

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Muirhead: — I wish to introduce Joe Saxinger, the member from Kinistino. He's with us today, and I ask all the members of the Assembly to welcome Joe to the Assembly. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Government Hiring of Consultants

Mr. Muirhead: — Thank you, Mr. Speaker. I have a question, Mr. Speaker, to the Minister of Agriculture. Mr. Speaker, yesterday I asked the minister a question about Marg Benson and, Mr. Minister, you misled this House in your response. You stated . . . Mr. Speaker, the minister had stated that my question has been answered on the order paper and, Mr. Minister, it definitely was not. And that is not true. The question that was answered related to the fact that she worked for, and was paid by, you.

I ask you again today, Mr. Minister, did your employee, Marg Benson, consult for any department of the government other than your own, and if so, what departments and what was the nature of her consultation?

Hon. Mr. Wiens: — Marg was employed in my department, and as far as I know, only in my department. And she consulted with other departments but did not report to me on those other departments.

Mr. Muirhead: — Mr. Speaker, new question to the Minister of Agriculture. Mr. Minister, I know for a fact that Marg Benson met with and consulted regarding the Department of Rural Development. The question, Mr. Speaker, the question you did answer on the order paper indicated that she worked directly under you or your designate, although you refuse to tell us the total amount of money you paid out to her.

I want to ask you, Mr. Minister, do you have knowledge of these other consulting activities. And if not, did Marg Benson receive payment from you or work with you . . . work that you're not aware of.

Hon. Mr. Wiens: — I don't understand exactly what the concern is here. Marg Benson worked for my department and consulted with other departments and may have reported to other departments on those matters, but has not reported to me on matters other than my departmental concerns.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Speaker, the Minister of Agriculture is answering different today than he did yesterday, because he was very, very . . .

The Speaker: — I'd like to ask the member to try and refrain from inferring that the minister has not been truthful in this House. And I let one particular statement go, and I ask the member to ask his question.

Mr. Muirhead: — The minister was very sure of himself yesterday when he said the member worked for . . . or Marg Benson worked for him for one month as advisory.

Are you admitting today, Mr. Minister, that you were wrong on that answer and that it should be a correction made to this House?

Hon. Mr. Wiens: — No.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Speaker, I have a question now to the Minister of Rural Development. Mr. Minister, the fact . . .

The Speaker: — Excuse me. I'm not blaming the member from Arm River, he's doing fine. I just wanted to ask the member from Humboldt to quit interrupting when the member is trying to ask a question. The member from Arm River.

Mr. Muirhead: — Thank you, Mr. Speaker. I appreciate that. My question is to the Minister of Rural Development.

Mr. Minister, the fact is that Marg Benson met with senior officials in your department and informed them that it would be her job to advise you on reorganizing your department. Mr. Minister, did your department pay any part of the fees to Marg Benson in return for the consulting work done for you?

Hon. Mr. Cunningham: — Mr. Speaker, as the member opposite probably knows, the Department of Rural Development and the Department of Agriculture are very closely related, and there are some organizations which are mutual between the two of them. And part of our job is to look at the total reorganization of the government.

And with regard to that, Marg Benson did meet with my department. She was not paid by my department, and she was consulting with the government in the overall looking at reorganizing all of the government, which is what we are now doing.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Speaker, a supplement to the minister. He has now admitted for sure — and I thank him for that — that she did do work for his department but was not paid by his department. Now my question to the minister is: who paid and what department paid Marg Benson?

Hon. Mr. Cunningham: — Mr. Speaker, Marg Benson was working for the Department of Agriculture at the time in consulting with the Department of Agriculture and related matters to the Department of Rural Development.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Mr. Speaker, the minister of Rural Affairs is saying exactly how it happened, but it's not the same as what the Minister of Agriculture is saying.

A new question to the minister. Mr. Minister, the Provincial Auditor has in the past stated that where consulting is done for multiple departments, that each department should pay their fair share so that proper spending authority is maintained. Mr. Minister, is it your intention to pay to the Department of Agriculture that share? And how much will that consist of?

Hon. Mr. Cunningham: — Mr. Speaker, Marg Benson was working for the Department of Agriculture consulting with the Rural Development department in related matters. And I don't think that it would be possible to split out the minutes that she was actually involved with one department or the other here.

Some Hon. Members: Hear, hear!

First Ministers' Meeting Agenda

Mr. Devine: — Mr. Speaker, my question will be to the Minister of Agriculture. If he would rather have the Deputy Premier respond, that'll be his choice.

What specific proposals, Mr. Minister, did the Department of Agriculture and your officials send with the Premier of Saskatchewan to his luncheon meeting today with first ministers on either agriculture refinancing, or support for farmers, or anything else that you might be able to tell farmers now as the first ministers meet and discuss the urgency and the crisis that's in agriculture in the province of Saskatchewan?

Hon. Mr. Wiens: — I did not direct the Premier to do anything in particular at the first ministers' conference. He is completely familiar with the issues confronting agriculture as is demonstrated by the action.

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — He has spoken out very forcefully for farmers in the time prior to our election and in the time since. And so have other ministers of this government taken the issues of agriculture, both from the income debt and other issue sides, to others responsible at every opportunity. And we only wish we could have received the same co-operation from you.

Thank you very much.

Mr. Devine: — Supplementary question to the minister. Mr. Speaker, I think in all fairness to the public and to farmers, this is not a laughing matter. And you can make light of the fact that maybe your department did not consult with farmers and have suggestions for the Prime Minister through the Premier's office.

I would think that if you have a relevant office and you are concerned as the Minister of Agriculture being a farmer yourself, you could at least have suggestions that you could take to the Prime Minister and to the other premiers.

Now I ask you again, Mr. Minister, in all sincerity, could you table any suggestions that have been forwarded from the Government of Saskatchewan to the Prime Minister's office and to other premiers about agriculture and about things that could be done right away to help the agricultural people that are facing this crisis as we go into Christmas.

Farmers are losing their land. They need more cash. It is a crisis. Could you table anything that you and your officials have sent along with the Premier of Saskatchewan to the luncheon that's going on today?

Hon. Mr. Wiens: — Mr. Speaker, I find the question somewhat ludicrous from someone who has been operating in government . . .

The Speaker: — Order. Order. Would the minister please be seated? I've asked the member from Humboldt not to interrupt. I asked members on the opposite side, and specifically the member from Arm River, not to interrupt when the minister is speaking.

Hon. Mr. Wiens: — From my first day in office, the important cabinet discussions and the discussions of caucus of our government have centred around the important challenges in agriculture from the questions of income and debt and transportation and international trade. And on every account those issues have been investigated and negotiated and explored.

And the Premier is absolutely familiar with each of those issues. He realizes the importance of them to the Saskatchewan economy. Ministers of this government at all the meetings which they have attended have raised those critical matters in a way that reflects that broad understanding. And I'm sure those issues are being raised at the meeting at the first ministers' conference today. I don't have to set out the agenda for my Premier to do that. And I do wish you would co-operate in the endeavours we're making.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, I'm going to address a new question to the Deputy Premier, the Minister of Finance. Mr. Minister, clearly the farmers have had no help from the provincial government and half the amount of help from the federal government that the new NDP (New Democratic Party) administration want. The Minister of Agriculture has failed to detail any suggestions that have been taken to Ottawa.

Could I get you to respond in suggesting or tabling before the Assembly today any suggestions in terms of economic activity — those that were suggested by the Premier of Ontario, for example. The Premier of Alberta has suggested a 1 per cent reduction in income tax. Were there any proposals taken to Ottawa by the Premier of Saskatchewan, not only on agriculture but on economic activity, on tax reductions, on economic solutions at this time? Or was the only suggestion that we got and the only solution again from the NDP administration that was that maybe they could just have another meeting?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, I'd like to inform the member opposite that from the time we took office we began to work on a strategy to encourage the federal government to meet the commitments it had made with respect to negotiations held earlier that year on income stabilization for Saskatchewan farmers.

Saskatchewan farmers were critical to that task as you well know, because you avoided meeting with them. They met in Saskatchewan in large numbers to discuss the problems that confronted them, to encourage the federal government to meet their commitments, which were to pay out the third line of defence in response to the province's commitment on GRIP (gross revenue insurance program) and NISA (net income stabilization account).

That position was taken strongly to the federal government through the messages of the rallies in the fall and it was taken strongly by the farmers in the lobby effort. We have been engaged since that time in a discussion of the farm debt question with all people concerned. We have appointed the GRIP/NISA review committee to examine the shortcomings of the rather hastily implemented GRIP and NISA program.

We have begun to discuss publicly the transportation issues which have some impact on Saskatchewan, but which certainly do not have the kind of importance to Saskatchewan people that the income and debt questions have. And those matters are a matter of public concern which you, sir, have been carefully ignoring to this point.

Some Hon. Members: Hear, hear!

Mr. Devine: — Thank you, Mr. Speaker. A supplementary to the Minister of Finance and Deputy Premier. The Premier of Saskatchewan has said that he would like to talk about areas of trade-offs at the first ministers' luncheon that's going on today. Could the Acting Premier give us some suggestion, some idea as to the areas of acting trade-offs that the Premier of Saskatchewan is talking about, if they involve agriculture?

And I point out, Mr. Speaker, that the Premier has been recorded as saying if he could get us 3 or \$4 an acre then he might talk about the constitution; if it's something like that. Or is it along the lines that an RRSP (registered retirement savings plan) could perhaps be remodelled to use for housing, or the fact we could reduce income tax or anything else that the minister would like to table. Or is in fact the case — and could they acknowledge — that there is no ideas coming from the province of Saskatchewan?

And like the Premier's luggage and baggage, it was lost and the suggestions are lost, and there's nothing for the farmers, there's nothing for the economy. In fact, it's just a luncheon that the Premier is attending, and that's his claim to fame today in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, I want the Leader

of the Opposition to know or be reminded that the reason that there is a first ministers' meeting for the first time in 18 months in this country, which is in itself amazing, is because of the leadership and the insistence of people like the Premier of Saskatchewan and the Premier of Ontario . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — And that itself, Mr. Speaker, is a major accomplishment. This . . .

An Hon. Member: — Lunch.

Hon. Mr. Tchorzewski: — Yes, it's a lunch, Mr. Speaker, and it's a lunch because the Prime Minister chose to have a luncheon meeting rather than a full-fledged conference. And it is our intention, and the Premier will be pressing at this meeting which is taking place at this moment in Ottawa, that that meeting is a beginning, an important beginning, and that out of that should come a full-fledged first ministers' meeting which will be a meeting of decisions early in the new year.

And I hope that the Prime Minister is concerned enough about the state of the Canadian economy — and I have no reason to think that he isn't — that he will agree to do that so that we can get on with rebuilding the economy of this country.

Some Hon. Members: Hear, hear!

Mr. Devine: — Supplementary, Mr. Speaker. I ask the Deputy Premier again: will he acknowledge that there's nothing more coming out of the province of Saskatchewan's suggestions other than another lunch and another meeting? And secondly, would he respond to the proposals coming out of Ontario; would he join with us and other people in saying: I would like to see something happen with respect to RRSP and mortgages; I would like to see something happening with respect to taxation or diversification or economic activity?

Would he give us something so that the public of Saskatchewan have anything of substance to talk about at this time of the year with a brand-new administration with a big majority, other than lunch in the Prime Minister's office?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, in response to the question, hopefully that this sharing of ideas that all the premiers and the Prime Minister may come up with will lead to the first ministers meeting early in the new year, in which those ideas can be fleshed out so that some of the decisions can be made.

