

The Assembly met at 9 a.m.

Prayers

ORDERS OF THE DAY

GOVERNMENT ORDERS

Hon. Mr. Shillington: — Given the hour of the day, the Table may not have the agenda for the day. We'll move into Committee of the Whole first thing.

COMMITTEE OF THE WHOLE

Bill No. 79 — An Act to amend The Saskatchewan Pension Plan Act

The Chair: — I would ask the Minister of Finance to please introduce his officials.

Hon. Mr. Tchorzewski: — Thank you, Mr. Chairman. I'd be pleased to introduce the officials. To my left is Doug Mathies, the general manager of Saskatchewan Pension Plan. To my right is Blair Swystun, who's a senior analyst, Department of Finance and also a member of the board of trustees; and behind me and to my right, Cathy Strutt, also manager of client services. Both Mr. Mathies and Ms. Strutt are from Kindersley and have come some distance to be here, as the member from Kindersley does quite regularly. And I want to welcome them and thank them for coming to help us through this Bill.

Item 1

Mr. Boyd: — Thank you, Mr. Chairman. Mr. Minister, certainly welcome to the officials. I dare say that I hope that the officials from Kindersley don't join with me in ganging up on the minister and provide him with the help that he desperately needs on a Bill like this.

Mr. Minister, the Justice minister in the province has committed to changing legislation concerning pension benefits. And the legislation that he's proposing deals with pensions in another area but I think it's relevant to deal with that as well.

The report, as the Justice minister is going to be presenting, deals with issues of fairness, flexibility, and control. The highlights of the panel's recommendation include: part-time employees should be entitled to become members of the employer pension plans. A member of the pension plan should be entitled to a pension after two years of continuous employment. Survivors' benefits should be enhanced and common law spouses should be recognized for the purpose of survivors' benefits. Plans should not discriminate on the basis of gender. Pension advisory committees should be established to encourage plan members to participate in their pension plans. Plan members should have more flexibility in their retirement income. Lifetime registered retirement income funds should be introduced as alternatives to life annuities.

And in the conclusion of the study that was put together by the Minister of Justice and the panel that he commissioned was: we need to protect the pension

benefits of the province's workers and allow those workers greater control of their pension plans, he said.

Mr. Minister, in light of your colleague's recommendations — and they're all excellent recommendations — in light of those recommendations that pension benefits in this province should be dealt with particularly with respect to fairness, flexibility, and control and that the people involved should have greater control of their pension plan, I'm wondering, Mr. Minister, if you could provide us with any substantial studies that you and your department have done that would essentially give the people of Saskatchewan an indication of why you felt it necessary to make these kind of changes in this plan in light of the statements that your Justice minister has made about fairness, flexibility, and control.

We in the opposition certainly don't believe that the changes have anything to do with fairness, flexibility, or control. We think, Mr. Minister, that you were very ill-advised in making the changes in the pension plan. The pension plan was dealt a severe blow in the April budget after there was considerable amount of concern, I'll say, from the folks of Saskatchewan — after there was a considerable amount of questions raised with certainly, I would suspect, your back-bench MLAs (Member of the Legislative Assembly) and with the opposition, and considerable amount of people calling you and your officials, I'm sure.

You've seen fit to make some more changes in the plan and again throw it all up in the air, not to mention the plan . . . that the people who administer the plan in Kindersley, the amount of concern that it raised with them. First of all, the day before the announcement is made, they receive lay-off notices. And it throws the whole place into chaos. I spoke to the employees of the Pension Plan that day of the budget announcement. And to say the least, Mr. Minister, they were devastated.

No indication whatsoever that you were considering making those changes. And that extends beyond the employees of the Pension Plan, but it also extends to the people who were participants in the pension plan. No indication whatsoever from you or your officials. No consultation with them. Absolutely no indication that you were going to be making any changes, and yet you saw fit to make those changes, Mr. Minister.

I'm wondering if you would take the time to justify your actions, justify to the employees of the Pension Plan your lack of fairness, your lack of flexibility, and certainly your lack of control over how you had made these changes. I wonder if you would spend a few moments explaining to the people of Saskatchewan and justify for us and the taxpayers of Saskatchewan your actions, particularly that fly in the face of your colleague, the Minister of Justice's recommendations on pension benefits.

Hon. Mr. Tchorzewski: — Mr. Chairman, I thank the member for his questions. First of all, let me respond to the suggestion that the amendments that are being brought forward fly in the face of the legislation that is being introduced under The Pension Benefits Act. And I

simply want to say, Mr. Chairman, that in fact all of the amendments in this Bill are in keeping with and compatible with the amendments to The Pension Benefits Act. In fact there are provisions that are being introduced in this Bill which are parallel to those amendments in The Pension Benefits Act so that they are consistent.

We listened to the people who are enrolled in the pension plan. Probably the widest consultation one can take is hearing all the members of any particular plan. The members of the plan, after they announced it on May 7, made it very clear to us and it was supported by the former chairperson of the Pension Plan and other prominent people, women's organizations, they made it very clear to us that they understood that the province was having a severe financial difficulty. They understood that the province couldn't continue to develop a growing unfunded liability which is \$43 million, and in four years would be \$80 million. Just financially that is not something that could continue.

Overwhelmingly people who contacted us said that they understood that. But they also said that they knew that the government had to make some changes, and also said, thirdly, that they would very much prefer if the government would leave the plan into place, save the money that the government had to save, so that they would have a vehicle in which to provide themselves a pension and still be able to contribute.

We listened to what they were saying. And we listened to the member for Kindersley who on June 9 in this legislature said the same things. I have the *Hansard* here with me. The member from Kindersley, and rightfully so, said you should consider some of the other options. And we did because we thought the suggestions that were made were excellent suggestions.

And so we have, instead of abolishing the plan altogether, left a vehicle in place for future changes and improvements as we consult more widely over time to make the plan more accessible to those people to whom it is not for financial reasons accessible now, target it better, and the vehicle is there in order to be able to achieve those things.

(0915)

But the bottom line, Mr. Chairman, is simply that the province finds itself in some very severe financial difficulties. We cannot afford to continue a plan which grows to an unfunded liability of \$80 million in four more years. But having dealt with that, we left in place a structure for people to still be able to contribute to a pension plan and we hope that people will take advantage of that.

There are some people who cannot contribute to an RRSP (registered retirement savings plan) because of their income situation. The Saskatchewan Pension Plan, as it will be, will provide them with that opportunity.

