you now, when that process is complete will you provide me with the information I asked for?

Hon. Mr. Klein: — Mr. Chairman, when the process is complete, we will provide that information.

Mr. Calvert: — Thank you, Mr. Minister. Saves a letter.

Mr. Minister, could you give me now, if you have the information, the current breakdown when it comes to the bingo operations, can you give me the current breakdown in terms of the percentages that should go to the prize board, to the charity, the licensing cost with the province, and how much goes to the event supplier.

Hon. Mr. Klein: — Mr. Chairman, what we have in place is 17 per cent of the prize money on bingos — and that's what the member is referring to, because the Gaming Commission, as he knows, is more than just bingo — but as far as it relates to bingo, 17 per cent of the gross receipts will be directed to charities; 2 per cent will be directed to the Gaming Commission. The balance will be available for the prize board and the operator of the hall.

Mr. Calvert: — Mr. Minister, is there a specific breakdown between prize board and operator now?

(1745)

Hon. Mr. Klein: — Well the specific breakdown varies, depending on what we're doing. Right now I would like to work a new formula out, particularly with the hall operators, the commercial bingo operators.

When a bingo operation is in place by a charity, we don't really have too much of a problem as to the entire net profit that would be available to the operator of the hall because it's going to a charity. And we don't have a problem.

When it comes to a commercial hall, we want to ensure that the dollars are directed into the right place; we want to ensure that the players receive their fair share of the prize board.

Right now it operates on what they call a little bit of a bulge, with some being saved over and all the rest. We're trying to work that out with the commercial operators to get to a more trackable and a better system of operation there that would perhaps please everybody more. That is in the middle of discussion right now.

We believe that the first step was to get the registration done. Everybody has agreed to that. We're in the middle of a lot of interesting situations with everybody in regard

to bingo, and hopefully all of that will be resolved without any problems.

Mr. Calvert: — Thank you, Mr. Minister. Those are laudable goals. I think those are laudable goals, particularly in reference to the commercial bingo operation. And I encourage you to pursue that goal.

Sir, could you provide for me or have the Gaming Commission provide for me, for the calendar year 1989, the total amount of moneys expended on bingo in the province of Saskatchewan for 1989? Could you then provide for me, out of that figure, the total of the amount that became proceeds to charity, the total of the amount from bingo licensing for government, then the total of that amount that went to the prize boards and the total of the amount that went to the bingo operators. What I'm asking for is a total picture of the bingo operation in the province from the year 1989.

Hon. Mr. Klein: — Yes, that's pretty extensive. We can supply you with most of that information and I will give you the breakdown on those figures that is available at this point in time. I'm sure that I can satisfy you with all the numbers that you're looking for, and I'll check *Hansard* following this approval and supply you with as much information as I can.

Mr. Calvert: — Mr. Minister, just before we leave the topic of bingo, I'm aware that there is a certain court action going on right now regarding the question of whether or not it is legitimate for the provincial government to be collecting the licensing fee from treaty Indian reserves. Sir, this article appeared in the *Star-Phoenix* on May 4 of this year, and I just want to quote from it. The headline is "Sask. tax on gaming activities said illegal." And it reads:

Saskatchewan does not have the constitutional right to tax gaming activities, lawyers for Indian bingo volunteers have told the Court of Appeal.

And this is the sentence, sir, that concerns me.

If the court accepts their argument, it could reduce or kill the province's right to tax any gaming activities.

Sir, without commenting on the specifics of the case and the court action, is it your understanding that if the court rules in favour of the Indian bands, that the writer of this article is correct? That if the court accepts their argument, it could reduce or kill the province's right to tax any gaming activities? Is that your understanding, sir?

Hon. Mr. Klein: — It's my understanding, Mr. Chairman, that that issue that's before the court right now is a federal issue. Our Gaming Commission doesn't have too much of a problem with it right now. We're of course monitoring it. We don't feel right now that we will have a problem as far as it relates to Saskatchewan and the Gaming Commission.

Mr. Calvert: — So it's your understanding, sir, if in fact the court rules on behalf of the Indian bands, it does not jeopardize your government's right to collect a licence

fee or to tax other gaming activities?

Hon. Mr. Klein: — Mr. Chairman, I can't answer that because I don't know what the total court ruling will be. Right now we're not involved in the action; it's a federal matter, and we're monitoring it.

Mr. Calvert: — Mr. Minister, my point is if the court should rule in favour of the bands, if we can take that hypothesis, does it mean what this writer concludes, that it may limit or restrict the province in taxing . . . putting on licence fees and other gaming activities or taxing other gaming activities? Is the author of this article correct in his or her assumption?

Hon. Mr. Klein: — Well, Mr. Chairman, when something's in court, I don't believe that you can speculate on the outcome. And I think that the member — I know what he's trying to get at — but I think to speculate on anything that's before the court right now is really not good for either of us to pursue.

Mr. Calvert: — Mr. Minister, just for the information of the committee, could you outline, just in short order, the range of gambling activities for which the Gaming Commission is now responsible?

Hon. Mr. Klein: — Well certainly it includes bingos, it includes the break-open commonly referred to as Nevadas, and we license all of the lotteries for the charitable organizations that are held around the province.

Mr. Calvert: — Mr. Minister, does the commission have any responsibility in regard to horse racing?

Hon. Mr. Klein: — No. The whole issue of horse racing and *pari mutuel* betting is under Agriculture.

Mr. Calvert: — Mr. Minister, has there been, in the areas that the Gaming Commission is responsible for — bingos, break-opens, Nevadas, and the other raffles and lotteries conducted in the province — has there been in the last year a growth in any of those areas, a noticeable growth.

Hon. Mr. Klein: — Yes.

Mr. Calvert: — Well, Mr. Minister, I guess my final area of questioning is: does that growth in bingo activity, Nevada activity, or lottery activity, does that growth justify an increase in the budget to the Gaming Commission from \$933,000 last year to a budgeted estimate this year of 2.1 million?

Hon. Mr. Klein: — Mr. Chairman, because of the new regulations that are coming in and the fees that will be charged, we hope that the revenues will certainly pay for the operation of the commission. In years to come, it may very well be that the Gaming Commission could be an entire new source of revenue for the government.