Of course there will be things that the Premier of Saskatchewan will be raising. The Minister of Agriculture has outlined a number of them. We will want to be talking at this meeting about the monetary policy of the federal government where the high dollar is restricting trade, and we are a trading country and a trading province. We will want to be talking about federal off-loading, which the former government allowed the federal government to

carry out.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Without ever a word of protest so that in this year alone it is costing the Saskatchewan taxpayers \$550 million. We will be talking at this first ministers' meeting about farm income support, Mr. Speaker, and about renegotiating of GRIP, and we'll be talking about the need for an economic development and industrial strategy so that we can create work for the people of this country as well as the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Devine: — Final supplementary. Final supplementary to the deputy premier. Minister of Finance, could you suggest the areas where the Government of Saskatchewan would co-operate with the federal government in terms of economic development, in taxation, in the kinds of things that we could do to help farmers stimulate the economy — could you list the areas where this jurisdiction is prepared to co-operate to improve the lot for people not only in this province but indeed across the country?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, the province, the Government of Saskatchewan, stands ready to co-operate with any initiatives it will develop out of this and any future first ministers' meeting which will be in the interests of the country that we live in and in the interests of province of Saskatchewan.

We will co-operate in a major restructuring and renegotiating, for example, of the GRIP program — which is inadequate and the members opposite know it — so that it can provide the kind of income support the farm producers of this province and this country need to have.

But my bottom line is, Mr. Speaker, that whatever comes out of this meeting, if it is in the best interests of Canada and is in the interests of Saskatchewan, we will co-operate. We don't go to these meeting with a closed mind; we go to these meetings with an open mind because the situation that this country faces is so crucial that we have to do that.

All we do, Mr. Speaker, is ask the members opposite to co-operate. Unfortunately the Leader of the Opposition has not when we consulted him on the trek to Ottawa which took place some time ago.

Some Hon. Members: Hear, hear!

Farm Foreclosure Moratorium

Ms. Haverstock: — Mr. Speaker, I'd like to direct my question, which is of interest to tens of thousands of Saskatchewan people, to the Minister of Agriculture.

Mr. Speaker, on January 11 of this year while in opposition the premier stated as follows, and I quote:

There needs to be an immediate program of adequate, (and) effective debt restructuring and . . . This should be coupled, . . . with a short-term debt moratorium until other programs are in place.

I ask the minister, will the moratorium package on foreclosures that I asked you about last week, and now debt that I'm asking you about this week, that you are negotiating with the financial institutions that you told this House you were — do they provide for either voluntary or mandatory participation on behalf of institutions?

Hon. Mr. Wiens: — Thank you, Mr. Speaker. I'd like to inform the member opposite that the negotiations are continuing and the details of the negotiations will be released when the negotiations have been completed.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Supplementary, Mr. Speaker. This is directed as well to the minister from Rosetown-Elrose. Sir, the New Democratic Party in the previous election for the last three years went throughout the province of Saskatchewan, telling everyone that they supported a moratorium on farm foreclosures.

Will you rise in this House and tell us whether or not this New Democratic government does or does not support a mandatory foreclosure moratorium for the province of Saskatchewan?

Hon. Mr. Wiens: — The commitment that was made during the election campaign, which is that for which I take responsibility, is that we indicated that we would be engaging in discussions with the financial institutions as soon as we were elected.

Those discussions have . . . those discussions proceeded at our earliest convenience and they are ongoing, and we will report the results of those negotiations when they've been completed.

Some Hon. Members: Hear, hear!

The Speaker: — Order. I will recognize the member from Saskatoon Greystone. But before she does, I just want to ask the members please, if you expect one side of the House not to interrupt when questions are asked, then I think you have to also at the same time not interrupt when answers are given. I want to be fair to both sides of the House, and you have to give me that co-operation.

Ms. Haverstock: — This is my final supplementary to the Minister of Agriculture. Sir, are you indeed telling to the farmers of this province, the people in the Christian Farm Action Crisis Committee, the National Farmers Union, the United Grain Growers, the Saskatchewan Wheat Pool — all of the people who were held to believe that the New Democratic Party of Saskatchewan was indeed supportive of a moratorium on farm foreclosures — you're now telling this Assembly and all of the people of Saskatchewan that indeed that was not your intent? There was never an intention to follow through on this?

Hon. Mr. Wiens: — I want to say that the situation in Saskatchewan is very serious from both the debt and the income side. And that's not something to play politics with.

Addressing those issues independently is valueless and addressing it without consideration for everybody's . . . for the impact on everyone in it is valueless. The solutions that we need to come to in Saskatchewan in the '90s, as was demonstrated by the trek that went to Ottawa where everyone co-operated except the Leader of the Opposition, demonstrated that a variety of interests can come together and make progress on substantial issues and speak in a unified fashion to the people of Canada and make a difference.

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — I want to say that in implementing the GRIP and NISA review, we went to the broad array of Saskatchewan organizations and asked them to sit co-operatively on a body to examine existing farm policies so that the inadequacies of the program, as it was hurriedly introduced, might be addressed either in the short range by changes or in the long range by major conceptual change. And I want you to know . . .

The Speaker: — Order. I think the minister has answered quite sufficiently.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you, Mr. Speaker. Before orders of the day, I would like to ask leave of the Assembly to make a brief statement regarding one of my constituents.

Leave granted.

ANNOUNCEMENTS

Saskatchewan Order of Merit Recipient

Mr. Thompson: — Thank you very much, Mr. Speaker. The Saskatchewan Order of Merit — in 1985 the province of Saskatchewan established the award and later in '88 changed the name to the Saskatchewan Order of Merit. Mr. Speaker, the constituent of mine who received the award was Annie Johnstone of Pinehouse.

Annie Johnstone was born in Souris River near La Ronge in 1899, a northern Saskatchewan Metis. She has lived most of her life in Pinehouse Lake where her husband farmed and managed a Hudson's Bay Company store.

Mrs. Johnstone is a skilled practitioner of traditional native medicine, tied closely to Indian spirituality. She has an extensive knowledge of plants and herbs which she first acquired from her grandparents as a young girl.

At the age of 15, Annie Johnstone learned how to be a midwife from local women through first-hand experience, supplemented with information from medical textbooks. For 65 years she was the nurse-midwife for the Pinehouse area. Despite her lack of formal training, she successfully handled all kinds of births, including the most complicated, in an area where there were no doctors and transport was by horses,

canoe, or dog sled. She delivered over 500 babies without a loss of a child or a mother.

Mrs. Johnstone also treated illnesses in adults and children, using her Indian medicine, often curing patients who had not been helped by modern medicine. Local people continue to consult with her on health problems and she has passed on her skills and knowledge of herbs to others who carry on her work.

Mrs. Johnstone, Mr. Speaker, delivered her last child in Pinehouse when she was 81 years old. She is 91 years old today and is still a very active woman.

And I just want to indicate to you, Mr. Speaker, that my wife's family, a family of 13 children in Pinehouse — Mrs. Johnstone delivered 11 of those 13 children. She delivered them under severe conditions. There was no sewer and water. There was no electricity. And this was done by candle-light, coal oil, and gas lamps. She's a very exceptional woman.

I ask all members to join with me in congratulating Annie Johnstone of Pinehouse on receiving Saskatchewan's highest distinction: the Saskatchewan Order of Merit.

Hon. Members: Hear, hear!

Mr. Swenson: — Just in response to the member from Athabasca, the members of the official opposition would also like to pass our congratulations on. As the last minister of Indian and Native Affairs for the previous government, I came to appreciate many of the things that the member from Athabasca has mentioned in talking about Mrs. Johnstone, and we just also would like to add our congratulations.

Hon. Members: Hear, hear!

MOTIONS

Hon. Mr. Lingenfelter: — Mr. Speaker, I move, seconded by the member from Canora, that by leave of the Assembly:

That a special committee composed of Mr. Speaker as chairman and members Van Mulligen, Lingenfelter, Calvert, Bradley, Kowalsky, Stanger, Shillington, Haverstock, Martens, and Neudorf as members to be named at a . . .

Pardon me, I've got this . . . I just received the names of the members of the opposition so I . . .

The Speaker: — Before the member proceeds, would he ask leave of the House.

Hon. Mr. Lingenfelter: — I did.

The Speaker: — Yes but you didn't give me a chance to even ask. Would the member ask for leave and then we'll ask whether you have leave.

Hon. Mr. Lingenfelter: — Mr. Speaker, I would like leave to introduce a motion to establish the Rules Committee.

Leave granted.

Special Committee on Rules and Procedures

Hon. Mr. Lingenfelter: — Thank you very much, Mr. Speaker.

That a special committee composed of Mr. Speaker as chairman and members Van Mulligen, Lingenfelter, Calvert, Bradley, Kowalsky, Stanger, Shillington, Haverstock, Martens, and Neudorf be appointed to examine such matters as deems advisable with respect to the rules, procedures, practices, powers of the Legislative Assembly, its operation and organization, and the facilities and services provided to the Assembly, its committees, and members.

That this special committee be instructed to include in its report drafts of proposed rules to give effect, if adopted by the Assembly, to any changes or change that may be proposed by that committee.

That the committee having the power to sit during intersessional period, during the sessions except when the Assembly is sitting, and that the committee have the power to send for persons, papers, records, and to examine witness under oath, to receive representation from interested parties and individuals, and to hold meetings away from the seat of government in order that provisions in other legislatures can be studied.

That this committee be instructed to submit a report to the Assembly at such time as the Assembly resumes regular sittings in 1992.

Motion agreed to.

Hon. Mr. Lingenfelter: — Mr. Speaker, I ask for leave to move a motion to constitute a special committee to consider regulations.

Leave granted.

Special Committee on Regulations

Hon. Mr. Lingenfelter: — Mr. Speaker, I move, seconded by the member for Rosetown-Elrose:

That the members Toth, Boyd, Goulet, Koenker, Kowalsky, Kujawa, Pringle, Scott, and Wormsbecker be constituted a special committee to consider every regulation filed with the Clerk of the Legislative Assembly pursuant to the provisions of The Regulations Act with a view to determine whether the special attention of the Legislative Assembly should be drawn to any of the said regulations on any of the following grounds:

(1) that it imposes a charge on the public revenues or prescribes a payment made to any public authority not specifically provided for by statute;

(2) that it is excluded from challenge in the courts;

(3) that it makes unusual and unexpected use of powers conferred by statute;

(4) that it purports to have retrospective effect where the parent statute confers no express authority so to provide;

(5) that it has been insufficiently promulgated;

(6) that it is not clear in meaning;

and if they are so determined to report that effect, and that the committee have the assistance of the Legislative Counsel and Law Clerk in reviewing the said regulations, and that it be required prior to the reporting that the special attention of the Assembly be drawn to any regulation to inform the government department or authority concerned of its intention so to report; and

that the committee be empowered to invite any regulation-making authority to submit a memorandum explaining any regulation which may be under consideration by the committee, or to invite any regulation-making authority to appear before the committee as a witness for the purpose of explaining any such regulation; and

that the committee be empowered to review the by-laws of professional associations and amendments thereto to determine whether or not they are in any way prejudicial to the public interest.

Motion agreed to.