Mr. Boyd: — Well, Mr. Minister, I don't believe that, and I don't think people of Saskatchewan believe that statement you just made about the fairness and the type of flexibility that you've put into the plan. What we indeed

suggested to you, Mr. Minister, was that you could look at the government match or you could look at the matching pension . . . minimum pension guarantee. You could look at those types of things. We were suggesting to you, sir, to look at them individually, certainly not as a whole package. We were also suggesting to you that those types of things could've been looked at for a very short period of time.

If you felt, as you suggested to this House all along since it's opened this spring, that the fiscal restraints drove you to do this, why then do they not drive you to look at other pension plans? Why do they not drive you to look at other unfunded pension plans in this province?

And we can look at other ones like the government pensions. We could look at the teachers' pension, who has an unfunded liability in the billions. And then, sir, last and final, and I think the people of Saskatchewan are very critical of you and your decisions, is your own pension — is your own pension, sir.

You've taken away the pension plan. You've taken away the pension plan of 54,000-some-odd people in Saskatchewan. And it had an unfunded liability, as you suggest, of \$40 million. Your own pension plan singularly has an unfunded liability of \$1 million in your own. And you stand up and say to the people of Saskatchewan that they couldn't sustain it.

Well can they sustain yours? Can they sustain you for very long? One million dollars in your own, and he's telling the people of Saskatchewan, we can't sustain it — we can't sustain \$40 million expenditure on behalf of the province for 54,000 people, but we can sustain it for myself.

Where is the fairness in that, Mr. Speaker, Mr. Minister? Where is the fairness in that? Where do you see . . . I would like you to explain to the people of Saskatchewan where you see the fairness that your Justice minister so openly promised to the people of Saskatchewan with respect to pension changes. Where is that fairness when 54,000 people have an unfunded pension liability of \$40 million, and you yourself have an unfunded pension liability of \$1 million sitting in a bank account, waiting for you to retire. I would think the people of Saskatchewan would be thinking sooner than later, that would be a good idea.

Mr. Minister, I wonder if you could just take the time to compare those two pension benefit plans. Just take a few moments of the committee's time this morning to compare those two pension benefits — yours at \$1 million for yourself, and \$40 million for the people of Saskatchewan in a pension plan that was directed at people who ordinarily would have no opportunity to participate in a pension.

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, once again I want to correct the member because he is not providing the full information in his comments. Many steps have been taken by the government prior to 1982 to address the difficulties which our pension plans were having in the public service and the pension plans of MLAs.

In 1978, as a result of those considerations, the question of unfunded, ongoing unfunded liability in the public service pension plans and in the plans of members of this legislature, was corrected. And it was changed to a . . . I usually define it as a money purchase plan so that since 1978, all members and public service pension plans are fully funded because they are the money purchase plan arrangement. People in the plan prior to that were left on a grandfathered basis.

But the problem that the member from Kindersley raises has already been addressed. We're dealing . . . he wants to deal with a question of fairness. Well the Saskatchewan Pension Plan which was, I want to say, poorly designed . . . It was a plan designed more for the purposes of an election campaign, I believe, in about 1986. It has some good features in it which need to be examined. And that's why the plan will stay in place while all of that review is taking place, to see if we can indeed provide fairness in a good pension plan, fairness to the extent that it will provide people an opportunity to become members of a pension plan who today are not able to afford to because the plan as it is now or as it has been before these amendments really was a plan for the wealthy.

True, many of the people who are in the plan had modest or no incomes, but by and large people who are in the plan from a household income were high income people. And on top of the fact that they were high income people, the taxpayer subsidized it because of the matching \$300. There was nothing fair about the plan as it was. It needs a major overhaul and some major reviews over time to address the question of fairness, to make sure that it's targeted to where it needs to be provided.

We're not done with the whole question of unfunded liability in the public sector pension plans, whether it's the teachers' plan or the public service or the whole range. And I announced in the budget on May 7 that we were going to appoint a pension reform commission which would consult with all of the stakeholders, consult with the public, review where we should be going in bringing in some recommendations so that we can fully address the question of unfunded liability in our pension system which is a fairly, pretty extensive one. It's not unique to Saskatchewan. As a matter of fact, it exists to a far greater degree in many other provinces in this country because by and large we have managed our affairs a little better than some other provinces.

So we're not done with that. That's the next step. And as soon as . . . sometime this fall I hope to be able to appoint, the government hopes to be able to appoint, the pension reform commission who will begin that work so we can address the whole question of pensions and matter of particularly of the unfunded liabilities which the taxpayer faces.

Mr. Boyd: — Mr. Minister, I think a whole lot of people in Saskatchewan would disagree with you; 54,913 people probably would be a good start. They disagree with you that they are poorly targeted. Fifty-nine per cent of the people in the pension plan have an income of zero to \$10,000; that's statistics from the Saskatchewan Pension Plan, membership statistics. Fifty-nine per cent have an

income of less than . . . between the figures of zero and \$10,000. Thirty-six per cent have an income between \$10,001 and 26,000.

Mr. Minister, your whole basis of your argument seems to be that those people . . . oh but those people have another member within their family that's earning a lot more money. I wonder for the people of Saskatchewan if you could substantiate that claim because I'm not sure you can. I think it would be incumbent upon you to provide us with the same type of breakdown of total family income relative to these people from the zero to \$10,000 range, and we'll see whether or not they have an income, as you suggest, that is a high income. I don't think it is. Mr. Minister, when people that are earning pension benefits in this province have an income of between zero and \$10,000, I would think that most people in this province would say, that's exactly where it should be targeted at, exactly where it should be targeted at.

I wonder also, Mr. Minister, if you would take the time to provide me with the numbers of public employees in this province that have a matching contribution to their pension plan. How many government employees in Saskatchewan have a matching contribution to their pension plan?

Hon. Mr. Tchorzewski: — Well of course, Mr. Chairman, they all do. But that exactly . . . the member makes the point that I was trying to make earlier — it's an employer-employee pension plan. Same thing is for people who work for IPSCO; there is an employer-employee agreement to have a pension plan to which there are contributions either equally matching or some form of matching arrangement.

The Saskatchewan Pension Plan is something else. It's basically a social program. There is no employee-employer relationship here to provide a matching contribution, and that's why it needs to be seriously reviewed to make sure that it meets the criteria of fairness, meets the need of those who most need the assistance to be able to develop for themselves a pension.

The plan as it has been, which was designed by the former government, did not meet that need. Indeed there are some people who, as the member said, have enrolled in the plan who personally don't have an income from zero to \$10,000. But I can guarantee the member opposite, anybody with an income between zero and \$10,000 is not on their own contributing to this pension plan. That means there must be a substantial income in the household.