And as we bring in these regulations, particularly with bingo which now is a very expensive . . . a lot of expenditures throughout the province in bingo, it's necessary that if the commission is to really do their job and to really take care of the Criminal Code of Canada,

those expenditures are mandatory, but they should be done without any cost to the taxpayers at the end of the day. And the outlook for the future will be that we could expand the revenues to the government.

Mr. Calvert: — So, Mr. Minister, so I'm clear about your argument here. You're raising the grant — the public expenditure on the Gaming Commission — from \$933,000 last year to \$2.1 million, almost \$2.2 million this year, which is more than doubling the amount of money going to the Gaming Commission. Your argument is that by doubling the amount going in, that we're going to be able, under the new regulations, to collect in fees and licensing and so on more than the \$2 million we're spending. Is that your argument?

Hon. Mr. Klein: — Well we're hopeful that we're going to get there just as soon as all of these regulations are done. We've had a lot of consultation with all of the various interest groups. And as a result of the fees and the different charges that are in place, yes, we hope to at least break even. We believe that that's a good way to operate. We don't think that this should be an expense for the taxpayer.

Mr. Calvert: — Well I share that view, Mr. Minister. I'm just surprised that you can anticipate these kinds of new revenues from the Gaming Commission.

Final question, Mr. Minister. In terms of the estimate in what used to be the blue book, sir, there is no indication of person years beside the expenditure on the Gaming Commission. Because we've much more than doubled the budget here for the Gaming Commission, I'm almost sure that we must be hiring more people. Could you give me the figures, sir, for the past year, '89-90, and what you anticipate this increase in the budget will do in terms of adding staff for the Gaming Commission?

Hon. Mr. Klein: — Mr. Chairman, I'd like to point out that the comparison that the member just made is not quite accurate. As we go into the supplemental *Estimates* or the balance of it, you'll see where the Gaming Commission required a special warrant to continue with it.

So the blue book, if you're just looking at the original numbers, will be quite a dramatic increase. But when you consider the total expenditures, the increase is relatively small in so far as '89-90. When you combine both of the figures, we had 29 approved positions, according to the information that I'm reading from, and we will increase that by three this year to 32.

Mr. Calvert: — Mr. Minister, then could you provide to the committee, using the budgeted figure here in the blue book and the supplemental *Estimates*, how much did we spend last year on Gaming Commission? This year we're planning to spend 2.1 million. How much did we spend last year?

Hon. Mr. Klein: — I understand it very well, Mr. Chairman. Just took me a moment to get the figures added up. I mean after all, I'm dealing with large numbers. When you add the two together, which the member could have done, but obviously he wanted me to do it, it took me just a second or two to do it: \$1.489 thousand, so

1.4 million approved last year, and this year it will be \$2.1 million.

Mr. Calvert: — So, Mr. Minister, we're talking about an increase of \$700,000, but an increase in staff only of three, sir. Now that strikes me as spending \$700,000 more. I would have expected that we would be employing more than three additional people in the Gaming Commission. Mr. Minister, can you explain it to me?

Hon. Mr. Klein: — Yes I can, and I went over it perhaps a little bit too quickly and too briefly, Mr. Chairman. The \$1.4 million that was the total operating cost for the commission, again was not representative of a full year because for the first part of the year, the Gaming Commission operated out of the Department of Consumer Affairs until the Gaming Commission was established with the Act that we passed on August 25 of last year. So that you had April, May, June, July, and August — about five months of operation under the other department. And then the \$1.4 million operated the Gaming Commission itself.

So now if you're asking me for the breakdown of the five months in the Department of Consumer and Commercial Affairs, I could get that but it would take my officials a moment to get it.

Mr. Calvert: — Mr. Minister, thank you for the responses to these questions. I'll expect the information that I asked for. And please, sir, pass to your officials thanks from members of this side of the House for the work that they're doing all across the province.

Item 1 agreed to.

Vote 58 agreed to.

Supplementary Estimates 1990 Consolidated Fund Budgetary Expenditure Saskatchewan Gaming Commission Ordinary Expenditure — Vote 58

Item 1 agreed to.

Vote 58 agreed to.

Mr. Chairman: — I would like to thank the minister and his officials.

Hon. Mr. Klein: — Mr. Chairman, although obviously my officials are not here, the member did mention the fact and my critic did mention the fact that our officials are doing a good job on the Gaming Commission, and they really are. As we embark on something new for our province, they've got an interesting challenge. They're dealing with many hundreds of millions of dollars that people choose to use that as their entertainment venue, and I think that they should be congratulated for the effort as they undertake this new project.

(1800)

Consolidated Fund Loans, Advances and Investments Crown Investments Corporation of Saskatchewan

Vote 165

Item 1 — Statutory

Mr. Solomon: — Thank you, Mr. Chairman. I have a number of questions that I wanted to raise today. But prior to reviewing these in committee, I had a chat with the minister responsible for the Crown Investments Corporation as well as the minister from Energy and Mines. And I just want to, through this forum, confirm that in those discussions I had their assurance that they would get for me answers to certain questions. And I want to just put on the record the questions, Mr. Chairman, and they pertain to the NewGrade upgrader and the financial arrangements that are involved with respect to the provincial government.

Mr. Minister, in estimates a while back in Energy and Mines, I believe it was on May 24 and in May 28, 1990, I asked the minister and I asked you the following question:

I would like to have from the minister, if not the actual outline of financial arrangements, certainly I'd like to know what the province has put into the NewGrade upgrader in terms of equity, in terms of subordinate shares, in terms of loans, and in terms of guarantees for loans and how much we've guaranteed.

As well, I'd like to know what the total costs were for phase 1 and for phase 2, and what we've put into the operation in terms of unforeseen losses or unforeseen costs.

And finally, what the province has received in payment. And the reason I ask that is because in *Hansard*, page 1587 of May 28, I made reference to all of the orders in council that we have copies of from the public record, which in our numbers totals about \$147 million in phase 1 costs with respect to the NewGrade upgrader, and phase 2 costs were somewhere in the vicinity of 869 million, which included provincial government guarantees and federal government guarantees.

I'd like the minister to review these orders in councils on that page and get back to us in writing, if you can't do it today, as to what actually has been sunk in and what the arrangements are. And if possible, as well, what are the loan arrangements and at what interest charges? Thank you.

Hon. Mr. Hepworth: — Mr. Chairman, members of the committee, along with my colleague, as the member mentioned, the Minister of Energy and Mines, and on behalf as minister responsible for Crown Investments Corporation, and as well I'll look to working with NewGrade to provide as fully as we can the information that the hon. member has referred to, Mr. Chairman.