Referral of By-laws of the Professional Associations and Amendments to the Special Committee on Regulations

Hon. Mr. Lingenfelter: — Mr. Speaker, I move, seconded by the member for Regina Dewdney:

That the by-laws of the professional associations and amendments thereto tabled in the last legislature and not ratified by the committee, and the by-laws and amendments as tabled in the twentieth and the twenty-first legislatures be referred to the Special Committee on Regulations.

Motion agreed to.

Mr. Neudorf: — Thank you, Mr. Speaker. By leave of the Assembly, I would like to make a motion as well of a housekeeping nature as far as the committee make-up is concerned.

Leave granted.

Substitution of Member of the Standing Committee on Municipal Law

Mr. Neudorf: — Thank you, Mr. Speaker. I would like to move, seconded by the member from Thunder Creek, by leave of the Assembly:

That the name of Mr. Boyd be substituted for that of Mr. D'Autremont on the list of members of the Standing Committee on Municipal Law.

Thank you.

The Speaker: — Could the member give me a different second? I recognize the member from Thunder Creek is not here.

Mr. Neudorf: — Okay. The member for Wilkie, Mr. Speaker.

Motion agreed to.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 15 — An Act to Amend The Municipal Board Act

Hon. Ms. Carson: — Mr. Speaker, I rise today to move second reading of The Municipal Board Amendment Act, 1991.

This Bill introduces changes to The Municipal Board Act pertaining to, first, the conditions of membership on the Saskatchewan Municipal Board (SMB); and second, the appointment of an executive director for SMB.

The existing Act established the SMB of 1988 by consolidating the responsibilities and authority of four predecessor boards: the Local Government Board, the Provincial Planning Appeals Board, the Saskatchewan Assessment Appeals Board, and the Municipal Boundaries Commission.

The Act provides for the appointment of both full-time and part-time members of the SMB. The term of office for full-time members is up to 10 years with the possibility of reappointment. Appointments are for the duration of the appointed term during good behaviour, subject to resignation or death of a member or, alternatively, removal for cause by the Lieutenant Governor on address of the Legislative Assembly.

Mr. Speaker, this latter provision is unusual. Provincially appointed boards normally serve at the pleasure of the Lieutenant Governor in Council. This approach ensures that the board appointments are continually open to review. We feel as a government that this level of openness is desirable. Accordingly the Act will be amended to permit board appointments to serve at the pleasure of the Lieutenant Governor in Council.

This change will also enhance flexibility in adjusting or matching the size and membership of the Municipal Board to its work-load, since this may change over time. Locking in appointments for 10 years does not necessarily make sense in a time of severe provincial financial restraint where resource flexibility must be required.

The Act is also being amended to permit introduction of

regulations specifying qualifications for appointments to the board. The objective here is to ensure that any future board appointments have recognized experience and competence in the areas under the board's jurisdiction.

A further change is proposed with respect to the appointment of an executive director. The Act now makes this appointment mandatory. It will become optional. Because no funds were ever budgeted for this position, the board was placed in a position of contravening the statutory requirement. If restraint continues, the opportunity to hire an executive director may be limited. And without amendment the legal contravention would continue.

Finally, these changes to the Act are being made retroactive to when the municipal board was first established in 1988. The purpose of this is to release a board from the requirement relating to the appointment of an executive director. The government is satisfied that these amendments achieve a balance among several objectives, including independent and open operation of the municipal board and an enhanced ability to manage restraint.

I ask all members to support this Bill.

Some Hon. Members: Hear, hear!

(1445)

Mr. Boyd: — Mr. Speaker, I've listened to the minister's comments very carefully, and we would not have any problems or concerns with agreeing to let the Bill go into the Committee of the Whole.

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

Bill No. 16 — An Act to establish The Saskatchewan Telecommunications Holding Corporation

Hon. Mrs. Teichrob: — Thank you, Mr. Speaker. I rise today to move second reading of The Saskatchewan Telecommunications Holding company Act.

As many members will be aware, this legislation is designed to allow for the reorganization of SaskTel in anticipation of federal regulation by the Canadian Radio-television and Telecommunications Commission.

SaskTel is one of the only two major telecommunications companies in Canada which are not currently subject to federal regulation. In 1989 the federal government introduced amendments to The Railway Act to give the CRTC (Canadian Radio-television and Telecommunications Commission) the authority to regulate SaskTel. While that Bill died on the order paper the federal government remains determined to take over the regulation of SaskTel.

Unfortunately the federal government does have the legislative authority to regulate SaskTel if it decides to go ahead with the amendments that are required. In that event all of SaskTel as it is currently organized would come under the jurisdiction of the federal government

and its regulatory agencies. It is therefore imperative that the province take whatever steps it can to prepare for that possibility.

Just at the time when increasing competition makes it essential for SaskTel to be able to respond quickly to the demands of customers and the market-place, it will be shackled by CRTC regulations and requirements which will increase SaskTel's operating costs, delay the introduction of new services and technology, and adversely affect the Crown corporation's ability to manage its affairs to meet the unique needs of Saskatchewan customers.

It will also restrict the province's ability to manage SaskTel consistent with its mandate as a Crown corporation to help promote economic diversification and further this government's social policy.

Federal regulation will limit the ability of SaskTel to fulfil its mandate on behalf of the people of this province while at the same time conducting a successful and profitable business in an increasingly competitive and rapidly changing market-place.

This legislation will enable us to be in a position to respond as best we can to the changes affecting SaskTel and to use the window of opportunity that exists prior to the CRTC regulating SaskTel. Almost all major telephone companies in Canada have organized themselves so as to isolate the core telephone company from their other non-integral telecommunication assets which are either marginally regulated or not regulated at all.

In other provinces this has been accomplished by creating a holding company which owns the telephone company assets separate from the non-integral assets.

Under the proposed reorganization, SaskTel's non-integral assets would be transferred to the Saskatchewan Telecommunications holding company. These non-integral assets will include SaskTel's mobile division, SaskTel International, SaskTel's non-integral real properties such as buildings and parking lots, and SaskTel's shares in ISM Corporation, formerly WESTBRIDGE Computer Corporation.

SaskTel's core business representing approximately 90 per cent of its current assets will remain in SaskTel. These will consist primarily of local and long distance services with associated facilities, equipment, and rates and will be subject to full federal regulation. Separating SaskTel's assets in this way will simplify regulation of the corporation and permit the holding company to operate and expand the unregulated portion of its business.

We wish to make clear that this separation of assets in no way affects levels or conditions of employment, the terms of the collective agreement, or other employment matters such as benefits, seniority, and pensions.

We believe that there are sound financial, administrative, and managerial reasons to proceed with this reorganization. We think that the changes being proposed will help SaskTel respond to the dual challenges of federal regulation and the changing

telecommunications market-place.

Although we will continue to fight as strenuously as possible any attempt by the federal government to intrude into what we regard as provincial matters, we need to be ready for possible federal regulation of SaskTel. This Bill will prepare SaskTel for that possibility.

Mr. Speaker, I would now move that The Saskatchewan Telecommunications Holding company Act be read a second time.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I don't think we have any major problems with the Bill. In order to facilitate expediency, we'll let it go into committee and certainly we'll have some questions for the minister at that time.

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

Bill No. 17 — An Act to amend the Saskatchewan Telecommunications Act

Hon. Mrs. Teichrob: — Thank you, Mr. Speaker. I wish to move second reading of The Saskatchewan Telecommunications Amendment Act, 1991. These amendments are necessary to permit SaskTel to sell, assign, or transfer its non-integral assets to the Saskatchewan Telecommunications holding company as part of the restructuring referred to in a Saskatchewan Telecommunications holding company Act.

Mr. Speaker, I would now move that The Saskatchewan Telecommunications Amendment Act, 1991 be read a second time.

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

Bill No. 18 — An Act to Provide for the Public Disclosure of Crown Employment Contracts, to Prescribe Provisions in Crown Employment Contracts governing Payments and Benefits on Termination or Expiration of those Contracts, to Void Provisions in those Contracts respecting those matters and to Extinguish any Right of Action and Right to Compensation for any Loss or Damage resulting from the Enactment or Application of this Act

Hon. Ms. Simard: — Thank you, Mr. Speaker. At the conclusion of my remarks today I shall be moving second reading of this Bill, The Crown Employment Contracts Act. First, Mr. Speaker, let me speak briefly about the background to this legislation and the public concerns that have led to its development and introduction.

Over the past several years, the people of Saskatchewan have become increasingly concerned about the need for sound and responsible management of the province's finances. And they have become increasingly concerned about the need for greater openness and accountability on the part of the provincial government.

The public's concerns were greatly intensified several weeks ago when it became apparent that the previous administration had entered into a number of secret employment contracts with certain employees and that these contracts provided unusually generous provisions in the event of voluntary resignation or involuntary dismissal.

The public was not alone in expressing concerns about these contracts. In the course of his review of last year's *Public Accounts*, the Provincial Auditor also expressed concerns about the way in which deputy ministers and other senior public servants were being appointed — first by an order in council and then by a contract whose terms and conditions were prescribed by the Premier and which differed from those in the order in council.

The public has also expressed deep concern, Mr. Speaker, about the unreasonable and excessive provisions in some of these secret contracts. For example, provisions which guarantee a substantial payment even if the employee voluntarily resigns to take a different job.

Many Saskatchewan working families and farm families find it unconscionable that such a provision exists in a contract for a person whose position is called ministerial assistant — a very substantial payment that the taxpayers would have to bear for a ministerial assistant who voluntarily resigned to take a different job.

Or to take another example, contract provisions which provided for unreasonably generous severance payments in the event of dismissal — more than three years pay or \$1.3 million in one case, three years pay or \$624,000 in another case, and more than 18 months pay in the case of a contract with a ministerial assistant.

Such employment contract provisions may not be surprising to the members opposite who, you will recall, Mr. Speaker, signed a five-year contract with Chuck Childers while PCS (Potash Corporation of Saskatchewan Inc.) was a Crown corporation. But such provisions are certainly surprising to the men and women of Saskatchewan who find them excessive, unfair, and unreasonable.

Mr. Speaker, Saskatchewan people want the government's employment relationships to be fair and reasonable both to the employees and to the taxpayers. The government agrees with those objectives and this Bill will meet them.

This legislation therefore addresses those issues. First, it provides for public disclosure of all individual Crown employment contracts. It thereby establishes the statutory right of any member of the public to have access to any such contract. Moreover the Bill requires the filing of certain contracts in a single central repository. The contract of every permanent head and every person who reports directly to a permanent head must be filed with the clerk of the Executive Council for public inspection. No more secrecy, no more hidden contracts.

Second, the legislation cancels and prohibits all termination benefits except those that are expressly permitted by law. It cancels the unreasonable termination

provisions in existing contracts and prohibits those kind of unreasonable benefits in future contracts.

Third, the legislation provides for fair and reasonable severance payments in the event of dismissal. The legislation requires that the same common law principles used by other employees and employers also be used in the case of provincial government employment contracts — the same common law principles should be used in provincial government employment contracts. It therefore provides to employees full and free access to the courts to determine what is fair.

I would like to make just one final point, Mr. Speaker. People understand that public servants are engaged in important work in the public interest and that they should be reasonably compensated for that work. But Saskatchewan people also understand at a time when we have children and families in poverty, farm families facing financial crisis, working people fearful for their jobs, and a massive — a massive — provincial government debt, secret contracts containing excessive and unconscionable benefits simply cannot be tolerated.

Saskatchewan people want the provincial government's employment arrangements with its senior executives and contract employees to be open and to be fair, both to employees and to the taxpayers. This Bill establishes such fairness, both for today and for the future.