An Hon. Member: — Give us the numbers.

Hon. Mr. Tchorzewski: — Well we'll tell you what the problem is, if the member wants to know. The problem is that when the former government designed the plan, that question was never asked. There was never a requirement made to find out what the family income was. And that's one of the things that I think we need . . . the new board when it's appointed needs to review that criteria to determine how we can better get that information.

But I want to add something else. I don't have it here

because it wasn't my study, but I know that the former government did a study — Mr. Lane when he was the minister — which proved exactly the point that I'm making, that a large percentage of the people who were enrolled in the plan . . . and I don't know whether that report was ever made public . . .

An Hon. Member: — Well table it.

Hon. Mr. Tchorzewski: — I don't have it. You should check with the former minister. But I do know that some people had access to it back in the 1980s, and some of us had an opportunity to take a look at it — I don't have it here — showed clearly that in fact the major portion of the people in the plan had fairly extensive family incomes, who did not need a subsidy from the taxpayer.

I don't think it's fair to ask the taxpayer to subsidize myself or my spouse, a relatively well-paid cabinet minister as compared to a lot of other people, or subsidize the spouse of the member from Kindersley — I assume he has a spouse; I shouldn't be using him as an example person — but anybody who's got a substantial family income. There's no reason why people working as a waitress and paying taxes, who cannot afford to be in this plan, should subsidize those kinds of individual. The plan as it was did exactly that.

We said that that was not fair. We said it was not well targeted and particularly when we face the kind of financial situation we face in the province. We found that we had to make some changes and that's what this proposal here today does.

Mr. Boyd: — So we're to go on the basis that you assume a study that you don't have shows what you want it to show. That's what you're saying to us this morning, Mr. Minister. The study, although I don't have it and I don't know where it is and I don't know whether it was even done or not, I think it shows what I want it to show. I think we're going to have to get something a little more substantial from you, Mr. Minister, this morning to substantiate your claims. If indeed this study does show it, let's see the study. He doesn't have it, he says, but I think it shows what I want it to show.

Well, Mr. Minister, that's a pretty poor basis to make changes in any plans, I'd say. And I think 54,913 people that are pension plan members would agree with me. Oh, Mr. Minister stands up and so righteously says, but those people with the income levels of zero to 10,000, they have other income. But I don't have any studies to prove it, but I think there was one done. I think there was one done one time. And I think it said, I think it said that they had other income. I think it said that.

(0930)

Where is it? Let's see the studies. Let's see the studies that you conducted yourself, sir. What studies did you conduct that substantiate your claim? Absolutely none. You made no studies of this, and if you did, we'd appreciate seeing them. And I'm sure the people of Saskatchewan and the pension plan holders would appreciate seeing your studies. Where are they? There isn't any. So the minister . . . we just have to accept his

word when he stands up and says, I assume there was a study done. I assume it shows that these people had other income, but I don't know where it is. You're going to have to do a whole lot better than that for the pension plan benefit holders in this province to believe your claim.

Mr. Minister, public employees in this province have a pension plan and the government pays into that pension plan and the employee pays into that pension plan, and that's all well and good. But there are lots of people in this province that don't have an opportunity for those same type of things; lots and lots of people in this province that don't have that same opportunity. And that's why the pension plan was put in place — for people who don't have that same advantage, who don't have an employer pension plan. That's why it was put in place. And I would suggest in this day and age anybody would believe that a pension plan is pretty important, pretty important. You have a pension plan. I have a pension plan as an MLA. Public employees in this province have a pension plan. And they all think it's good.

And yet you're suggesting that people that are outside of government or outside of employer benefit plans shouldn't have that. No rights. They don't believe . . . Oh, they don't need it. I guess they can get along somehow themselves. The same sort of thing as the Minister of Agriculture's been saying: oh, they can get along somehow.

Mr. Minister, when zero to \$10,000 income is suggested by you, 59 per cent of the people in the plan hold that . . . (inaudible interjection) . . . Well here it is. I'll pass it over to you. It's your own statistics. When 59 per cent of the people have that income level, I think the plan is very definitely targeted to where it belongs. And until you can provide us with any substantial studies that prove your claim, I don't think we're going to accept your argument. And I don't think the people of the province, and particularly the pension plan employees, should be swayed one little bit by your arguments.

Mr. Minister, as I said, public employees, MLAs, we all have matching government contributions. And it amounts to substantial amount of money. How many public employees are there in this province that have a matching pension plan? How many?

Hon. Mr. Tchorzewski: — I think, Mr. Chairman, I answered the question earlier that everyone who works in the public service is enrolled in the pension plan. That's part of the agreement that it's there. Whatever the number of public employees is — I wouldn't want to venture a guess, but it's several thousand — they are covered by the pension plan as per the agreement between the employer and the employees.

Now the member says that there are a lot of people who don't have an opportunity to enrol in the pension plan. I agree. But that's why the Saskatchewan Pension Plan will continue. They will still be able to enrol in the Saskatchewan Pension Plan. It's just that there will no longer be a matching contribution paid by the taxpayer. Because the fact is, Mr. Chairman . . . If the member from Wilkie is finished, I will then continue speaking, Mr. Chairman. The fact of the matter is that this pension plan

has an unfunded liability in its short existence of \$43 million and in four years was going to have an unfunded liability of \$80 million. And frankly, Mr. Chairman, we just can't afford that.

And therefore the plan has had to be changed so that there no longer will be a matching contribution, but people who want to contribute can still contribute because they may decide that it's a good place for them to invest in the pension plan. We want to leave them that choice. And if they chose to do that — and many have expressed a desire to do that — they will have that vehicle available to them.

If they chose to enrol in some other fund of some kind to arrange for them a pension in future years such as GICs (guaranteed investment certificate) or whatever, that will be their choice. But we're going to leave them the vehicle which is there. And in the interim period we're going to be reviewing what kind of other alternatives might be available.

And with the vehicle there it will give us an opportunity to be able, as some point in time when the province can fiscally afford it, provide a plan that is actually workable, that assures that people at the lower end of the income scale are able to be part of a pension plan, something which they're not now.

Mr. Boyd: — Mr. Minister, in Saskatchewan the taxpayer subsidizes MLA pensions. And they subsidize yours and they subsidize mine. They subsidize public employee pension plans. They subsidize teacher pension plans. They subsidize nurses' pension plans. They subsidize every single public employee in this province's pension plan — every single one of them. And you don't seem to have any problem with that, and I don't think generally in society anyone has any problem with that. What they do have a problem with is a minister that stands up and says that we're going to deal with the issues of fairness, flexibility, and control, and then takes the pension plan away from the people that are most in need of a pension plan.