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Telecommunications**

Vote 153

Item 1 — Statutory

Mr. Trew: — Thank you, Mr. Chairman. Minister, I've just got a few what I hope are very quick questions.

I want to talk about the Between Friends arrangement, and I simply have a letter from a person who was concerned that when they entered into the Between Friends arrangement, let's say, for example, on the 25th day of a month, they had to pay for the 30 minutes of calls for that whole month. Is that the case? And if so, will you change it and prorate it? You know, it just seems difficult for many people to get the full allotted 30 minutes in if they sign up in the dying days of a month.

The second issue I have that I'll give you at the same time is regarding a tax on a tax — I know it's been a sore spot; we've talked about it a number of times — where education tax for the province of Saskatchewan is charged on top of the federal communication tax. I'm wondering, Minister, have you any plans to change that situation of charging a tax on a tax?

I'd appreciate your comments on those two issues.

Hon. Mr. Lane: — Let me just clarify on your first question that the Between Friends matter that you had raised was that somebody that signed up near the end of a month and didn't use it . . . I don't . . . (inaudible interjection) . . . Pardon . . . (inaudible interjection) . . . That's part of the program, of course.

But let me just check out. I don't have a response for you tonight, but let me check out and see if there is a way of dealing with the general problem. If you wouldn't doing one of two things to me — either send me a letter setting out the specific problem. If you're prepared to give me the name of the individual and the phone number, we can check it out. Or if you just want the general question raised, that would require a review of the policy, quite frankly. I mean, it's designed to be bulk buying for a period of time and I'll be able to respond to you in more detail.

Secondly, with regard to a tax on a tax, understand that the statute regarding E&H (education and health tax) tax requires that it be the last tax. It's a direct tax by virtue of . . . the British North America Act requires the provinces . . . they only have powers of direct taxation, not indirect taxation. But also remember that we are advised that that telecommunication tax is removed when the GST (goods and services tax) comes in.

Mr. Trew: — Okay, thank you, Minister. I will check with the person who wrote me a letter. I see no problem with sharing the name and number, but I'll check with that person first before I tell you whether it's a specific case or more general.

Hon. Mr. Lane: — That'll be your option, yes.

Mr. Trew: — Yes, that'll be my option. Thank you, Minister.

The second area I wanted to deal with is the installation of the individual line service as it affects two groups of people, really. The first would be part-time residents, i.e., cottage owners, that sort of person. The charges per

month have jumped from \$6.10 to \$10.60, and cottage owners had no choice. For many cottage owners, I think they were quite happy being on a multi-line service and saving some \$54 a year.

The second group, Minister, that I've actually received a couple of concerns this way is from young farmers who are in the process of losing their farms. And they're literally trying to save every nickel they can. And they again have no choice. When the ILS (individual line service) comes through, they are simply forced to pay the additional \$54 per year. I know \$54 doesn't sound like a whole lot of money to you or perhaps to I, but when you see your farm being foreclosed and you're doing everything humanly possible to try and save the farm, this \$54 charge for individual line service seems patently unfair at a time like that.

Is there any way out of this? I'm not opposed to individual line service. I guess I'm . . . but I'm simply asking, in situations such as for cottage owners, why should they be forced into having the single line? And if you have a farmer, as the example I just gave you, a farmer who is going through losing the farm and yet is trying to save that farm by putting every, literally every penny and dollar they can towards payments, how would you address that, Minister?

Hon. Mr. Lane: — Well it certainly is a difficulty but the problem is that ILS is so heavily subsidized now that in order to make it as cost-effective as possible, it was necessary to do a couple of things. When we go through an area we have to install it across the piece. I mean we've had people that . . . in other areas like natural gas they change their mind after because it's done on a vote, you know, of an area. And then they change their mind after. The cost of going back, we learned by experience, is very, very high. It's a difficult question. The only way to try and do it at as reasonable a cost as possible, and it is highly subsidized, is to go through and do it. Remember as well that the actual monthly charge is also heavily subsidized. Remember there used to be a charge for individual line service that could be quite expensive, plus a mileage charge for installation.

So I'm not in any way minimizing the particular difficulty that the hon. member raises, but when we look at the bigger picture of what we're trying to do with individual line service, to get this across the province at the least cost, we knew that it may have some negative impact with some. Certainly there were some seniors out there that didn't want it, but it was a choice that we had to make in order to get this system through at a reasonable cost, and it's heavily subsidized.

Mr. Trew: — Thank you, Minister. In another day I might be going after you about the cost of that very subsidy, but that was not the point I was trying to make today.

SaskTel calling cards, Minister. I have a letter from an individual who was down in Montana and had difficulty using his SaskTel calling card. There's a difference in the amount of numbers on the card between Saskatchewan and Montana and I believe some of the other states in the U.S. of A. Is that situation being rectified? I would assume it is; but if it isn't, why isn't it?

While I'm on my feet, Minister, I have a second issue. I want to ask whether McLean is in the greater service district of the Regina phone directory. I don't know if you caught the second question, Minister.

An Hon. Member: — Give me the second part.

Mr. Trew: — The second question was whether McLean is in the greater telephone service range of Regina; and if it isn't, why isn't it? If you draw a simple radius I believe McLean would fall very close to the border. So there's two issues . . .

Hon. Mr. Lane: — But understand that these, at least at this stage — and I'll answer the second one first — they're not done on a radius basis. They're based on the old exchanges that were in existence that developed over the years. So it's not done on a radius basis. As well, the 40-40 program is to try and move us into a radius basis. It also leads to some other complications in that some areas want the old exchanges wound up; other areas want them protected so that the town's name is maintained.

Secondly, with regard to calling cards in the United States, one of the difficulties with deregulation particularly in the United States, there are now so many companies out there that you can get situations now, for example, where a company will contract with a hotel to supply operator services. And they many not accept anybody's credit card, and we have no control over that.

We do have, you know, agreements that the large carriers generally recognize everybody else's credit cards — AT&T (American Telephone and Telegraph) and the mini Bells, I think, recognize most credit cards. But with deregulation you can actually get a system where a company could contract to do the operator services for a business, a hotel for example, and they wouldn't accept anybody's credit cards. And we have no control over that.