And that point is crucial, Mr. Speaker, for this legislation covers both those contracts that were in existence when the government changed six weeks ago, and all new contracts that have been entered into since that time or may be entered into in the future. This government believes this legislation is fair and we will be bound by it in the future.

In conclusion, Mr. Speaker, the Bill before us today addresses directly the public's concerns with respect to Crown employment contracts. It establishes the right of open access to such contracts. It cancels the unreasonable and excessive contract benefits which exist. It establishes fair and reasonable contractual arrangements with full and free access to the courts if necessary. And it covers both existing contracts and future ones.

And with those brief comments, Mr. Speaker, I now move second reading of this Bill, the Crown Employment Contracts Act.

Some Hon. Members: Hear, hear!

(1500)

Mr. Martens: — Thank you, Mr. Speaker. I want to begin my remarks by pointing out to the Assembly that I have a great deal of difficulty with this Bill, not from the aspect of disclosure, Mr. Speaker, but the principles that relate to how they go about disclosing the things that they ask for, and the methods used to disclose.

As the minister indicated there was a . . . and I don't believe it from reading the Bill, Mr. Speaker, that this individual has access to the courts. He has access to the

courts but he's limited to the definitions as defined by the Act. And that, Mr. Speaker, is a part of what I see as a very serious problem.

And, Mr. Speaker, the indication is from the minister, that common law principles prevail. However, there is an exclusion provision within the Act that says that those principles where the least of these are applied are the ones that are addressed, so that the common law principles are erased.

And that, Mr. Speaker, is not a part of the functions of this Assembly, nor should it ever be a part of the functions of this Assembly.

Mr. Speaker, the Act talks a little bit about public disclosure of Crown employment contracts. And, Mr. Speaker, I have no problem with that at all. In fact, Mr. Speaker, our Act in the spring of this year presented to this Assembly freedom of information, which in fact would have defined all of the functions in relation to the Crown employment contracts that individuals have, regardless of who they were.

And that, Mr. Speaker, is being delayed by the government opposite in its presentation for the Bill to be enacted for political purposes, defined so that they can move this forward, and then they don't have to proclaim the Bill that is already in place.

And, Mr. Speaker, I think they should think about that twice, because they themselves in fact stood in this House and agreed to have that Bill brought forward, that freedom of information. And now we have a great deal of delay in proclamation of that Bill.

And I seriously believe that they have decided that this is a political move and it's something that they should be very careful about, because in fact, Mr. Speaker, they are infringing on the rights of a person to appeal to the court. They allow only certain evidence to be brought to the court, Mr. Speaker, and that has a serious reflection on the government opposite.

Now the provisions of the Bill, also in the Crown employment contracts that they provide, give a focus by the Bill that they can terminate contracts. They can have an expiration of a contract — they define that. And then, Mr. Speaker, they do something that's very interesting — they void all of the provisions of a contract that are there.

Now I find that very very disturbing, that by an order of a statute within the framework of this Assembly that the judicial system is curtailed, in the fact that it can void the content of a contract that is binding on everyone else in this country. And that, Mr. Speaker, for me as a part of this Assembly, is disgusting. I really don't think that that needs to be a part of a Bill like this.

And I want to point out, Mr. Speaker, that there are certain things that I find lacking in this discussion. One of them is the very fact that the Minister of Justice did not provide the detail on the second reading. I find that very, very disappointing.

I find that disappointing for a number of reasons. And the

reasons are this. I wonder if his department and the Justice department who will have to deal with this are in conflict of interest within the definition of how this is being presented.

Mr. Speaker, they are in fact, are going to have to defend the position of this government in relation to discussions on the constitution and the freedom of rights and individuals. And that, Mr. Speaker, is the reason why the . . . possibility of the reason why the Minister of Justice was not here to speak on second readings on this Bill. And that, Mr. Speaker, I think is a very, very negative observation.

The second thing I want to point out in this discussion is this: why didn't the government take the contract and negotiate a better opportunity for the people of Saskatchewan? Why did they take an onerous Bill that curtails rights of individuals to appear before the court and set that down as a part of a political agenda to deal with this in a framework that is entirely outside the realm of those individuals . . .

The Speaker: — Order. If the member from Rosthern and the Minister of Health want to have a further discussion, I would ask them to either go outside the legislature or behind the bar, but let the member from Morse continue with the debate.

Mr. Martens: — Mr. Speaker, I want to point out that I think that the government was very negligent in not providing a discussion process for the individuals to bring forward their position in relation to this.

What they should have done, Mr. Speaker, is set up a committee that was made up of individuals who have the capacity to arbitrate on behalf of the government in dealing with these contracts. Why waste the taxpayers' dollars on fighting these contracts in the court? Why waste the taxpayers' dollars?

They're claiming here today on two items why they're bringing this Bill forward. The first one, they want to save taxpayers' dollars. Well, Mr. Speaker, I submit to you and to this Assembly that when and if this Bill ever passes, that there will be more money spent in its relation to applications to the court of Canada than any other Bill ever presented in this House in the last 10 years. And that, Mr. Speaker, is I think the fundamental reason why they should have taken the opportunity, allowed the court to settle. That was one opportunity they had.

The second one is they could have even arbitrated it themselves with a group of people assigned by cabinet from the cabinet Executive Council, or even from outside. We have labour negotiations taking place in the province of Saskatchewan year after year where you have arbitrated settlements on a lot more money than is being contested right here.

And that is why, Mr. Speaker, I believe this is a political vendetta. When people cannot apply to this Assembly to have the freedom to speak on it, these people are saying to all of us, I am not even going to allow them the access to the court because I'm going to define what they can have in the court and what they can't have in the court;

what evidence can be provided in the court and what cannot. And you are going to curtail the access of that information by the judiciary in this province and say you can't have that. And that, Mr. Speaker, is in this Bill.

It says these are the limitations that the justices in this province have to take and consider. And I think, Mr. Speaker, that is unconstitutional. It has been unconstitutional in the past, and I believe it's unconstitutional now.

They could have sent it to arbitration. They could have set up an arbitration committee to deal with it in the function that cabinet could have been doing it, other members of society could have been doing it. But no, they chose to use this Assembly for vindictive purposes, and I think that that's totally wrong.

Mr. Speaker, there's a number of things that really, really irritate me more than anything else, and those are pointed out in the very middle of that Bill in section 9 that deals with . . . and I know I can't refer to sections, but I will broaden the context of it. No claim of action can be taken on an individual basis for a number of very specific reasons. And I want to point them out.

There is no recourse to the court for damages — none at all. And that's what it says in section 9: no recourse to the court for damages. That's what it says.

Second point that it says: there is no recourse to the court for unjust . . . for debt for unjust damages. And that's exactly what it says in the Bill.

And that, Mr. Speaker, is wrong. When does this Assembly ever have the authority to say that no one has the right to the court? I think that's fundamentally wrong. That's wrong for this Assembly to even consider that kind of a Bill in this House.

The third point I want to make on this issue, that there is no access to the court, is a breach of contract. Now I asked the Minister of Justice yesterday in this House as to whether in fact the government would consider making this function of no court action available to the private sector. And the Minister of Justice said no, he would not.

And for the very same reasons that he would not apply it to the private sector, I believe he should not have the authority, or this Assembly should not have the authority, to apply it to the principles set down in this kind of an action. I don't believe they have the right to do that.

Now there is no recourse to the court for inducing a breach of contract. Now what does that mean in its broadest context? I'm not a lawyer; however, it means a lot. Inducing a breach of contract could have far-reaching measures that could be taken and put into place by individuals who have a vested interest in seeking that individual's position for employment. And that, Mr. Speaker, is wrong.

I can't say to anyone in this province . . . I can't do that myself. I can't cast aspersions. I can't slander anyone. I can't by law without recourse to the court.

And yet this institution is going to apply that broad-ranging function to this Bill and allow Executive Council to bring forward their idea about what it has to be. And I think that's totally wrong.

Mr. Speaker, they can interfere with a contract and not be sued. Mr. Speaker, they can't take it to court if there's an interference and it signals a conclusion of that contract, a breach of that contract. They can't come to the court to do that. I think that that's wrong too, Mr. Speaker. I don't think it's under the fundamental rights established by the constitution of this country that that is a legal thing to do.

As a matter of fact, Mr. Speaker, it flies right in the face of what the Premier of the province of Saskatchewan did in 1981 by asking the rights and freedoms to be established in this country. And I believe he was right in doing that. However he is in breach of his own constitution that he established by putting this Bill forward. I think he's wrong.

Now the individual . . . here is where we have cases of law and fact. Now it deals also in strong measure with another area that has to do with the psychological impact of dismissal and harassment. And, Mr. Speaker, there is no recourse in the court for mental distress in a situation like this . There is no value placed on it, none at all. And I think that that is very, very wrong.

Mr. Speaker, we have another one that's presented that you can't go to court for recourse, and that is a loss of reputation. Now we can in this Assembly speak freely as long as we don't . . . And as you said, when you became a part of this Assembly, Mr. Speaker, you said that this Assembly could not make disparaging remarks about other members of this Assembly. And that, Mr. Speaker, I agree with. That's a fundamental principle of conduct within the framework of this House.

And that, Mr. Speaker, is a fundamental right that an individual has in society, that if that happens in society, he has a recourse to the court for that slanderous and disregard for the reputation of that individual. He will tear it apart, and in this Bill he has no recourse to the court.

(1515)

Mr. Speaker, I'm still on section 9 of this Bill. Then we go to a very, very extensive description of slander. Defamation of character is not permitted to have the individual have recourse to the court. That's another area where this Bill says no court can be allowed access to the information.

And then, Mr. Speaker, it goes even further to that. It goes beyond that and it says, any other course of action in the termination of this individual, the rights of that individual are lost. And that, Mr. Speaker, is wrong. It is wrong in a technical sense.

Mr. Speaker, we are moving away from that sort of function where the hard hand of government and the function of a hard-handed government is domineering the system. We are moving to the place where the court becomes the sole role of disclosing what the individual rights are. And the legislative arm defines what they

would be, but the court determines it.

Mr. Speaker, I was asked earlier this week whether in fact we had not done this very thing that this Act implies when we asked this Assembly to put people back to work in the province of Saskatchewan.

And, Mr. Speaker, I made one very specific point, and that is this. This Assembly voted to have the strike action closed on a number of events in the past nine years. But never, Mr. Speaker, did we ever give those people a definition that said you have no access to the court for consideration by the court of Canada, by the court of the province. We never, ever said that.

And as a matter of fact, Mr. Speaker, and you may recall this, when the dairy producers in Saskatoon went on strike, they took court action against this government in relation to the fact that there was no justifiable hurt in putting those people back to work.

And, Mr. Speaker, we in this Assembly voted for that but we were proven by the court that we were wrong. And, Mr. Speaker, that very action is the freedom that individuals should have across this province and across this country.

And what you are putting at risk for 100, 200, 300 people is putting at risk 1 million people's rights and freedoms in this province. And I think that that's wrong. Who else is going to get this whole focus of attention? Who else is going to stand in your way and say, I'm going to just legislate you out and I'm going to give you no access to the court?

And when all this is finished, Mr. Speaker, when all of this is finished, what do they say in that same section? Mr. Speaker, when this whole focus of attention is placed on what you cannot have access to the court for, then they define who is excluded from the fact that they can't have recourse to. Who is excluded from any charges being laid against or court action being taken against? Who is? Mr. Speaker, the Crown. The Crown cannot be taken to court for actions that have a defamation of character.