I wonder if you could explain to the people of Saskatchewan that hypocrisy. How can you suggest on one hand that it's good for me . . . it's good for me as an MLA and it's good for you as the Finance minister. And I would suggest it's handsomely good for you as a cabinet minister and as a government MLA whose been in since after the program was changed. I would suggest to you that it's handsomely rewarding to you.

And it's good for me as a public employee in this province. It's good for me as a nurse in this province. It's good for me as a teacher in this province. It's good for me as an MLA in this province. And yet it isn't good enough for those people who don't have an opportunity to participate in one. Where is this fairness that you're talking about? Where is it? Where is the fairness that you're talking about?

And the member from Regina Rosemont there he says, oh get off of it — the great socialist, the great equalizer back there. If he had his way, everything would be the same in this province. But it would be just a little bit more equal

for himself, wouldn't it, sir? Just a little more equal for himself. He'd make sure his was well taken care of, just as it is as an MLA. He'd make sure it's well taken care of. He'd make sure it's well taken care of for himself. And it is. And the Minister of Finance is well taken care of for himself. But let's make it all equal, but just a little more equal for myself. That's what he's suggesting. Get off of it, he says.

He doesn't want this debate to take place. Any time anybody raises any opposition to this government they want to shut them up the same as they did in the GRIP legislation. It's a little bit embarrassing, I'm sure. It's a little bit embarrassing for you people over there when we bring up the fact that you have a pension plan yourself.

The member for Regina Rosemont has a nice little pension plan. He's been in — what is it? — a couple of terms now? Nice pension plan. I've investigated to find out what the pension plan is after a couple of terms. It's not that bad. Not that bad.

The Finance minister, his is even a lot better though. He got to be a cabinet minister. He got to be a cabinet minister so it shoots up substantially. It shoots up substantially because he got to be a cabinet minister in this province. And, Mr. Minister, not only does it shoot up substantially, you were on the old plan, the unfunded plan.

And the member from Quill Lakes, he's also on that old, unfunded pension plan. And it's no wonder, it's no wonder that these people are here . . .

The Chair: — Order, order. Order, order. We've been making good progress the last couple of days in committee. But this morning we seem to be having some problems. Members from both sides are interrupting those who are asking the questions and those who are answering. This slows down the process.

Also remind members that we have officials here in the House whose job it is to assist the minister to answer questions. I note that it becomes difficult for these officials to hear what is being said when members around them interrupt or hold loud conversations. So I think just out of basic courtesy members should tone down their remarks.

Mr. Boyd: — Thank you, Mr. Chairman. It might be interesting for the people of Saskatchewan to find out as MLAs who is on that old formula plan, the really rich plan that there was. Might be interesting for the people of Saskatchewan.

There is one member from the Quill Lakes — ah, there he is, the member for Quill Lakes. I'm not sure; we haven't calculated what his pension plan would be. It's not quite as good as the Minister of Finance because he was never a cabinet minister, thank God.

An Hon. Member: — Oh, he was too.

Mr. Boyd: — Did he make it at one time? He did, sorry. Sorry, he did make it. He did make it. So he would have a good pension plan then. Is it a million? Has it reached a million? Has it reached a million dollars yet? I would

think it's getting close. You've been in a long time; I'm sure it's getting close to a million.

We're a little bit unclear whether the member from Regina Elphinstone is still on the old plan. Maybe he could tell us. Are you still on the old plan? We're not sure. He's not sure. He doesn't know what year he was elected the first time. But I think he is. I think he is, for the benefit of the people of Saskatchewan, I think he is. He doesn't want to tell anybody.

An Hon. Member: — What about Gerry?

Mr. Boyd: — Well I'm getting to Gerry. We'll get to Gerry. We'll deal with these alphabetically, how would that be, Mr. Member from . . .

The next one is the member from Saskatoon Fairview. The member who stands up and says we're going to deal with the issues of fairness, flexibility, and control. We're going to protect the pension benefits of the province's workers and allow those workers greater control of their pension plans. Well, he certainly did that in his own case didn't he, Mr. Minister? He certainly did that in his own case. He made sure that his pension was protected.

The next one down the list is the member from Saskatoon Nutana. The next one . . . the old member from Saskatoon Nutana, the current Speaker.

The Chair: — Order. Order, order. Order. Order. One of the very important rules that we have in the Assembly that in no way should members try to draw the Speaker, the chief presiding officer of the Assembly, into the debate, because the Speaker is not in a position to defend himself or to enter into the debate.

Also it might seem to those that are listening that by drawing the Speaker into the debate that you are, in that way, providing examples in your remarks that otherwise might not be the case. And therefore I ask the member to retract his remarks.

Mr. Boyd: — We would retract the remarks dealing with the former member from Saskatoon Nutana.

The next notable on the list is the member from Saskatoon Riversdale and the current Premier of this province. His pension plan is very handsomely subsidized by the taxpayers of Saskatchewan, very . . .

An Hon. Member: — What happened to the alphabet?

Mr. Boyd: — Well, we're getting there. I said we're going to deal with the member from Arm River last.

The next, the next member is the Member from Regina Churchill Downs, the Associate Minister of Finance, who also took part in the exercise, who also took part in the exercise to cancel pension benefits. And the next member is the member from Regina Dewdney, the Finance minister. The Finance minister of the province of Saskatchewan who is dealing with the issues of fairness, flexibility, and control, Mr. Minister.

And the final one is the member from Regina . . . or from

Arm River, the gentleman over here. And he has suggested to the people of Saskatchewan that he's willing to put up his pension plan if you guys will, and I think it's on the record. I think it's on the record . . . (inaudible interjection) . . . I think it's on the record. The member from Swift Current, he doesn't believe that's the case, but it's on the record. Look through the *Hansard*, look through the *Hansard* of May 14, page 427. You'll find that for yourself.

An Hon. Member: — Write the cheque.

Mr. Boyd: — And he says, write the cheque. He doesn't got a cheque to write. How can he write the cheque on a pension plan when he isn't collecting any pension plan benefits yet?

(0945)

An Hon. Member: — He should be.

Mr. Boyd: — And the Associate Minister of Finance says, he should be. Well I would think . . . I would think, sir, that 54,913 people in Saskatchewan would be suggesting that maybe you should be collecting the pension benefits you so generously set out for yourself . . . (inaudible interjection) . . . You're not very old yet? Well this pension plan legislation guarantees you're getting older by the day, I would think. The people of Saskatchewan, the people of Saskatchewan feel, sir, that you've done them a big disservice, a huge disservice.