Mr. Trew: — Thank you, Minister. Final line of questioning. You broached the subject of deregulation. Can you tell us what the current situation is between SaskTel, or your government and the federal government. Has there been any change in that deregulation situation in recent weeks?

(1815)

Hon. Mr. Lane: — Well there hasn't been any change in terms of the federal government bringing its legislation forward. They have not yet done that. I have a couple of concerns. One, Alberta, with the privatization, has accepted a national regulator. So there's an ally gone; that's a difficulty for us.

The federal government has now made arrangements with some of the Maritimes, which had some regulation over local and interprovincial at their own utility board level and then the out-of-province long distance: interprovincial with CRTC (Canadian Radio-television and Telecommunications Commission). They are now consenting to the CRTC taking over all regulation.

So it's coming increasingly down to two provinces, and

that is making it very, very difficult for us to mount much of an attack. Our position has obviously not changed. We believe it to be wrong, but the difficulty is increasing.

I have asked the SaskTel officials to develop contingency plans. It's not wise to announce them at this time, but just because we don't want to deviate from the position that we've maintained — that the initiative is wrong. It has serious impacts for SaskTel. It has serious negative impacts for the people of this province.

We believe that — and our studies show, as we have made public — that it not only has negative impact for the people in Saskatchewan, it has negative impact for approximately 90 per cent of the telephone subscribers in Canada.

Be that as it may, we may have to be realistic in terms if the federal government does move. We have no indication when they are going to move, so that hasn't changed. They do have the summer adjournment now. My understanding is that the federal plans have not changed, but certainly they now have allies with the Maritimes that they didn't have before and they have Alberta which they didn't have before.

Mr. Trew: — Minister, I would appreciate you telling me when the last time you contacted the federal government on this matter was. I simply want to end by urging you to let the federal Conservative government know in no uncertain terms that this telephone deregulation is not acceptable in Saskatchewan. And if it's as useful to you in your discussions with them, I think it is safe for me to say you could tell them — and it's not a warning or a veiled threat or anything like that — you can tell them that it will very well be a political issue in Saskatchewan and one that the federal Tories will not benefit from and one that is like a crap game: we're throwing the die with respect to your government. So I'm simply urging that you continue that fight and don't back down one iota.

Now I come to the first part of my comments and that is: how often are you in communication with the federal government, and when was the last time that you had a meaningful dialogue with them over this issue?

Hon. Mr. Lane: — Two different questions between being in contact and having meaningful dialogue. I mean we make our position clear with this. I'm not sure restating it is leading to a meaningful dialogue, but as recently . . . within the last two weeks, I have again communicated our concerns to the federal Minister of Communications. I would expect that our officials in the communications secretariat — if I recall, I think it's been in the last two weeks — again criticizing but also challenging some assumptions that are made, but I'm subject to correction. Certainly in the last month we would have been in contact with them.

Whenever we see either CRTC decisions or hearings or notices of hearings or we see public statements, we immediately respond to both the federal government at the officials' level and with letters from myself plus to the CRTC.

Understand that there is a difficulty in this whole thing

that at some point technology may lead to a bypass. That's a problem that we have to face. One can make an argument — and I have made it before this House — believe it to be the way: we've had to change gradually in Saskatchewan; we've had to change gradually with no lay-offs. We've made the adjustment. Where the technology is there to bypass and you can't stop it, we've adjusted to it. But we've done it on a controlled, gradual basis.

But it's out there. There are systems available now that if they come into play, there's nothing you could do about it. There's nothing that the government could do about it or anything else. It would simply bypass it.

So we're trying to get a rationalization of the system here so that the people of this province don't lose the technological advantages. At the same time we protect the system we have and the rate structuring system that we have. That's where we're moving on this. We have made that warning. We have made the warning a little further.

But I'm surprised, quite frankly, that other provinces have not, other than Manitoba, have not taken the cry that there's a real advantage to be fighting on behalf of the average telephone subscriber here who's going to see higher rates. I don't see the up side of the federal government moving the way it is, and we've made that point abundantly clear.

And I mean it's that reaction that's stopped them from proceeding with the legislation to this date. I mean we were committed to having that in February.

Mr. Trew: — I appreciate the minister's comments, and I just wanted to say that you and I are essentially in agreement on that, Minister. There's very few issues that you and I will agree on, but that appears to be one of them.

The only concern I have from the answers you gave today is the talk of fall-back positions and perhaps indicating a potential for backing down. I recognize the difficulty of what you're saying. But the proof, Minister, will be in the pudding whether you can be successful in preventing the deregulation or not. I urge you to continue the fight.

Hon. Mr. Lane: — The point I very carefully said was that if it is proceeded with — the federal legislation to take over regulation of SaskTel is proceeded with — I have asked the corporation for contingency plans is what I've said. I have in no way indicated that we are trying fall-back positions and not proceed with trying to convince the federal government to maintain the system certainly as it applies to Saskatchewan and Manitoba, given the positions of the other provincial governments.

Consolidated Fund Loans, Advances and Investments Saskatchewan Power Corporation Vote 152

Item 1 — Statutory

Hon. Mr. Lane: — I didn't . . . if I may, Mr. Chairman, introduce the officials. I apologize. John Meldrum,

vice-president, corporate counsel, and Dave Schultz, controller of SaskTel. And I'd like to thank them for their help and assistance.

Item 1 — Statutory

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Economic Development Corporation
Vote 148**

Item 1 — Statutory.

Motions for Supply

Hon. Mr. Hepworth: — Mr. Chairman, I move that it be:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$431,889,400 be granted out of the Consolidated Fund.

Motion agreed to.

Hon. Mr. Hepworth: — Mr. Chairman, be it:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1991, the sum of \$2,918,946,900 be granted out of the Consolidated Fund.

Motion agreed to.

Hon. Mr. Hepworth: — Mr. Chairman:

Be it resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$4,330,600 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

Hon. Mr. Hepworth: — Mr. Chairman:

Be it resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1991, the sum of \$593,478,700 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Hepworth: — Mr. Speaker, I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

(1830)

APPROPRIATION BILL

Hon. Mr. Hepworth: — By leave of the Assembly, I move:

That Bill. No. 51, An Act for the Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year Ending Respectively on March 31, 1990, and March 31, 1991, be now introduced and read the first time.

Leave granted.

Motion agreed to and the Bill read a first time.

Hon. Mr. Hepworth: — By leave of the Assembly and under Rule 48(2), I move the Bill be now read a second and third time.