Mr. Speaker, if I may, I want to provide an illustration of what can happen in this case. If for example a deputy minister or a president of a Crown corporation is slandered for one action or another and it is not even true, for example, it can be said by individuals of Executive Council that he took money that was not legally his. It can be told throughout the offices that he works in. It can be told that he individually assaulted, did all those kinds of things with individuals in that place in his work place. And it can be discussed, it can be done. And if it can be done from the inside . . . and he has no recourse to that damaged reputation that was started in order for him to have his name taken and have him kicked out — or her. And, Mr. Speaker, that is wrong.

The Crown is exempted; a Crown employer or a board or a commission is excluded; any officer, director, employee, or agent or former director, employer or agent is also exempted from those people having action taken against them.

And, Mr. Speaker, there is one other thing that really interests me a lot. We have stood in this House in the last three weeks and we have seen attacks on individuals who should not have attacked individuals.

The member for Regina Albert South stated outside this House that individuals did not matter in relation to guilt or innocence in relation to a court decision. And that, Mr. Speaker, is exactly what he said. Mr. Speaker, he called that individual a kook and he called him a whole lot of other things. And it was reported in the Winnipeg press; it was reported in this press in here.

And that, Mr. Speaker, is wrong. You cannot deal with those items, you cannot deal with those functions if you have no recourse to the court for those kinds of actions.

And that, Mr. Speaker, is wrong. It's wrong when someone of this Assembly does it about some other member of the Assembly, and it's wrong when an individual in the province of Saskatchewan does it against another one. And that's what this action, Mr. Speaker, provides to this Assembly. It is in my view absolutely totally wrong.

Mr. Speaker, we could have, as I said earlier, had the opportunity to have binding arbitration placed by the Executive Council on the negotiated settlement that they would reach with individuals who they terminated their contracts. They could have easily done that. Instead they chose the hard hand of the law of this Assembly to do that. And I submit, Mr. Speaker, that it's constitutionally wrong.

They said in the Bill that evidence cannot be included and if it is included, they have exclusive right to say that it will be excluded. They talk too about, Mr. Speaker, retroactivity. It can be retroactive for as long as they want to have it.

And, Mr. Speaker, I'm not sure that I would ever want to be a part of this kind of a push by the Assembly to dictate to the court the rules that they should establish. That in my view, Mr. Speaker, is handcuffing the justice system — handcuffing the justices in their work in providing justice to the people of Saskatchewan. And, Mr. Speaker, I believe it is entirely wrong.

Therefore, Mr. Speaker, as a result of that, I would like to move:

Bill No. 18, The Crown Employment Contracts Act, be not now read a second time so that the subject matter of the Bill may be referred to the Court of Appeal for an opinion on its constitutional validity pursuant to the provisions of The Constitutional Questions Act.

I so move.

Some Hon. Members: Hear, hear!

The division bells rang from 3:26 p.m. until 3:31 p.m.

Amendment negated on the following recorded division.

Yeas — 10

Devine	Martens
Muirhead	Britton
Neudorf	Goohsen
Swenson	D'Autremont
Boyd	Haverstock

Nays — 38

Van Mulligen	Pringle
Thompson	Lautermilch
Simard	Calvert
Tchorzewski	Murray
Lingenfelter	Hamilton
Koskie	Johnson
Anguish	Trew
Goulet	Serby
Solomon	Sonntag
Atkinson	Flavel
Kowalsky	McPherson
Carson	Crofford
MacKinnon	Harper
Penner	Keeping
Upshall	Kluz
Hagel	Carlson
Koenker	Renaud
Lorje	Langford
Lyons	Jess

Mr. Neudorf: — Mr. Speaker, it seems to me that we've witnessed a dark day for individual democracy in Saskatchewan. I beg leave that we adjourn debate.

Leave not granted.

Mr. Swenson: — It really makes one wonder, Mr. Speaker, what the great rush is by the members of the government on this particular Bill. The practice in this House in the whole six and a half years that I have been here is usually, on a Bill such as this when we have certainly, Mr. Speaker, the possibility — some members might say remote — but we do have the possibility, Mr. Speaker, that someone's rights in this province may be overrode by a resolution of this legislature . . . And I really wonder, given the depth of this Bill and the amount of impact that potentially can happen upon people in our province, why this government is so bent in shoving debate forward in this legislature. It only leads me to one conclusion, Mr. Speaker, that this government has a political agenda which they wish to fulfil before this House adjourns.

And that agenda, Mr. Speaker, because it is political, may not be as well reasoned as what people in this province would expect from a new government. It means that this government, Mr. Speaker, is in a hurry, it seems, to potentially trample on the rights of individuals in our society.

The member from Morse went through this Bill in a very general way because he is not allowed in second reading to go into the clause-by-clause sections on it. But in his comments to this legislature, I think he raised a number of concerns in that broad context that would give any

person, any reasonable minded person in our province, pause to think and consider of whether this Bill is ultimately achieving the ends that the government talks about, or is simply a method for the government opposite to do some of the political work that the New Democratic Party is insisting that members in this House do instead of actually thinking about the bigger question in our province.

And those questions involve things like freedom of information and disclosure; disclosure of information, Mr. Speaker, which every person in this House stood last year and voted for. If that Bill had been proclaimed, Mr. Speaker, at that time, all of this contractual information would be public today. And I have heard no person in this House stand and disclaim that very fact. That would be a fact of life today.

The very first Act I would have thought, Mr. Speaker, of a government that was setting new direction, that was saying to the people, we will be open to the folks, means that that Act would have been proclaimed in this legislature as its very first Act.

And that's why, Mr. Speaker, I find it very strange that the government opposite, given the complexity of this Bill, given the potential repercussion on individuals in our society . . . albeit those individuals today are public servants.

But what if those individuals — and, Mr. Speaker, this Bill does not limit it simply to public servants — what if it branches out into other areas of our society?

That a Bill that has that amount of depth in it, that amount of potential to disrupt our rights as individuals in this province would, on its very second day, be denied on a motion of adjournment so that the opposition who have presented one amendment already would not have the opportunity to either bring similar amendments forward or at least position themselves to discuss a matter that has that much importance to individual rights in our province.

And I would like to know, Mr. Speaker, what the motivation would be to ram that type of legislation through this House without giving the opposition an opportunity to do its work as an opposition should.

Mr. Speaker, I am going to give this government another chance with this particular piece of legislation. I think they need the opportunity to redeem themselves and make sure that every possible opportunity is given to people in this province to know full ramification on this Bill.

And, Mr. Speaker, I would beg leave to adjourn debate on this Bill.

The Speaker: — I would have to remind the Assembly that a second adjournment debate, according to our rules, is not permissible until another activity intervenes. So I would have to rule that the adjournment of that debate is out of order . . . (inaudible interjection) . . . No, there isn't such a thing.

Hon. Mr. Lingenfelter: — Mr. Speaker, I wonder if I couldn't introduce guests.

The Speaker: — Yes, I think that the Government House Leader could certainly introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: — Mr. Speaker, I see in the west gallery a couple of individuals who are here today to observe the proceedings of the House. I would very much like to welcome them here and hope they enjoy their stay.

Hon. Members: Hear, hear!

(1545)

SECOND READINGS

Bill 18 (continued)

Mr. Swenson: — Thank you, Mr. Speaker. I appreciate the unusual circumstances that have arisen here. But I think the Government House Leader has very clearly indicated to the Assembly that the government does wish to allow the opposition some time. And I think it is only proper that I ask for leave of this Assembly, Mr. Speaker, that you can consider the Government House Leader's proposal in this matter.

Hon. Mr. Lingenfelter: — I think there is a way out. And I don't want to . . . I think what could solve the problem is an amendment to the second reading speech, and I don't want to suggest here but I think the possibility of an amendment could be a mechanism.

The Speaker: — That certainly is a possibility but I have no amendment before the House; therefore, I can't deal with it. I would suggest, and I am very reluctant to do so, but I would suggest that by . . . if someone were to ask for leave of the Assembly — and this will not set a precedent; I want members to recognize that — but by leave of the Assembly I would entertain such a motion . . . a leave to adjourn.

Mr. Swenson: — I would seek leave to adjourn, Mr. Speaker, given the circumstances . . . (inaudible interjection) . . . On the Bill.

Leave granted.

Debate adjourned.

COMMITTEE OF THE WHOLE

Bill No. 1 — An Act to amend The Northern Municipalities Act

Clause 1

The Chair: — Would the minister please introduce her officials?

Hon. Ms. Carson: — Mr. Speaker, I'd like to introduce Keith Schneider from the Department of Community

Services.

Mr. Thompson: — Thank you very much, Mr. Chairman. This is a housekeeping amendment to clause 1. I just want to make a few remarks.

The Northern Municipalities Act was amended to permit municipalities in the North to take an active part in municipal and economic development corporations on a similar basis with rural municipalities in the South. Due to a technical problem with the legislation, an old section of the Act prevented municipalities from participating to share ownership in local corporations.

This amendment will provide the clear authority for northern towns, villages, and hamlets to participate through share ownership in municipal economic development corporations.

Mr. Chairman, many of the communities in northern Saskatchewan are now participating and operating. And with the high unemployment rate in the North it's important that the communities are allowed to take part in northern development in their communities. I would just ask all members to give speedy passage to this amendment to the Bill.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Boyd: — I only have a couple of questions for the minister. The Bill talks about industrial and commercial development in the North. What are the minister's plans for industrial and commercial development in the northern municipalities?

Hon. Ms. Carson: — Thank you, Mr. Chairman. It's not the intention of the Community Services department at this time to lay out plans for economic development in the past. There will be an economic development board. Responding, there was a commission that just submitted a report that had been surveying the North in this. There will be a task force set up in the future to develop initiatives according to the Northerners' wishes.

So we are not going to at this time lay out the plans for the North because there will be an economic development committee in the North that will be established, and through that committee they will design their own plans for economic development in the North.

Mr. Boyd: — When do you expect that committee to report to the Committee of the Whole?

Hon. Ms. Carson: — Mr. Speaker, this is a report of the northern economic development task force and we'll be setting up a committee that will be looking at the recommendations within that, and reporting back to the department. We're just now looking at setting up the membership of that committee.

Mr. Boyd: — Thank you, Mr. Chairman. Does the minister have any specific examples of anything that they . . . plans in regard to industrial development in the North?

Hon. Ms. Carson: — Two, Mr. Chairman. There are two corporations now working in the North. One's the Cumberland House Development Corporation. And they are establishing their own priorities for economic development. And the other one is the Ile-a-la-Crosse Development Corporation that's looking at plans in construction and accommodations, real estate, and forestry.

As well, Air Ronge and La Ronge communities are looking at establishing a similar development corporation. And they'll be establishing their own commercial and industrial strategies from a community base perspective.

Mr. Boyd: — Thank you, Mr. Chairman. The Bill also makes reference to social development in the northern municipalities. Mr. Chairman, could the minister outline the department's plans for new initiatives with respect to social development in the northern municipalities?

Hon. Ms. Carson: — Mr. Speaker, this Bill really is to establish the ability of the municipalities in the North to set up economic development corporations. As these corporations look at various projects, the spin-off of course will be in social housing and will be in better training programs and so on. So this Bill doesn't specifically deal with social programs, but it does allow those communities to expand their life . . . the social and economic amenities in life through giving them the opportunity to control their own destiny.