We don't have any problem in this province contributing to MLA pension plans — and I outlined the ones that are collecting it, are going to collect it — and they don't have any problem subsidizing public employee pension plans, and they don't have any problem subsidizing taxpayer expenditures on teacher pension plans or nurses' pension plans.

But yet that housewife out there that has a pension plan that she has put together for herself . . .

An Hon. Member: — They're called home-makers.

Mr. Boyd: — The home-maker — I stand corrected — out there in Saskatchewan today that has a pension plan that she has carefully set aside a little bit of money for her future, somehow another . . . isn't right. Can't have that in this province. Can't have that in this province. Doesn't matter if there's a potential, as there always is in marital relations, for breakdowns — doesn't matter about that. Her husband has a substantial amount of income so we can't subsidize her one nickel — doesn't matter about that. Doesn't matter that people in this province with a zero to \$10,000 income have no opportunity to participate in a pension plan — doesn't matter about them.

All it matters about in your minds is that you get yours. That's all that matters — you get yours. You get yours and the member from Swift Current, he's on a pension plan I think already with teachers' pension plan. Yes? Doesn't matter. Taken care of.

As long as the member from Swift Current is taken care of,

doesn't matter about these people. Doesn't matter one little bit. Zero to \$10,000 income — doesn't matter about them. He probably gets . . . Doesn't for a moment care about them. Eighty per cent of the participants in the pension plan are women. Doesn't matter about them. Doesn't matter about the home-makers of this province. Doesn't matter about them. Doesn't matter about the single parents. Doesn't matter.

Don't care about the small businesses of this province, the employees that are working in a small business that don't have the opportunity because their employer can't afford to pay for a matching pension plan. Doesn't matter about them. I'm taken care of, the member from Swift Current says. I'm taken care of so that's good enough.

Well, Mr. Minister of Finance, it isn't good enough. And that is why you've had to bring the pension plan back, at least in skeletal form compared to what it was before. And I would suggest the people of Saskatchewan, sir, believe that it should have been reinstated completely — reinstated completely. Or at least, the very least, what it should have been done, the very least what it should have been done is have a look at the matching contribution and perhaps ratchet it down for a brief time period. Or, and I say or, look at the minimum pension guarantee for a certain period of time. Those things might — might — have been accepted. Might have been accepted.

But I wonder, Mr. Minister, if you could provide us today with any studies that show any kind of indication that your department has gone through, any exercise that they have involved themselves in in the last little while that will show how many people now are likely to opt completely out of a pension plan as a result of your actions.

Hon. Mr. Tchorzewski: — Mr. Chairman, I'm pleased to respond to the member for Kindersley. And I want to do it by making three points, maybe four.

First of all, the government did a very extensive consultation with the public and stakeholders and organizations prior to the budget to find out from the people of Saskatchewan what they believed should be a major priority of this first budget of this new government.

I can recollect a number of places, and there were others, because we had so many . . . we had well in excess . . . 60 meetings across Saskatchewan. Well I can remember Yorkton and Melville and here in Regina and Indian Head and Humboldt and Prince Albert and Saskatoon and Moose Jaw, where clearly the message was there as it was in other places that the government had to get the finances of this province under control and get the deficit down and eventually eliminate it all together.

People in Saskatchewan understood and understand today that there is no choice in that. I wish that in the last 10 years the former government had considered that to be just as important as the people of Saskatchewan did. They said that we had to get this deficit under control and that actions had to be taken on the expenditure side to do just that.

This change in the Saskatchewan Pension Plan is the

result of that direction which the people of Saskatchewan expect their government to take. It is incorrect to say that people cannot participate in the pension plan. Indeed they can still participate in this pension plan. People can make contributions to the pension plan. New entrants can enrol in the pension plan. Existing ones can continue to make contributions up to \$600 a year. So that opportunity still continues. If there are some employers out there who are small employers and do not or cannot set up their own pension plan, they too can join with their employees and contribute to this plan. So the vehicle in order to provide that opportunity continues to remain.

But when you're faced as a province with the kind of financial dilemma, crisis — I might put it as strongly as that — as we are in Saskatchewan, a legacy which we inherited, no making of this government, you have to then prioritize where you're going to spend your money. And we chose to target some of the money saved for things like an increase in the Saskatchewan Assistance Plan, commonly referred to as SAP which provided a top-up for senior citizens who have very low incomes. When you have limited money, you have to target that way and prioritize where you're going to provide the assistance, within what is affordable by the taxpayers of Saskatchewan. This budget provides that.

There is no other place in Canada — there is no place in Canada — where the government and its employees do not contribute in a matching way to pension plans. It's not unique here in Saskatchewan. But I can tell this to the member from Kindersley, the member from Moosomin, the member from Wilkie that every other province that has looked at this plan that we have in Saskatchewan, introduced by the former government, has rejected it. Manitoba didn't go with it. Alberta decided not to go with it. Every other province took a look at it and said it is not a very good plan, and there have to be better ways to do it.

So I think the arguments clearly are unrefutable that a change has to be made: one, financially the province can afford; two, the plan is not targeted to the people who need the help the most with limited funds that are available, that the taxpayer has to pay; and three, a vehicle should be there for people who might want to contribute to a pension plan of their choosing, and the way that the plan will exist will provide it with that vehicle.

And I forgot to answer the question which the member from Kindersley asked.

An Hon. Member: — I was hoping you'd get to it.

Hon. Mr. Tchorzewski: — I got carried away with my solid arguments.

The member asked, do we know how many people will opt out? The answer is no, we don't know. We won't know that until people have indicated that they would like to. But that's a choice they're going to make.

All I can say is that indeed there have been some who've indicated that they'd be interested, but they want to see; they want to take their time to think about it, see where they're better off. But there are also others who have said,

which actually caused us to make some of the changes that we made since May 1, who said, we want you to keep the plan in place even though we know that the taxpayer can't afford to subsidize it. And so that's why the plan will be kept in place.

Mr. Toth: — Thank you, Mr. Chairman. Mr. Minister, you've given us the government rhetoric that we've heard for the last nine months regarding the pension plan and the reasons it was discontinued and the reasons you were going to discontinue. And then you've decided to at least let it operate without matching . . . the matching contribution. You've suggested that people across this province have said we must look at pensions, we must look at the Saskatchewan Pension Plan as one way to address the deficit.