Leave granted.

Mr. Shillington: — Thank you very much. Mr. Speaker, I am conscious that this is in all likelihood, mercifully the last Appropriation Bill which this government will bring in.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — Mr. Speaker, some weeks after the close of the last session, the Premier of the province said, and I quote: "We are done listening and apologizing, and now is the time to dream."

Mr. Speaker, for the people of Saskatchewan, the last 10 months since that statement has been made has not been a dream, but a nightmare. Mr. Speaker, the government's goal going into this session was to do nothing that would create any controversy. Well they have succeeded — they did nothing at all. That in itself, Mr. Speaker, has drawn some criticism and brought about yet a further erosion of this government's support.

Let us look for a moment, Mr. Speaker, at the litany of failure. First of all, there's the diversification of the economy. Mr. Speaker, tens of thousands of Saskatchewan business people are working in this province, trying to make a business go, anxious to develop this province, and prepared to take a risk. All that they really ask is that they get a fair deal, a fair break.

I ask the Minister of Finance whether or not in your view your government gave Canadian '88, a group of Canadian business men, a fair deal? Did you give Yorkton a fair deal? Tisdale, Rosetown, the other communities, Mr. Minister, Mr. Speaker?

Mr. Minister, you took an exciting viable venture out of the hands of these people and you literally, Mr. Minister, gave it to a foreign multinational. If that wasn't bad enough, Mr. Minister, you insisted on rubbing salt into the wounds of the business community by not permitting an established Saskatchewan business from Moose Jaw, Fairford Steel Buildings, to bid.

Mr. Minister, if your government was truly interested in diversifying, you'd begin to work with Saskatchewan business people and Canadian business people and not concentrate your efforts on giving this province away to foreign multinationals.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — Mr. Speaker, Mr. Minister, when the election finally comes and the public have an opportunity to score your record, I am convinced that agriculture will be at the top of your list of failures. I know that members opposite believe that agriculture is sacred Conservative soil. And I say, if you people believe that, then in this way as in so many others, you are living in the past because that is no longer the case.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — I will grant you that your Premier parlayed a friendship with a now discredited Prime Minister, but parlayed a friendship with a prime minister into a \$1 billion purchase of an election. But now your short sighted *ad hoc-ery*, your manipulative cynicism, your endless procrastination, have corroded this once monolithic vote to the point where farmers across this province are asking and looking for a new political hope.

And I say that more and more of them are finding in the compassion and thoughtfulness of the member from Riversdale, the kind of leader that they are looking for.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — In your list of failures, perhaps the most devastating failure has been your waste and mismanagement. This, Mr. Speaker, could consume a virtually endless amount of time, a recitation of the waste and mismanagement. But perhaps the proper place to begin is at home with the cabinet.

No sooner had your Premier promised more economy in government, more respect for the taxpayer, then he turned around and appointed four new ministers to a cabinet — four ministers which, Mr. Speaker, are still trying to figure out their role. We have the spectre of the Minister of the Family still with no real idea of what he's supposed to be doing. He did along the way discover that there were some hungry children. He hasn't yet, Mr. Speaker, figured out what he ought to do with them. Apparently feeding them is not part of the answer. This is an example, and it's typical of this government, which is lost.

Perhaps the most obvious failure, Mr. Speaker, is Consensus Saskatchewan, an embarrassing failure. Mr. Speaker, we have 38, 37, 36 — I guess it's 35 now — 35 members who are supposed to be interpreting public will and listening and who are paid handsome salaries for so doing. If there ever was a paper-thin concealment of the intellectual bankruptcy of members opposite, it is Consensus Saskatchewan.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — I thought, Mr. Speaker, that we would

learn nothing from Consensus Saskatchewan. However, from the empty halls throughout Saskatchewan, the empty halls in Saskatchewan have been eloquent testimony to some facts. There is something that this government can and should be learning from the empty halls.

First of all, that your transparent trick with Consensus Saskatchewan fooled no one. Secondly, you should learn from that that the public are tired of your incompetency. They have grown weary listening to you people apologize for one disastrous mistake after another. They are sick and tired of the lack of action. And they are saying, now is the time for action.

Most devastating I think for members opposite, the failure of anyone to show up for the Consensus Saskatchewan meetings indicates that you have utterly destroyed the trust which they once put in you.

Why don't they trust you? Well it may have something to do with the fact that before the last election you issued vehement denials that you would privatize SaskTel and vehement denials that you were going to privatize SPC (Saskatchewan Power Corporation). Members opposite will remember those assurances given in the strongest and the clearest possible terms.

Within 18 months of having issued those promises, a part of SaskTel had been sold, and the last session was almost entirely consumed trying to bring public opinion to bear on your attempt to try to sell SaskEnergy.

The lack of trust which the public have in you may also have something to do with your solemn statement that medicare is sacrosanct. The ink wasn't dry on the election returns and the pillars of medicare began to fall like so many five pins. The old lost the drug plan; the young lost the dental plan.

And it continues. During this session we had the Murray commission. And to express the concern that I have heard from virtually every rural hospital board, the regional boards are nothing but a thinly veiled mechanism whereby you people can escape responsibility for the closure of small hospitals. That is the concern of rural hospitals.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — The lack of trust that people have in you certainly has something to do with the self-serving greed of members opposite. And here again, Mr. Speaker, the list is just endless. Paul Schoenhals, a coach, who decided that he wanted to be the head of one of the world's larger mining companies, the Potash Corporation of Saskatchewan, so without training or background he proceeded to do so, and predictably the company lost enormous amounts of money.

Last night we had the spectre of serious questions being raised about the dealings of the member from Yorkton. What answers were we given? The only response was the threat from the member for Yorkton to sue us. I say to members opposite, that may not be a plea of guilty, but it isn't very far from it either.

I mentioned four additional cabinet ministers. Unbridled greed — how else could you describe Bob Andrew and Graham Taylor who, as a farmer in Assiniboia put it to me, retired with pensions in excess of \$30,000 a year, with a severance pay in excess of \$60,000 a year, and a salary of \$100,000 a year, all the time continuing to work for the same employer. That is unbridled greed.

What about the obscene salary of Chuck Childers — \$750,000 to run the potash corporation. It could go on and on and on, but it is a fact that raw unbridled greed has become the face of this government. And when people look at you that's what they see.