Mr. Goohsen: — Yes, Mr. Chairman. My question is: will municipalities be using this vehicle for the purpose of buying out existing industries in the North, or is it designed to create new types of things, new ventures for new employment and new activity?

Hon. Ms. Carson: — This Bill opens up that for a possibility which doesn't preclude that, but it would encourage new opportunities to be sought in the North so that there is an expansion of economic development opportunities.

Mr. Martens: — Thank you, Mr. Chairman. In my role as a minister responsible for Sask Water Corporation, we dealt a lot with the different communities up there that needed water and water development for health safety reasons because of the permafrost and all that. Is this going to allow some opportunity for carrying out within those communities a way to develop their own systems? That's the first question.

Hon. Ms. Carson: — Mr. Chairman, anything that expands a tax base in those communities and allow them the opportunity of expanding their infrastructure will probably have a positive effect.

We realize the problems that exist in northern communities as far as infrastructure, water and sewer projects, and we're looking at that. And hopefully, this Bill will allow that expansion to begin by allowing them to increase their taxable assessment as well.

Mr. Martens: — Mr. Chairman, the next question that I have has to do with changes in the structure. I know that

there are some . . . some of the communities there are — like Patuanak for example, part of the village is outside of the reservation and some of it is inside. And what's inside gets federal government grants; what's outside is strictly the responsibility of the provincial government.

Is there some direction to include some of these things in negotiations as it relates to the benefit that could accrue in developing the industrial base in that framework if the federal government were more directly involved?

Hon. Ms. Carson: — Mr. Speaker, that's a good question and we appreciate it. And I think what this Act does allow is for joint ventures to be developed between communities within the municipality and communities outside of the municipality.

So certainly that will be looked at and I appreciate that perspective.

Mr. Boyd: — Thank you, Mr. Chairman. I wonder if we could ask the minister if we could possibly receive a copy of the report when it becomes available.

(1600)

Hon. Ms. Carson: — This task force report was made available in the last House so I'm sure some of your members already have it. But if you need a copy of it we'll provide it for you.

Mr. Boyd: — Thank you. We would appreciate receiving a copy of that. As well, we would also ask that in the initiatives of social and economic development, will that also include the possibility for future community bond corporations in the northern municipalities?

Hon. Ms. Carson: — That hasn't been considered. But we are looking at The Community Bonds Act and it is being expanded. And it's a possibility that that should be included. I will bring that forward as a desirable opportunity for Northerners to expand their economic activity.

Mr. D'Autremont: — Thank you, Mr. Speaker. Will this Northern Municipalities Act change allow communities through community bonds to invest in mining and the mining infrastructure?

Hon. Ms. Carson: — Yes, those are various options that are available. And should the community wish to pursue that route, it's there for them.

Mr. D'Autremont: — Madam Minister, will this type of investment also include investment in uranium exploration and development?

Hon. Ms. Carson: — We have given assurances to the northern people that we are looking at co-management of resources, and we'll pursue that avenue as part of that strategy.

Mr. D'Autremont: — Mr. Chairman, is uranium then included in that or will it be specifically excluded?

Hon. Ms. Carson: — Nothing will be excluded.

Mr. Goohsen: — Mr. Chairman, my question is with regards to the chain of command, and I'm a little bit fuzzy on just how this type of a process would work.

Could you tell me who's responsible, for example, if someone decides that they're going to buy out a mining project that has been losing money, who's responsible for checking that out to see if there is a potential for making profit or if it's just going to be a dumping down the drain of a lot of taxpayers' money to buy out something that maybe was just created to save some jobs or something like that?

How does that chain of command work for scrutiny and how is the structure put into place? Or do you yourself scrutinize these types of things?

Hon. Ms. Carson: — These corporations are set up under the municipality and under the Act the minister has an opportunity to review the by-laws that will be governing any economic development activity set up by the rural development corporations of the municipality. So there is a chain of command. And the minister responsible has some provisions for reviewing those by-laws.

Mr. D'Autremont: — Mr. Speaker, will investments also be allowed with SaskPower to provide electricity, electricity into a number of the northern communities that do not already have it, or for electrical generation in the North?

Hon. Ms. Carson: — This Bill allows those communities the chance to pursue whatever priorities they feel will best benefit their communities. It doesn't exclude anything. And it's up to them to set their own plans and their own priorities. So we do not direct the communities in any way. It's up to them to look at the Bill and decide essentially how it can best . . . most effectively work for their community. And that's their agenda.

Mr. D'Autremont: — Mr. Chairman, would that also include a community who wished to invest in a potential nuclear generator for electricity?

Hon. Ms. Carson: — It doesn't exclude anything. If they have the money and they have the ability, I suppose they have the right to choose whatever they feel they have the ability to provide. And I think that's a very hypothetical question. And I'm reluctant to get into that debate, because the Bill simply deals with the ability of a corporation to pursue its own economic development initiatives through a municipality. And I think, with all respect, you're pursuing a hypothetical question that far exceeds the intent of the Bill.

Mr. Martens: — Mr. Chairman, Madam Minister, the role of the economic development committees, is that going to be carried on through Community Services as it is carried on through Rural Development for rural development corporations. Is it the same corporate structure that you follow?

Hon. Ms. Carson: — The principle is similar but because of the North, it has a different set-up. In the South as you know it's a mixture of urbans and rurals that form a rural

development corporation. Within the North it's tailored to meet the life-style and the communities of the North. So the principles are the same, it's just that the circumstances will differ a little bit because of geography.

Mr. Goohsen: — Mr. Chairman, I'm still concerned a little bit about this responsibility aspect of this type of thing. And perhaps you can clear up for me what happens if one of these municipal groups decides to go into a program where they buy out some industry and that industry becomes defunct — or whatever the word is for going broke. Suppose it goes into receivership or bankruptcies or those kinds of things, who picks up the losses? Does the provincial government then end up being responsible for that, or how does that work?

Hon. Ms. Carson: — Like all rural development corporations in the South it is a responsibility of the municipality to be very prudent in how they invest their money. And I believe if they are an independent corporation it's their responsibility to invest in industries or in business ventures that will succeed. So if you're saying, is there an inherent liability on the part of the government, I would say no, I can't foresee that.

Mr. Goohsen: — Mr. Chairman, I was wondering, do we enter into areas of matching grants in these kinds of adventures with the provincial government?

Hon. Ms. Carson: — There are no programs at this time that makes funds available to them. It might be something that could be considered in the future, and depending on the wishes of the municipalities in the North, we'll sit down in discussions with them and see how best to pursue that.

Mr. Goohsen: — One other thing that comes to mind. What happens to an RM (rural municipality) that goes broke if it's saddled with say a 2 or \$3 billion liability suit if they happened to take on a uranium mine and it would cave in on a bunch of people and they were sued for libel, or liability rather is the word? And the RM you say is probably going to be held responsible and the government would not have any inherent responsibility. So then that RM is responsible for something their taxpayers could never hope to ever pay off. And they would have to then themselves go into some kind of . . . what, receivership or what would happen?

Hon. Ms. Carson: — This is not an Act dealing with rural municipalities. It's an Act dealing with northern municipalities. And I don't think in the past there has been any municipality that ever has declared bankruptcy. I mean again I just have a hard time grasping the intent or the direction of your question.

Mr. Goohsen: — Okay, using the proper term "northern municipality", it would seem to me that the comment was made earlier here that we were asked to pass this piece of legislation to basically make northern municipalities on the same playing-field the southern municipalities are on. So there is a direct comparison drawn there.

But a northern municipality obviously, if it enters into some kind of a business contract with someone to put up money to fund something inherently will have some

liability. And it is possible for those people that take on financial investment responsibilities to also have losses as well as profits. And if those losses are so great that they are not possible to be paid off by the existing structure that pays for bills, which is the tax structure, then who is responsible to make up the losses?

Hon. Ms. Carson: — First of all, I think, in terms of the money that they have available to them, that their investments will not be that great that would jeopardize their ability to function if the industry turned bad or went bankrupt. Like all municipalities, it is a responsibility of the taxpayers of that municipality to foot the bill for whatever decisions the municipal council makes.

If however, in some extraordinary circumstance something happened that was far exceeded the normal limits, I suppose a government would have to look at that as some extraordinary circumstance. But it would have to be done, I believe, through litigation and not through some amendment or some Act of a Bill.

Mr. Martens: — Mr. Speaker, Madam Chairman — or Mr. Chairman, Madam Minister, in the area of wild rice in the North, will the economic development committees be able to make arrangements to deal with that? And where will the licensing of that . . . will that stay with the Department of Agriculture, or where will that be . . . (inaudible) . . .

Hon. Ms. Carson: — I think that's a very useful project and it will continue on as it is. If an economic development corporation decides to pursue the industry of wild rice, they will continue to look for licensing from the Department of Agriculture where it now is . . . or Rural Development — Agriculture, I believe.

Mr. Martens: — I believe, Mr. Chairman, that there is also a strong possibility of game farming in the North too and individuals may want to become involved with that. I know there's fur trappers, lots of fur trappers up there and there is a reasonable amount of people in the west side of the province who are fur farming and would they be involved in this kind of process also?

Hon. Ms. Carson: — That's exactly where we hope this Bill will lead these municipalities. It's open for them to become involved in those kind of activities if that's the wishes of their community. As far as looking to various other government departments to expand or to change licensing requirements, I will leave that to those communities to communicate that desire with the departments. But if that is necessary in order to ensure the viability of an industry, certainly we would look at that.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

(1615)

Mr. Boyd: — Thank you, Mr. Chairman. Madam Minister we thank for your attention to this matter and the officials for coming in and helping out with the questions, and we appreciate your co-operation on this Bill.

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: — Mr. Chairman, I appreciate the comments made by the members of the opposition and I look forward to co-operating with them on this development. I move that the Bill be reported without amendment.

The committee agreed to report the Bill.

Bill No. 5 — An Act to amend The Liquor Consumption Tax Act

Clause 1

The Chair: — Will the minister introduce his officials.

Hon. Mr. Tchorzewski: — Thank you, Mr. Chairman. I just want to introduce Mr. Bill Jones who is the associate deputy minister of Finance. He's here — would be here anyway — but he's here because our deputy minister is in Ottawa at the first ministers' meeting. And Mr. Jones will be here for the duration of all of the Bills.

And for The Liquor Consumption Tax amendment I have Kirk McGregor, executive director, taxation, in Intergovernmental Affairs on my right behind me; and Murray Schafer, director, education and health tax, revenue division, on my left behind me.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, would you please tell the Assembly how much revenue the government will be foregoing in dropping the tax from 10 per cent to 7?

Hon. Mr. Tchorzewski: — Thank you, Mr. Chair. Just to report to the House that this would lose, if no other measures were taken, revenues of \$12.5 million, and it became effective on February 20 of 1991. So it's a situation which exists already, and all we can do at this point in time is work with the legislative authority to do that.

But because there was at the same time that — and this is not said in a critical sense — when the former government introduced this, they also raised the mark-up at the front end of the price; that raised something around \$9.5 million that made up that difference. So the loss would be \$3.5 million, but that was really again for the hoteliers who have been struggling and in some difficulty, and therefore they gained the major benefit from that.

Mr. Swenson: — I would like to thank the minister for that answer, Mr. Chairman. I have another question to the minister.