But I'm suggesting to you that what you've done is basically put the burden of addressing the deficit on the backs of low income individuals. Because the province of Saskatchewan was only matching contributions made by individuals whose net income was less than I believe \$12,000 a year up to, and I believe it was . . . it diminished up to, what was it, 30,000?

But there are public employees — teachers, nurses — public employees across this province who have their pensions and they'd make a contribution, I believe, at 7 per cent; the government matches it by 7 per cent. So a teacher, even starting at the minimum wage of some \$30,000, that's \$2,100 a year, if I understand. And you're taking away \$300 match by the province to a few people on a very low income. And then you talk about our poor seniors.

And I notice some members' heads shaking on the other side. And I don't know why they're shaking when they're going to have a \$50,000 pension plan coming in for doing nothing. And there are people out there who are very legitimately . . . make a contribution to our society.

What I would like to know is how many people in the province of Saskatchewan, all public employees, who have their pension plans matched by the province — how many people? And that's everyone.

Hon. Mr. Tchorzewski: — Well I can't speak for the Crown corporations, but I think across the piece you're looking at 15,000. That's a ballpark figure; I don't have the statistics in front of me. So if you look at the Crown corporations and SaskTel and teachers — of which there are 1,100 or 1,000 — public servants who work for the regular public service.

But having said that I want to correct something else that the member made opposite. This pension plan — it's not a pension plan for the poor. I don't think . . . If the members opposite are arguing that, I think that they should reflect on their desire to be accurate in their arguments. Nobody who had an income in the area of 10,000 to 15,000 was contributing to this plan. But I'll tell you what was happening. People were contributing to the plan whose household incomes were 50,000, 40,000, \$100,000, and the taxpayer was subsidizing. Because it was lawyers' spouses and doctors' spouses and executives' spouses; people of some significant means

were contributing to this plan and the taxpayer was subsidizing it.

I don't think that the taxpayer should have to subsidize that kind of a pension plan, particularly in the fact that the province is broke. You have to make some choices.

Do you spend your money subsidizing spouses, man or woman, because it goes both ways; or dependants, who may not be spouses because there was some of that that was being done — sons and daughters of people whose incomes are high. Do you put your money there when the province has limited resources? Or do you put additional money into the Saskatchewan Income Plan for senior citizens with low incomes? Or do you put your money into home care so that people can get the care that they need so that they can live at their homes? — part of the wellness approach to health care.

We had to make some of those choices. And we made those choices. And I think quite frankly, Mr. Chairman, they were the right choices.

Mr. Toth: — Well, Mr. Minister, if lawyers are contributing or spouses of lawyers or if individuals . . . and the plan may have been available or been open such that lawyers' spouses could contribute. But what we're suggesting, Mr. Minister, and what we said all along is we're not suggesting that you take a lawyer, who has already been a pretty good planner, you take a teacher who's already in a very decent plan, or you take some other well-paid employees. We see the figures, Mr. Minister, indicate that it's home-makers, farmers, and part-time employees who are the greatest participants in this plan.

And if indeed, Mr. Minister, there were guidelines, there was a limit as to what you could make to have the province contribute, and if you want to address the fact that maybe a lawyer's spouse is contributing, well then maybe look at the spousal income or the family income. But I dare say the women across this province and the women across this country are getting tired of the fact that they're always lumped into one family unit and don't have that individual ability that a lot of women would indicate they'd like to have.

(1000)

Now if you feel that there are a few here . . . it seems, Mr. Minister, when you look at — and as I indicated earlier — the province's matching some 7 per cent of salary of 30 or 40,000 of a public employee and the public employee puts, let's say, 40,000 at 7 per cent is 2,800, and the province kicks in 2,800, well what about the few people out there . . . and the majority of the people involved in this plan were women. Why will the government not seriously look at addressing the fact of those individuals who are in families or in situations of low income?

And if you want to eliminate . . . we've asked you that, we've asked you that, to look very seriously. And if there are some deficiencies in the plan, well then make some changes to correct it. But let's not eliminate everyone because there are few deficiencies.

And therefore, Mr. Minister, I would like you to get the information of all the people across this province — you said there's some 50,000, it could be even higher — but I would like the information of all the teachers . . . and this goes a little bit beyond just the Saskatchewan Pension Plan people here for that information, you're going to have to get it from all departments. I'd like to have the numbers of all the people across this province, whether they're . . . anyone working for government or anyone who has a matching contribution by government, I'd like to have the numbers, I'd like to have the dollar value that's annually contributed, and I'd like to have the percentage.

And I'd also like, Mr. Minister, for you to take the time to — as we're looking at this legislation, looking at the pension plan — to review it and at least give the individuals who are stuck in that low income bracket, legitimately involved or in that low income bracket, give them the ability to have part of their plan matched by the province. And there's no doubt in my mind that yes, you would save some money. But in the long run to address the problems of low income seniors, I think we need to think ahead to the 20 and 30 years down the road. I don't think a government from now on, from today to eternity, want to have to always look at bumping up the seniors' income plan. Why not help people build for their future?

Hon. Mr. Tchorzewski: — Well by and large I think the member from Moosomin and I will agree here in many of the things that we're saying. What the member is saying . . . agrees to is something I have said in that there are major flaws in the Saskatchewan Pension Plan — major flaws. And it needs to have another look to meet the kinds of things that the member had just talked about. How do we provide people who, even with the matching contribution, were not able to afford even \$300 to get into a pension plan, because this plan did not provide those people that opportunity. They were left out.

So all of that is worthwhile addressing, and that's exactly what we intend to do over the next while in the context of the financial situation that the province faces in order to come up with a plan when we can afford it, one which is affordable which meet those people's needs, rather than putting the bulk of the taxpayers' money in subsidizing those people who don't need the assistance. We can't afford to do that, and quite frankly, in principle it is the wrong way to go. So all of that needs to be reviewed and will be reviewed.

The one thing the member from Moosomin says which I found particularly interesting because I was in this House when the pension plan was introduced several years ago . . . and the opposition then, which was not the members opposite — they were on the government side — suggested that there should be a provision where household income or family income would be recognized and considered in the determination of eligibility of assistance.

And the government of the day, the minister of Finance at that time, Mr. Lane, rejected — rejected that suggestion. Maybe there was a good reason for that. We didn't think there was good reason for that. He said no, we're not going to do that. Obviously he was not concerned about

the problem that the member for Moosomin and I share concern about, and that is how do we provide assistance to those who cannot on their own afford to develop a pension plan. He preferred to develop a plan that provided assistance to those who could afford.