Mr. Speaker, there is a consensus about at least one thing. There is a consensus that this province is drifting, this province is without captain or rudder. And there is a consensus that something needs to be done about that. And the solution to that is an election.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — Mr. Speaker, there exists a faint hope that there may be some decency left in this government and that you will not cringe in office until the last possible moment. There is yet some hope that there will be an election. As everyone knows, both members in this Assembly and anyone who may be watching, the time has come in the scheme of things for an election. If there is any decency, if there is any decency or sense of play left in you people, we ask of you not to cringe in office, to do the honourable and courageous thing and put your record up for scrutiny and let the public decide.

Some Hon. Members: Hear, Hear!

Mr. Shillington: — Mr. Speaker, that really is the only act left in your mandate. For the sake of the public of Saskatchewan and for the sake of this province, let's have it soon.

Some Hon. Members: Hear, Hear!

The Speaker: — The Minister of Finance is indicating that he is about to close debate on the Bill. And I must inform the Assembly that according to rule 15, if anyone wishes to speak, they must do so now. Are there any members who wish to speak? Then the minister will have a maximum of 20 minutes to close the debate.

Hon. Mr. Hepworth: — Thank you, Mr. Speaker. I must say, as I listen to the opposition members wrap up remarks to, I think, what will ultimately prove to be the wrap-up remarks for this budget and for this session, the one word that came clearly to mind when I listened to his remarks was disappointment. I'm disappointed, Mr. Speaker, that in all that he had to say, if the opposition are to be, as someone has said before me, the deterrents of democracy, the disappointment for all of us here tonight and for all the public of Saskatchewan, has to be that tonight again in these remarks, as through this session and this budget debate, the opposition, the NDP opposition, have not come forward with one ounce of useful public policy, Mr. Chairman.

Some Hon. Members: Hear, Hear!

(1845)

Hon. Mr. Hepworth: — And this, Mr. Chairman, is particularly regrettable given that this was the first budget of a new decade, Mr. Speaker, a new decade, a time for new visions, a time for renewal and for hope, Mr. Chairman. We talked about two or three months ago . . . When this budget was presented to this legislature for its approval, Mr. Chairman, I talked about the political and economic change taking place across the world, about the change taking place across the world. Many of us made reference then to the coming down of the Berlin Wall which occurred about the same time. And for those of us who watched television this morning, another very symbolic event close to that same area that many of us I think heard and read about and studied in our history books in school, Checkpoint Charlie disappearing, Mr. Chairman. And that's just an example of some of the political and economic change taking place across the world.

Our children are faced with the reality they're going to grow up in a world of genetic engineering. We read in the newspaper stories about transplanting genes from fish to our farmers' oil-seed crop, canola, so they would withstand cold temperatures better. We read the other day, Mr. Speaker, of a robot in Japan playing the organ at a symphony, if you can imagine.

And of course there's the incredible new technology that's available both in terms of new drugs and in terms of new equipment in the health care area, Mr. Speaker, a laser therapy, all of those kinds of things. And all of this taking place on a planet with a new and very much heightened awareness relative to our own environment and the environment that we'll leave to our children, Mr. Speaker.

I raise these points, Mr. Speaker, to underscore that one fundamental that we in Saskatchewan and we in the world are going to face, and face like we've never faced before, and that one constant in this new world, in this new decade, Mr. Speaker, is going to be change. The challenges we face are difficult, complex, complicated, but the reality is, Mr. Speaker, we are at a crossroads, a hinge point in history, as some would describe it.

And that is why this budget and this session of the legislature addressed areas like how can we build and maintain our communities; how can we make sure our children have the best education to take on the global competition; how can we continue to have a health care system for the next 25 years that's been as fine as for the last 25 years, Mr. Chairman; how can we diversify our economy, not only locally and in our home communities, but indeed across the province; and, Mr. Speaker, doing all of that within the context of sound financial management.

Well these goals, Mr. Speaker, these very important priorities that every citizen out there believes in were addressed in this session through things like making sure that our rural communities and our farmers' needs are met when times are difficult. And our Premier has come

through and delivered in spades again for rural Saskatchewan because the cheques will be going out very shortly — \$280 million worth of cheques to rural Saskatchewan because our Premier went to bat for those farmers, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — I said to the Premier the other night when he was here doing his estimates that we should start charging the provinces of Alberta and Manitoba commission because of what our Premier has been able to deliver, not only for rural Saskatchewan farmers, but for those in Alberta and Manitoba, Mr. Speaker. That's the kind of leadership he's shown on the provincial stage and on the national stage in concert with the associate minister and all of the farm groups across this province. And I take my hat off to all of them, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — That was in conjunction with the spring seeding program, a \$500 million dollar program to make sure that the crop got in the ground. Community diversification, Mr. Speaker, I have no doubt there's hundreds of people expressing interest in that new instrument, community bonds, and I think we're going to see much, much more over the summer on that, Mr. Speaker.

We've joined hands in a new venture, the labour sponsored venture capital fund with working people across the province. I was just sitting here reading some newspaper items this very day, Mr. Speaker, and an interesting one caught my eye that speaks about Saskatchewan entrepreneurship and the spirit of Saskatchewan. It's an area sometimes I suppose people take umbrage with but the Great Western Brewery Company in Saskatoon, Mr. Speaker.

Can you imagine, here is a new company taking on some very, very large companies, large global companies, and their product is so successful the owners, the workers in that plant who are the owners in that Great Western Brewery Company, Mr. Speaker, their product, their ingenuity, their work-sweat equity has been so successful, they have commanded such a large share of the market that the problem that they have is they can't get enough glassware to put their product in, Mr. Speaker. What a nice problem for a company to have, and I take my hat off to all those working people in that plant, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — And the new technology that's going to be important to our young people so that we can maximize their potential and that they can maximize their contribution to this province and to their communities with new initiatives like the Saskatchewan Communications Network which is going to take first and second year university courses and literacy programs and kindergarten to grade 12 programmings across this province for our young people and for our seniors and for our adults to be retrained and upgraded in their training,

Mr. Speaker, using satellite technology for the benefit of Saskatchewan people, Mr. Speaker.

And I applaud the initiatives of the minister in charge of the families for his family forums that are turned . . . where people are turning out. And the opposition laugh, and this is sad, Mr. Speaker, because the reality is this minister here has probably met and talked with more people than anyone in this House — 1,500 and 1,600 people — 1,500 and 1,600 people turning up to meetings to do with the families.