We fully realize the difficulty that particularly the rural hoteliers have been facing in the last few years. Certainly because like many small-business people in rural Saskatchewan and even in our cities, they face what is in effect triple taxation. They pay personal income tax, they pay property taxes on the premises, on their house, and then because they are involved in the distribution of liquor, they also pay this particular tax.

One of the reasons the former government, Mr. Minister, dropped the rate was along with harmonization it passed on certain benefits to those hoteliers as business people.

Can you tell me if any cost-benefit analysis was done between dropping the rate and allowing these people to harmonize and going back and charging the E&H (education and health) tax to them and simply dropping the rate 3 per cent?

Hon. Mr. Tchorzewski: — I'm informed that the analysis that was made under the former government, the only analysis was made was to shift the tax from this system to the same level or the same system as the E&H tax is, which is 7 per cent. By reducing this tax from 10 per cent to 7 per cent it essentially does that.

Mr. Swenson: — Mr. Chairman, Mr. Minister, would not have these people as businesses been allowed to flow that 7 per cent tax through their own investment tax credit, which would have a net benefit to that particular industry?

Hon. Mr. Tchorzewski: — No, because most of these are established. There are very, very little new inputs, and therefore the benefit of that is negligible.

Mr. Swenson: — Mr. Chairman and Minister, would the minister care to put a figure on negligible?

Hon. Mr. Tchorzewski: — It's not possible to do that because that's based on each individual situation and we don't have that information.

Mr. Swenson: — Mr. Chairman, Mr. Minister, what you're saying then is that all of the glasses that these people break in a year, all of the cutlery they lose, all of the new bar tables and stools that they buy, all of the light bulbs, their natural gas bills, their electrical bills, all of these input costs that rural hoteliers . . . the refrigeration units, recharging the Freon every year, that sort of ongoing cost that rural hoteliers go through in order to stay alive and compete, that those costs are all negligible. If that's what the minister is saying I'd like him to confirm it to the Assembly.

Hon. Mr. Tchorzewski: — To some degree the member opposite is correct. There would have been some benefit but not in a very significant way. The benefit that the hoteliers who also run other parts of their business would have gained out of this were far outweighed by the costs that they would have incurred, costs that come as a result of reduced spending by the consumer, for example, in the restaurant side of the operations where they exist. I mean, members opposite will know the issue that that was when the PST (provincial sales tax) was introduced, costs that came about because of greater increase in costs.

The amount that the service industry — and the hotel business is a service industry — was losing, because of harmonization of the PST, was far in excess of what they might have gained in that negligible way that we spoke about through the harmonization.

Having taken that into consideration, it was of no benefit to continue with the harmonization and the PST, and therefore that Bill is also before the House for the elimination of it.

Mr. Swenson: — Mr. Chairman. Mr. Minister, given the

fact that all the items that I mentioned before are now subject to, and were subject to before, E&H tax at 7 per cent, and given the fact that this particular industry does suffer in many cases under triple taxation, could you tell the Assembly today what measures you anticipate to mitigate the very difficult situation that our hotelier industry has at the present time.

Hon. Mr. Tchorzewski: — Well I'd like to be of help to the member opposite. This Bill is dealing with The Liquor Consumption Tax Act. It's not dealing with policies with regard to the hotel industry or of people involved in the retail end of the liquor industry.

That's a broader question that will be reviewed by the government in consultation with the Hotels Association. We had consultations with them when we were in opposition in a very extensive way, as the members opposite did when they were in the government. That will continue, and policies will be developed.

Just simply the matter of reducing the liquor consumption tax from 10 per cent to 7 per cent is a very significant measure to assist the hoteliers meeting the objective which the member opposite mentions, because the liquor consumption tax is a tax imposed on the end-product. It's a tax not only on the liquor but the ice and the mix and the whole content of what is being sold. By reducing it at this level is of great benefit to the industry.

Mr. Goohsen: — Mr. Chairman, it seems that the recognition of this Bill is directed towards the hoteliers' industry being in some deep financial trouble. And we will all recall that this particular measure was begun by the previous government last year, so what we are in effect doing here is looking backwards.

And in retrospect — hindsight being better than foresight — we should have been able to detect by now that the measure taken wasn't going to be enough to save the hotel industry, as we had hoped it would be. So my question is, sir: in retrospect, shouldn't we have considered this Bill to reduce the rates even a bit more; and is there any plan in the future for you to reduce it if our feelings are substantiated, in the next little while?

Hon. Mr. Tchorzewski: — What we're doing, as has been made very clear to the House, Mr. Chairman, is that we're implementing the former government's budget. This is one of the measures that was part of the former government's budget. We're carrying it out.

We said when the Bill was introduced before the House was prorogued in June that — when the New Democratic Party was in the opposition — that we were going to support this Bill. That's on record. And we're carrying out those measures in keeping with our objective of passing a supply Bill so that we can have legislative approval to complete the former government's budget as it was proposed. Nothing more and nothing less at this time.

Mr. Goohsen: — Yes, Mr. Chairman, we certainly would have hoped that you could have taken a look at doing just a bit more than what the past government has done. Obviously they were replaced because of their mistakes. And I would think that you would use that as guide to try

to do better.

So there are people out there, Mr. Chairman, who are concerned about the consumption of alcohol from a different perspective other than saving the hoteliers' industry. And they of course are those people that are worried about the increased consumption of alcohol. And I wonder if you have any estimate of the amount of increase there will be in the consumption of alcohol as a result of these measures, for those people that are concerned.

Hon. Mr. Tchorzewski: — Being only here to deal with the amendment to this legislation I am not able to comment on that. I am not the minister in charge of the Liquor Board, the Liquor Licensing Commission, nor am I the Minister of Health.

Those questions would be better directed at that time when the new budget is brought in in the new year, when you can then address it. Because I can assure the members opposite that when this government brings in this government's budget, not simply put into place the former government's budget, there will be some major new directions that will be developed and will be introduced for the legislature to consider which will give the whole policy and the approach of government a new flavour and a more productive and a more constructive approach.

(1630)

Mr. Goohsen: — Mr. Chairman, in spite of the fact that the minister has indicated that we may have gotten a little off base, his answer would have led me to another question sort of automatically. And that of course is whether or not there is provision for the treatment of alcohol disease as a result of further funding to this industry.

Hon. Mr. Tchorzewski: — I'm not sure what the thrust of the question is or whether it has to do with this Bill. I'm here to respond to the reduction of the liquor consumption tax from 10 per cent to 7 per cent. I think I've provided the answers. I'm not in a position to speak about . . . in specific terms about things like rehabilitation and health care and so on.

Mr. D'Autremont: — Thank you, Mr. Chairman. How much money will this Bill . . . how much money will the government lose because of this Bill on the cross-border shopping — the beer coming in from the U.S.?

Hon. Mr. Tchorzewski: — I'm sure I don't know that, but I suspect if the member thought about it for a while he'd know that if you reduce a tax from 10 per cent to 7 per cent, hopefully that will have some positive effect on the question of cross-border shopping. That's one of the reasons why the PST and the harmonization was so devastating to Saskatchewan because it encouraged people, more people, to go south of the border to shop. That's why when the PST was eliminated on October 21 we calculated from that that there would be an increase in economic activity in Saskatchewan which would provide increased revenue to the treasury of some \$7 million. So this should help the situation rather than aggravate it.

Mr. D'Autremont: — Mr. Chairman, when you drop the liquor tax from 10 per cent to 7 per cent you may be dropping the price of 24 beer in your local hotel from \$32 for 24, down to 31. When the price coming across the border totals out in the neighbourhood of 14 to \$16, it's not going to have any effect at your local hotels. And I'm wondering how much money are you going to lose on that beer which comes across the border by dropping the tax from 10 per cent down to 7.

Hon. Mr. Tchorzewski: — I'm not able to answer that question. We'll have to see what kind of estimates the Liquor Board might have. But the member knows that you can't make that kind of an estimate. There's no statistical base on which you can make that kind of an estimate. All you can do is develop policies for the province of Saskatchewan which will encourage the population of Saskatchewan to shop in Saskatchewan. And hopefully that over time we'll be able to do that.

Mr. D'Autremont: — Mr. Chairman, is the minister prepared to develop some policy to look at the issue of cross-border shopping, especially the importation of alcohol?

Hon. Mr. Tchorzewski: — Of course. We will be considering every option available when we are preparing the budget for the next fiscal year. Any government would obviously be doing that. It will not be simply a matter of dealing with the question of cross-border shopping for liquor. We'll be addressing the broader question.

Mr. D'Autremont: — Mr. Chairman, will the minister be . . . when he considers this matter will it be a consideration of increasing the taxes on the border or will it be a situation of making our businesses more competitive?

Hon. Mr. Tchorzewski: — That's a matter which will be considered and we'll announce it in due course when any decisions have been made.

Mr. Martens: — Mr. Chairman, would the minister tell us the difference . . . whether this reduction of 7 per cent, from 10 to 7 has made any difference in the volume of sales?

Hon. Mr. Tchorzewski: — I'm informed that it has not, because the prices remain almost constant. So there has been no reduction in sales as far as I'm able to tell you at the present time.

Mr. Martens: — Has there been a change of usage from spirits to beer or liquor?

Hon. Mr. Tchorzewski: — No.

Mr. Neudorf: — Just one short series of questions, Mr. Chairman, to the minister. A while back, I'm not quite sure how long ago, six weeks or so, you came up with your statement saying that there was now a \$950 million, I believe, deficit.

An Hon. Member: — Sixty.

Mr. Neudorf: — Nine hundred and sixty, to be more accurate, thank you — and that \$72 million of that I believe was cost included for not harmonizing. Is that correct, Mr. Minister?

Hon. Mr. Tchorzewski: — I announced several weeks ago that if all government expenditure projections were to remain as they were when we became the government, the deficit would be \$960.3 million. It so happens that . . . and included in that was the reduction in revenues because of the elimination of the PST for the remaining portion of the fiscal year. I at the same time announced measures which we had taken in cost saving measures within the government to make up the difference.

And I'm pleased to report to the House today that we've been able to achieve that. So there's been no net increase because of that, because although there was lost revenue on the PST elimination, we recouped it by taking some initiatives on the cost saving side of the government operations.

Mr. Neudorf: — Mr. Minister, you indicated to us earlier that it would be about \$12.5 million loss, I believe, going from 10 to 7, but that there was also, because of increase in liquor and so on, that I think there was about a \$9.5 million recouping of it, having a net cost of \$3 million. Is that correct?

Hon. Mr. Tchorzewski: — About that. But that was part of the price that I guess the government paid in order to benefit the hotels industry, because that \$3.5 million was a direct benefit to the hotel industry. And you're right, in net terms from the point of view of the Liquor Board, that's the net loss.

Mr. Neudorf: — Mr. Minister, could you . . . Mr. Chairman, Mr. Minister, could you indicate to the House then the recouping of the charging of the 7 per cent E&H? What effect did that have on the net loss of the \$3 million that we're talking about?

Hon. Mr. Tchorzewski: — I'm not quite sure what the question is, but I'll try and attempt to give you an answer which may satisfy the question. There was a difference of \$3.5 million. The prices at the hotel remain constant because the hotel industry took the opportunity, and that was what the intent of this was, I understand. Can't speak for the former government, but that's what the intent was, to benefit the hotel industry. So the price remained constant and the hotel industry benefitted by three and a half million dollars.

Mr. Neudorf: — Perhaps I'm not making myself clear. I'm referring to the fact that normally there would have been harmonization. Now you're charging 7 per cent E&H. Does that have an offset to it?