We can't afford this plan as a province right now. It needs a major look at how we can provide an opportunity for people to enrol in the pension plan. So therefore we have eliminated basically the funding that the taxpayer provides here, but we have left the instrument of the pension plan for people who can make a contribution to a pension plan to continue to contribute to the plan and develop for themselves a pension.

I might add that without it, many of them would not be able to develop a pension easily because they could not purchase an RRSP because they're not income earners. But the plan as we are going to provide it will give them that opportunity, and I think that that's a plus.

Mr. Toth: — Well, Mr. Minister, one thing I would also suggest in view of the comments just made is the fact that if indeed you felt household income should be taken into consideration, if we take that same argument, we could look at the public pension plans we have today. And you could have a public employee that's pulling in 30 or 40 or 50 or in some cases \$100,000 a year. Is it necessary for the province to match those contributions?

Because you basically have high income families, then having the province match . . . and in some cases, Mr. Minister, you have two individuals, both the husband and wife working for a public system. Whether it's two individuals, two schoolteachers, they're both being matched. They've got both their contributions being matched.

Or you may have a nurse and a schoolteacher. Or you may have a government employee in the province of Saskatchewan, somebody working for a department and maybe their spouse working as a teacher or a nurse. Both of those individuals have their contributions, their personal contributions matched by the province.

What I am suggesting, Mr. Minister, if we look at it very seriously . . . And let's go back to prior 1981. Why did the province change from a formula plan to an annuity plan or a money-funded plan? Because the province didn't fund the pension plans of the day and realized they couldn't afford them, so they changed the system.

What I'm asking, Mr. Minister, is that as we've discussed, you take a very serious look at allowing those individuals, those low-income individuals, those single women, or even home-makers — individuals who have been involved — part-time employees, and at least allowing and working with them and allowing the Saskatchewan Pension Plan . . . I believe this Bill is going to allow the Saskatchewan Pension Plan to continue to operate. But I would suggest that you take a serious look, and I'm asking for a commitment on your part that you will look at ways of helping people build pension plans because it will be for the betterment of everyone in this province.

Hon. Mr. Tchorzewski: — I think that that's a very good

thought that the member indicates here today. We're prepared to look at that. In fact I indicated earlier, we will be looking at how we can provide a better system and meet the needs that this other plan that we are changing here has not met. And that is something that we will do.

I think, first of all, before we come forward with any solutions to that, we need to have the pension review commission do its work because we want to know our situation with regard to pensions and unfunded pension liabilities in the public sector as a whole, so that we know where we're starting from.

One of the reasons why we got where we got, where we are today in unfunded liabilities and *ad hoc-ery* and pension plans all over the place, is because nobody ever sat down and said, hey, let us look at having one workable system that is available to everybody. And stacking took place on individual pension plans over time, without any due consideration of whether they would be able to be funded or whether they would be affordable. And frankly, the Saskatchewan Pension Plan which we're changing here was part of that creation; that, I think, wrong psychology and wrong approach.

I agree with the member who just spoke, that we need to take an overall look. And we intend to do that. We intend to do the pension review commission to look into the unfunded liability and pensions. We will not do it in isolation from the people, the stakeholders who are involved, the employers and the trade unions and their membership. That's a very integral part of that study. But it will be done.

And then we also have to look, as the member indicates, at how we make sure that people who are on low incomes or part-time jobs, who don't have access to a pension, can be assured of an income in their retirement years.

Mr. Boyd: — Thank you, Mr. Chairman. Mr. Minister, I wonder if we could deal with a couple of specific questions with respect to the changes in the plan and how they're going to be done. I wonder if you would give us any indication of when the people that are enrolled in the pension plan can expect a letter from your officials, your department, with respect to the changes in the plan and their options that are available to them within the plan; of when they can opt out or when they can . . . all of the things associated with the plan.

Hon. Mr. Tchorzewski: — I'm informed that likely late September. There are some final negotiations we have to complete with the federal government on the roll-over provisions for those who may want to withdraw, so that they don't get hit with massive taxation retrieval of their contribution.

So we're looking at about late September to provide all members with information about where they're at and what their options are. But I think just as important, they will have a six-month period in which to be able to consider what they want to do. We're going to give them all the time that they need to think this thing through.

I hope, quite frankly, personally, and I'm sure that the Saskatchewan Pension Plan people will on their own be

encouraging people to remain in the plan, because it is in their best interests to look down the road into the future. But late September is the time for an explanatory letter from the plan itself; and after that they'll have six months to make their decision.

Mr. Boyd: — Mr. Minister, I wonder if you could outline to us where your discussions with the federal government are with respect to RRSP eligibility.

Hon. Mr. Tchorzewski: — I am told . . . as a matter of fact the deputy minister of Finance is in Ottawa yesterday and today, dealing with a number of things, and I instructed him to touch base on this one.

I have spoken personally to Mr. Mazankowski and asked him to address this as quickly as he can. He indicated that he would. He was not in Ottawa, he was in his constituency. When he was finished with his work there he'd be going to Ottawa. So basically it awaits the ministerial statement or letter or whatever he needs to do to get this thing into place.

I am informed that at the officials' level, there is agreement and support for what we are doing. And we're just simply waiting for the minister to have the time, because Ottawa have been on their summer break, to address this issue. And he assures me he's going to do it very quickly.

Mr. Boyd: — Mr. Minister, I'm wondering if . . . we've had a number of calls about the pension plan. I'm sure the pension plan people have had literally hundreds, if not thousands, of calls from pension plan holders about the changes in the plan and what's all going to happen and everything like that. The vast majority of people, I believe, want to stay in the plan. You may be offering them some attractive ways of getting out of the plan, but we think most people want to stay in the plan and we certainly encourage them to stay in the plan. We're hopeful that there will be a return to sanity on your part and that you will review all of these provisions that were in the plan previously and look at reinstating them.

We've also received a number of people that . . . a number of calls from people that very much doubt your sincerity in all of this and they're looking to get out as soon as they possibly can. And they're also wondering, first of all, will their full matching contribution be able to be withdrawn?

(1015)

Hon. Mr. Tchorzewski: — I share the sentiment of the member from Kindersley that I too hope that they will be, by and large, deciding to stay in the plan. And in fact the Saskatchewan Pension Plan people have been working on a communication brochure, which they do annually anyway, telling people about the advantages of having a pension plan, hopefully to encourage them to stay in.