And shouldn't we all take note of an event that occurred here in this city on New Year's Eve this past year, Mr. Speaker, when 4,000 people flocked to the Centre of the Arts for a booze-free celebration. And I think that speaks of the importance of family values in this province, Mr. Speaker.

And that is why people want to come out and look at solutions to the challenges facing our young people today, whether it be drug and alcohol abuse or the peer pressures that are put upon them — substance abuse and those kinds of things, Mr. Speaker. And I take my hat off to him for those initiatives and as well the initiatives in the area of hunger.

The budget, Mr. Speaker, was a budget of the people. We went out and consulted with the people. No tax increases, Mr. Speaker. We cut back spending. We got rid of rebates, and we got rid of grants. And, Mr. Speaker, we will do more in that area because the taxpayers are demanding it.

And I make this prediction tonight. If the people like the cut-backs, the cut-backs on grants and rebates and those kinds of things, Mr. Speaker, I give the commitment to this legislature tonight, we'll be looking to find more of those kinds of things to save the taxpayers of Saskatchewan another \$300 million if possible over the next two years, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — And why those measures were successful, Mr. Speaker, is because the people were involved in making those decisions. At meeting after meeting I heard them say, get rid of the gimmicky programs, get rid of the grants, get rid of the rebates, Mr. Speaker. That's what we have done and we will do more.

That recipe that worked prior to the budget will work in conjunction with Consensus 100. We are going to join hands when we get the report from Consensus 100 and move forward and continue to give the people of this province sound financial management, the kind of sound management they want and deserve.

Now as well, Mr. Speaker, Goethe, an 18th and 19th century German philosopher once said, where ideas fail, words come in very handy. And how true that is when you think about the NDP, Mr. Speaker. We've heard lots of words but not one ounce of public policy.

So I say to the opposition, I invite the opposition, I implore the opposition to join with the public and to join with us,

Mr. Speaker, to not engage in fatuous and vacuous and empty debate and rhetoric, but to join with us in meeting the challenges of this new decade and 21st century, Mr. Speaker.

Let us look beyond. For once in this legislature, Mr. Speaker, and I say this whether it's the opposition or people sitting on this side in government, can we not for once look beyond the 22-second clip for question period? Can we not get into serious, reasoned debate to face the challenges that are out there and that the people expect us to take head on their behalf, Mr. Speaker.

I say to the opposition, help us flesh out the new blueprint for medicare with working with the Murray commission report. I say to them, help us flesh out and continue the educational reforms started by the Minister of Education. And I say to the hon. members opposite, help us flesh out the community bonds in their communities. Help us continue economic diversification opportunities.

I say to the opposition, I say to the opposition, the time of colouring books and cartoon booklets and placards and marches, that time as an effective public policy tool, those days are over. Those were the days of the '60s and the '70s, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — Now, Mr. Speaker, the people want their legislators to come in here and address the issues in a very serious and forthright manner, Mr. Speaker. We cannot engage in allowing the special interest to subvert the interest of all of the public which we serve, Mr. Speaker. It is a time for thoughtful and reasoned debate.

We need farm policy, not the politics of despair, Mr. Speaker. We need health care policy, Mr. Speaker, not the politics of mediscare, Mr. Speaker. We need continued economic diversification policy, the policy of hope and the policy of opportunity, not the politics as we heard again tonight — the politics of foreign multinationals. We don't need the politics of despair, we don't need the politics of discouragement in this province because the people expect more, Mr. Speaker. And this Premier and this party and this caucus and this legislature are going to give that again in the next year, and in the years after that, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Hon. Mr. Hepworth: — In closing, Mr. Speaker, as Michael Adams said earlier this year, the 1980s will be remembered as the decade when Karl Marx's idealism gave way to Adam Smith's pragmatism.

Every country in the world is feeling the effects of this new awareness. Canadians still view government as a force for the collective good. But they want smarter government, not more government. And that means redefining the traditional role of the state in Canadian society. It means grappling with change.

And I say again to the NDP, the fundamental constant in the new decade is going to be change. Cast off your

establishment socialist mores; cast off your "isms" — join with us in dealing with hope and opportunity as we meet the challenges of financial management, community diversification, maximizing human potential, Mr. Chairman, and diversifying our economy.

(1900)

And just before I close, Mr. Speaker, on a final point I say to you, Mr. Speaker, and to all members, a thank you for the work and dedication that everyone in this legislature has put in during this session of the legislature and during this budget and budget examination of the estimates. The officers of the Table have worked hard, the pages, those who we don't see as often who are behind the scenes — the *Hansard* staff and those in the legislative offices, those in our caucus offices, the Sergeant-at-Arms, the library staff, and Law Clerk, and so forth and so on.

Mr. Speaker, the critics in their various capacities and all of the MLAs who take part in the examination of the government's proposed spending. On behalf of the taxpayers of Saskatchewan, I say thanks to all of you for those tremendous efforts, as well as all of our departmental officials who back us up. And I wish everyone a very good summer and a very happy summer with their families, Mr. Speaker.

And I go out of this place, Mr. Speaker, knowing full well that we have many changes and challenges facing us, but I go out, Mr. Speaker, full of optimism. And why do I say that? I say it for a number of reasons and I will just quickly give you some of them.

I say it because when you look at many of the studies and economic models that have been done out there, whether it's the Conference Board of Canada or the banks or the investment dealers of Canada, the Saskatchewan association, they are making . . . Saskatchewan is predicted to be the leading growth, or second leading across the nation — 22 per cent increase in capital spending. We see mall expansion in this city.

But why do I say that, Mr. Speaker? Because more than anything, millions of dollars or anything else, I say that for this reason and this reason particularly. As I look across this province and I drive across this province, we see our crops being bathed in rain like we haven't seen for some time. And I'll tell you what, Mr. Speaker, our downtown merchants in Weyburn and Meadow Lake and Nipawin and Swift Current and North Battleford and Lloydminster, they like to see those farmers' crops being bathed in rain. Because you can have all the legislative Acts and all the legislative budget appropriations you like, but I'll tell you, you can't beat an inch of rain in this country.

And I'm optimistic because the farmers and the merchants and the working people of this province — yes, we've faced our challenges, but I see a renewed spirit of optimism out there. That is why I am happy to have submitted this budget to the people of Saskatchewan.

A good summer to you, Mr. Speaker.