Hon. Mr. Tchorzewski: — Nothing changed because the 7 per cent liquor consumption tax was 10 per cent liquor consumption tax. The only thing that's changed, and instead of being 10 per cent, it's now 7 per cent.

Mr. Neudorf: — Mr. Minister, the bottom line in our discussion so far is that there was a cost. The \$72 million that I referred to before as the cost of not harmonizing,

was this loss that we're talking about here in the liquor consumption Act included in that \$72 million.

Hon. Mr. Tchorzewski: — Answer is yes it was.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 6 — An Act to amend The Superannuation (Supplementary Provisions) Act

Hon. Mr. Tchorzewski: — On my right, behind me, is Brian Smith, executive director of the Public Employees' Benefits Agency.

Clauses 1 to 5 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 14 — An Act to amend The Mortgage Protection Act

The Chair: — Will the minister please introduce his officials.

Hon. Mr. Tchorzewski: — Thank you, Mr. Chairman. I'm pleased to introduce Harold Litzenberger, manager, revenue administration, revenue division.

Clause 1

Mr. Martens: — Will the minister give us the number of dollars that are lost in relation to this, or that are not going to benefit the taxpayer in a rebate.

Hon. Mr. Tchorzewski: — Yes. The member might be familiar that when this was brought in on March 1, 1991, when the former minister of Finance announced in a press conference that this was going to be eliminated, that that was going to . . . if we were to not pass this legislation, because it's already been working for the duration of this fiscal year, it would be a difference of \$25 million.

So the purpose of this legislation is to legitimize what's been happening and would, I guess, result in a saving to the treasury of \$25 million.

Mr. Martens: — How many individuals does this affect?

Hon. Mr. Tchorzewski: — I'm told about 2,300.

Mr. Martens: — 2,300 or 23,000?

Hon. Mr. Tchorzewski: — Because during the process of the year people's mortgages come up for renewal, the numbers change. The member will be familiar. I just renewed my mortgage the other day for a year at I believe eight and a half per cent. I know that's impressive.

So people are beginning to take advantage of the new mortgage rates and would be far better off even under the old ten and three-quarter per cent set-up.

So I am informed that it began when this was introduced,

with 6,500 people who . . . or 65,000. But in the process — sorry I wasn't clear in my first answer — but in the process throughout the year because renewals are taking place, it's down to 2,300.

Mr. Martens: — Two thousand three hundred from 65,000. Okay. What's the real number of the reduction in the . . . It will be 25 million off the budget as you calculate, but what's the real number that you're going to be reducing it by? Not the 25 million.

Hon. Mr. Tchorzewski: — That's the real number. During the process of this fiscal year the number is \$25 million.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

(1645)

Bill No. 7 — An Act to amend The Legislative Assembly and Executive Council Act

Hon. Mr. Tchorzewski: — Could I make a suggestion that since we are doing what the Finance officials . . . we could go on to the Bill dealing with the tabling documents and then we could come back to. You want to do it right in the order as they are?

Fine, that's no problem. Then we'll go on as it is.

The Chair: — The item then before the committee is item no. 6, Bill No. 8, An Act respecting the Tabling of Documents and Certain Consequential and Other Amendments to Other Acts resulting from the enactment of this Act.

Mr. Martens: — The order that the House Leader gave us was that the by-election Act was going to be next. If we could . . .

Hon. Mr. Tchorzewski: — Thank you. Let me try to be of help. If there is a list that was arranged . . . I just assumed that since the officials are already here we'd skip one and then come back to the by-elections Act. But if the members opposite want to stick to the list that was arranged, we're quite happy to do that. We'll do the by-election Act.

The Chair: — The business before the committee is item no. 5, Bill No. 7, An Act to amend The Legislative Assembly and Executive Council Act. Would the minister please introduce his officials.

Hon. Mr. Mitchell: — Thank you, Mr. Chairman. I would like to introduce to you and through you to the Assembly Susan Amrud, a Crown solicitor with the Department of Justice.

Clause 1

Mr. Martens: — Mr. Chairman, we on this side of the House have no problem with the context of the direction of the Bill. However, we do have a concern about when

the Bill would apply and the possibility that the minister or the Premier, when he calls the by-election, wouldn't have an opportunity to reflect on the time line that was remaining.

And so therefore what we did in a way to expedite that is to ask the Law Clerk for an amendment that would allow a period of time when that could be done — 42 months — and then after that then allow discretion on the part of the Premier to call the election so that he doesn't have an election called within a month of the general election that he decides to call.

So I guess that's the gist of the amendment that we have placed before . . . or that we will be placing before this Assembly. I gave a copy of this to the Minister of Justice and ask him to consider that. And when we get to that section, I would like to have the opportunity to place that amendment before the House.

Mr. D'Autremont: — I'd like to rise in support of the amendment to Bill 7, Mr. Chairman. The amendment has been presented to you, has it not? You're going to . . .

The Chair: — As I understand it, the amendment that's to be moved pertains to section 2. And once we get to section 2, I'll certainly entertain the amendment at that point if someone wants to move it. At this point we're on clause 1.

Clause 1 agreed to.

Clause 2

Mr. D'Autremont: — Mr. Speaker, I rise in support of the amendment to Bill 7. A general Bill legislating by-elections is . . .

The Chair: — Order. Someone should move the amendment before we consider the amendment.

Mr. Martens: — Mr. Chairman, I move the amendment as I've tabled it with you. It deals with, as I said earlier, a reflection on how the election process and the call of an election in a by-election should work prior to or just before a general election being called.

The Chair: — The committee is considering section 2 of the Bill as now amended by the member from Morse. And the amendment reads:

Amend section 2 of the printed Bill by deleting subsection 40.3(2) and substituting the following:

“(2) Where:

- (a) the Assembly is dissolved
 - (i) after the issue of a writ for a by-election; and
 - (ii) before a by-election is held pursuant to the writ;

- (b) a seat in the Assembly becomes vacant in the period that is 42 months or more following the immediately preceding general election; or

- (c) the Assembly, by resolution, directs that, due to extenuating circumstances, no by-election shall be held before a time specified in the resolution;

the provisions of subsection (1) shall not apply and the writ mentioned in clause (a), if issued, is deemed to have been revoked on the dissolution of the Assembly.”

That is the amendment by the member for Morse.

Mr. D’Autremont: — Thank you, Mr. Chairman. I rise in support of the amendment to Bill 7. A general Bill legislating by-elections is important, but certain restrictions must be implemented. This side of the House recognizes the unnecessary costs and inconvenience that will be incurred by the people of Saskatchewan if a by-election was to be held in the last months of a government’s mandate.

I, Mr. Speaker, am the MLA (Member of the Legislative Assembly) for a constituency that was vacant prior to the general election. The people of Souris-Cannington were not represented by an MLA prior to the election, but they were, Mr. Speaker, represented by a government in line with what they believed in. The people of Souris-Cannington elected a Progressive Conservative MLA. The fact that a by-election was not conducted saved the taxpayers money and saved the people of Souris-Cannington from going to the polls three times within one year. I am, Mr. Speaker, taking into account the civil elections as well.

The member from Kindersley, Mr. Speaker, was also elected in a constituency where a by-election was not held. It is obvious that his constituents did not lack from the representation that they received from the government prior to the general election.

In this legislature we must implement the public’s wishes. It is in the best interests of the people of Saskatchewan that I support the amendment to this Bill.

Hon. Mr. Mitchell: — Thank you, Mr. Chairman. I appreciate the member from Morse providing me with a copy of this proposed amendment some days ago. And as a result of that courtesy, we have on this side of the House had the opportunity to carefully look at this question and revisit it again. We had in fact in the drafting of this Bill considered the factors that the member mentioned. The member may recall having raised this matter in the House at the very first time the Bill was spoken to on second reading. And we appreciate the member’s serious approach to this Bill and the sincere interest that has been demonstrated by the proposing of this amendment in an effort on the member’s part to improve the Bill.

After much careful consideration by the cabinet and the caucus, I’m sorry to tell the member that we are not prepared to accept the amendment, and I want to give my reasons for that.

We think the essential value here, the essential value, is that constituencies be represented in this House as

quickly as possible after a vacancy, and in no event should a seat remain vacant for more than six months. That’s the essential value. So for that reason we are unable to agree with the contents of clause (b) of the proposed amendment, which covers the situation where a seat becomes vacant in the period that is 42 months or more following the immediately preceding general election.

The constitutional provision that applies to elections is that a government has to have an election within five years of the . . . has to call an election within five years of the date of the return of the writ from the last election, which is a period of 60 months. And this would enable governments, either this one or some succeeding government, this amendment would permit it to actually allow a seat to remain vacant for up to 18 months, the difference between the 42-month period in the Bill and the 60-month period that is the five years set out in the Constitution of Canada. So we are unable to accept the idea proposed in clause (b) of the proposed amendment.

With respect to clause (c) we certainly recognize that this is Saskatchewan and that the weather can get pretty difficult to have an election in. We will all remember the by-election in Assiniboia-Gravelbourg called in December of 1988. And I was tramping around the streets of Willow Bunch. And it was cold, difficult work, and I wouldn’t like to do that again. And I don’t mind tramping around the streets of Willow Bunch, but not in December.

So I understand the concern, but it seems to us that in the period of six months judgements can be made as to when the weather is likely to be good.

In the case of a resignation, such as was the case with Assiniboia-Gravelbourg, the election machinery can be brought up to speed quite quickly and we can have a by-election within a relatively short time — I would venture to say within two months. I would venture to say that the Chief Electoral Officer could organize a by-election to be held within two months — perhaps less, perhaps six weeks.

An Hon. Member: — Did you check this . . .

Hon. Mr. Mitchell: — The member asked if I have checked it and the answer is no, but we have some knowledge of how these things work and that is our estimate. Although I have to say to the member that I haven’t checked it with Mr. Lampard specifically.

But the point I’m trying to make is that within a six-month period in Saskatchewan we ought to be able to select a month in which the weather is likely to be at least passable, as it was in Assiniboia-Gravelbourg. I mean that election was held, if I remember, about the 10th of December or 16th of December, something like that, just before Christmas, as I recall. And at least half of that election, the weather was tolerable. You could do the canvassing and the kind of work that you have to do.

I’m sorry to be so long-winded about this, Mr. Chairman, but I’m simply trying to make the point that it seems to us that a by-election can be held within six months.

The danger with (c) in our view, in the hands of a government that doesn't want to call the by-election because the polls don't look so good, is that a government could use its majority in the House to pass a resolution to the effect that the by-election not be held within the six-month period, and therefore by that use of the majority, in effect gut the thrust of this provision, which reflects the basic value that no seat ought to go unrepresented by a member for a period of longer than six months.

So, Mr. Chairman, I do appreciate the effort of the member to improve the Bill, and I quite understand the point that's attempting to be made. We appreciate the serious approach to the Bill. And it is with regret that I must say to the member that we have concluded that we cannot accept the amendment.

Mr. Martens: — Mr. Chairman, thank you. Mr. Minister, I would like to ask you if you would have on hand the cost, on an average, of the elections in the province of Saskatchewan this last election.

Hon. Mr. Mitchell: — Mr. Chairman, I'm sorry I don't have any idea of the cost either of a general election or of any of the by-elections that have been held.

The Chair: — Order. It being 5 o'clock, this committee stands recessed until 7 o'clock p.m.

The Assembly recessed until 7 p.m.