Some Hon. Members: Hear, Hear!

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

MOTIONS

House Adjournment

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, I would like to move, with leave of the Assembly, and seconded by my Deputy House Leader, the member for Rosthern:

That when this Assembly adjourns at the end of this sitting day, it shall stand adjourned to a date and time set by Mr. Speaker, upon the request of the government, and that Mr. Speaker shall give each member seven clear days notice, if possible, by registered mail of such date and time.

Leave granted.

Motion agreed to.

ROYAL ASSENT

At 7:05 p.m. Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 31 --	An Act to amend The Urban Municipality Act, 1984
Bill No. 32 --	An Act to amend The Local Government Election Act
Bill No. 3 --	An Act respecting Custody of, Access to and Guardianship of Property of Children, Child Status and Parentage and Related Matters
Bill No. 5 --	An Act respecting Child and Spousal Maintenance and Consequential Amendments resulting therefrom
Bill No. 6 --	An Act to amend The Dependants' Relief Act
Bill No. 10 --	An Act respecting the Manufacture, Sale, Use, Consumption, Collection, Storage, Recycling and Disposal of Ozone-depleting Substances and Products
Bill No. 12 --	An Act to amend The Municipal Hail Insurance Act
Bill No. 15 --	An Act to amend The Saskatchewan Embalmers Act
Bill No. 22 --	An Act to establish the Saskatchewan Communications Network Corporation
Bill No. 24 --	An Act to amend The Municipal Revenue Sharing Act
Bill No. 30 --	An Act respecting the Saskatchewan Heritage Foundation
Bill No. 36 --	An Act respecting a Report on the State of the Environment
Bill No. 7 --	An Act to amend The Intestate Succession Act
Bill No. 8 --	An Act respecting the Survival of Certain Causes of Action
Bill No. 25 --	An Act to amend The Provincial Court Act
Bill No. 39 --	An Act respecting Summary Offences

Bill No. 42 --	Procedure and Certain consequential amendments resulting from the enactment of this Act
Bill No. 29 --	An Act respecting the Legal Profession, the Law Foundation and the Law Society of Saskatchewan
Bill No. 37 --	An Act to amend The Crown Minerals Act
Bill No. 40 --	An Act to amend The Cost of Credit Disclosure Act
Bill No. 41 --	An Act to amend The Dangerous Goods Transportation Act
Bill No. 4 --	An Act to amend The Highway Traffic Act
Bill No. 19 --	An Act respecting the Consequential amendments to Certain Acts resulting from the enactment of the Child and Family Services Act
Bill No. 27 --	An Act respecting the Promotion, Venture Capital Corporations Act
Bill No. 33 --	An Act respecting the Administration of Young Offenders' Services
Bill No. 34 --	An Act to amend The Child and Family Services Act
Bill No. 35 --	An Act to amend The Income Tax Act
Bill No. 38 --	An Act to amend The Municipal Employees' Superannuation Act
Bill No. 47 --	An Act respecting the Saskatchewan Association of Speech-Language Pathologists and Audiologists
Bill No. 21 --	An Act to amend The Education Act
Bill No. 43 --	An Act respecting Police Services
Bill No. 45 --	An Act to amend The Land Titles Act
Bill No. 46 --	An Act to amend The Statute Law
Bill No. 50 --	An Act to amend The Teachers' Superannuation Act
Bill No. 51 --	An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Years ending respectively on March 31, 1990 and on March 31, 1991

Her Honour retired from the Chamber at 7:11 p.m.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Before I move adjournment of the House, I'd ask leave of the Assembly just to make a brief farewell comment.

Leave granted.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. It's a pleasure this evening to just wrap up the session. I'll be extremely brief. I do want to echo the words of our Minister of Finance and express on behalf of the government side of the House sincere appreciation for all of the staff who has assisted us, and that includes the very capable and able pages in this Assembly.

Hon. Members: Hear, Hear!

Hon. Mr. Hodgins: — And as well, our Clerks at the Table

and our security and our Sergeant-at-Arms, the people down in *Hansard*, security people outside, and all of the staff including the library staff as well.

And I think we're indeed fortunate to have some very, very capable people amongst us to give us advice and get us out of jackpots, Mr. Speaker, when we get into those the odd time. I as well would like to express my gratitude to you, Mr. Speaker, for presiding over this Assembly in an extremely dignified manner and keeping us on track. When we need to get tuned in the odd time, you're there to do it. So I say thank you for all of your help.

I do want to wish all members a good summer. I do want to say that we have for many reasons a very beautiful Saskatchewan environment that's in good hands. I do trust that you will all go out and enjoy that environment over the summer, and we will look forward to being back in this Assembly to debate the future of this province. And I just want to wish all members a very, very good summer.

Hon. Members: Hear, Hear!

Mr. Lingenfelter: — Mr. Speaker, I rise to wish the Speaker and members of the Assembly a good summer. Also, I want to join with other members who have expressed the appreciation of the staff of the Assembly; the press gallery as well. And I guess a special word of appreciation to the Clerk of the Assembly. It's her first full session as Clerk of the Assembly, and I want to say to Gwenn that I'm sure I express the view of all people here who say that you did a superb job during this session in helping us through the difficult times.

Hon. Members: Hear, Hear!

Mr. Lingenfelter: — And I want to say that I hope the members of the government side take a long holiday this summer, the members of this side take a short holiday. And look forward to seeing you next session.

Hon. Members: Hear, Hear!

Hon. Mr. Hodgins: — Mr. Speaker, I move that this House do now adjourn.

The Speaker: — Before I adjourn the House, I too would like to echo the sentiments of three speakers now who have congratulated various members for their fine work. However, I would like to reinforce their sentiments.

And I thank the pages, thank the Clerks, and our new Clerk for this year who has done a very, very good job and we all recognize that and appreciate it, and she has got a good team with her. I'd like to thank the security, Mr. Goodhand, and all other departments, as other members have expressed, are needed and required for us to function smoothly.

I should also like the House Leaders, thank them for their co-operation this session and to thank you, my colleagues, members, for your co-operation this session. It's been a good session. It's been pleasant working with you, and I appreciate it.

And with that, ladies and gentlemen, I wish you the best

of summers. May you enjoy this summer with your families, friends, and I look forward to seeing you at a future date. This House now stands adjourned to the call of the Chair.

The Assembly adjourned at 7:15 p.m.