But for those who may want to withdraw — and there are some who will for all kinds of reasons — they will be able to withdraw the contributions which they have put in. They will be able to withdraw the matching contributions that have been put in on their behalf because clearly it

was stated that it was their contribution once it was made. And they will be able to withdraw the earned interest, minus whatever small handling cost there might be, I think. I'm not sure that that would be significant, but yes, as far as the Saskatchewan Pension Plan is concerned, those funds are theirs. It is their property and they will be able to make a decision on their own on how they want to deal with it.

Mr. Boyd: — Will your government be offering any kind of encouragement to stay in the plan? Will you be engaging in any kind of an advertising campaign? Or will it simply be a letter going out to the participants outlining their options?

Hon. Mr. Tchorzewski: — The answer is yes. There will be a communication to all of the members indicating to them the advantages of staying in the plan, and there will be a promotion of the plan which happens annually, as it always has been, to indicate to people how the plan works, how they could become members of it, what their advantages are to be part of it. So the answer to the question, to the member's question, is yes.

Mr. Boyd: — Well it's interesting, Mr. Chairman, people from the other side are chirping that we're on overtime and they're wanting us to speed this all up and get through this messy business of the pension plan changes as quickly as possible. But I'll tell you right now, we don't intend to just move this along to expedite your time today. We're going to take our time and deal with this stuff the way we think that the people involved in the pension plan would want us to.

I just got a note in here a few moments ago from a participant of the Saskatchewan Pension Plan. The NDP stabbed me in the back, is what he says in his little note here. And he would like for myself to give him a call about the changes in the pension plan after we're finished here today . . . (inaudible interjection) . . . Well if you want to have a look at the note, Mr. Member from Rosemont over there, I'll say to you, it most certainly is not the member sitting beside me. And the gentleman's name, I don't know whether he'd want me to say it publicly here or not, but the note is here if you want to come over and have a look at it. It's right there for you.

Mr. Minister, I think in conclusion here, we're going to draw this to a conclusion rather quickly now, but nevertheless I think we're going to go through a few statistical pieces of information with respect to the pension plan before we close here.

There are 54,913 people enrolled in the Saskatchewan Pension Plan as of the end of 1991. The average government match, the last available statistics, are \$243. That was in 1990. And it would be interesting to know whether or not your projections of the amount of money that the unfund liability of \$43 million takes into account a \$300 match or indeed the accurate figure of \$243, which is the government match as of 1990.

We also want to get on the record that the people involved in the pension plan had an income of . . . 59 per cent of those people had an income of zero to \$10,000. The next level of income was from \$10,001 to 26,000, so

36 per cent of people fell into that category, for a total of 95 per cent of the people that were involved in the pension plan had an income of less than \$26,000.

And in this day and age where we all face . . . and everyone that's involved in various relationships with other people find that occasionally those relationships don't work out. And we recognize that the vast majority of cases they do work out, but there's a certain group of people out there that their marital relationships don't work out. And they find themselves in a single-family relationship, by themselves, single parents, single mothers, single fathers. They find themselves in those circumstances.

And then the minister says, while the program was paying too much to a family before, they find themselves on the outside looking in because they are not in a family unit any more.

Seventy-seven per cent, the most recent statistics of '91, 77 per cent of the people involved in the pension plan were women in this province — 77 per cent. And the distribution of occupations, the member from . . . the Minister of Finance suggests that it was poorly targeted and only the rich got it. Well 42 per cent of the people in this province that contributed to the pension plan were home-makers.

They are obviously high income people in this province. The minister is suggesting that only high income people contributed to this plan. They are obviously high income people — home-makers, 42 per cent of them contributed to the plan.

The next highest level of participants was part-time employees in this province — 28 per cent of the people involved in the pension plan were part-time employees.

And the minister says well only high income people participated in this plan. So I guess the high income part-time earners, part-time employees in this province are in that category.

The next available statistic high is the farmers of this province — farmers contributed . . . 12 per cent of the people in this province that were in the plan were farmers. And we all know how high income farmers are these days. Froze out, droughted out, changed programs, the whole works, they're high income people. That's why we've got to take this stuff away from them.

And then we looked down at the age distribution of the people that are involved in the pension plan. Between the ages of 50 and 65 is where the largest group of people involved in this pension plan are; 45 per cent of the people that are involved in the pension plan were between those age groups.

They are obviously people that, in my judgement, likely have worked their entire life up to that point, find themselves in a position when they reach 50 to 65 years of age that they don't have a pension plan. They realize the importance of a pension plan so they decide to start setting aside some money for their retirement day that is coming rather quickly.

And then when we get down to the final set of statistic here, the distribution of the pension plan holders and where they live in this province, the vast majority of people that contributed to the pension plan lived in rural Saskatchewan in communities of zero to 5,000 people — 55 per cent of the people who belonged to the pension plan lived in rural Saskatchewan.

So what we see here, Mr. Minister, I can only conclude by saying what we see here, is a government that's intent, absolutely intent on reducing the income levels, reducing the retirement benefits to people in rural Saskatchewan that are farmers, part-time employees, and home-makers. I think that's the only conclusion that we can draw from this. And particularly the women of rural Saskatchewan, 77 per cent of the people involved in this plan are women.

Rural part-time or . . . home-makers or part-time employees or farmers that are in rural Saskatchewan is where this plan was generally targeted at. And the statistics bear that out. That's where the plan was generally targeted at, and that is where the plan is being taken away from.

And, Mr. Minister, we find it absolutely shameful that a government would suggest to the people of Saskatchewan that that plan was not targeted correctly — absolutely shameful that you would describe it as poorly targeted.

I think the people of Saskatchewan wanted this plan. I sincerely hope they continue with this plan. I sincerely hope that this government recognizes the error of their ways and brings the pension plan back in the complete form that it was.

And, Mr. Minister, I think that the people of Saskatchewan do not agree that you've been fair with them. I think they do not believe that you've been flexible with them. I do not believe that they think that you have given them control over their pension plan. The Minister of Justice said that we need to protect the pension benefits of the province's workers and allow those workers greater control over their pension plans. And I don't think that you have done that, sir. I don't think that by bringing the pension plan back in skeletal form like you have brought it back has accomplished that goal.

And, Mr. Minister, people of Saskatchewan I think will never forget this. The home-makers of Saskatchewan, the part-time employees of Saskatchewan, the people in rural Saskatchewan won't forget this, the changes to the plan. And we want the commitment from you, sir, that you will look at providing pension plans for those people in the future.

Hon. Mr. Tchorzewski: — Mr. Chairman, in the interests of time, I'm not going to repeat all of the arguments that I made earlier because many of the things I would say I have already said, and they're on the record.

On the final comment about the importance of pension plans, I want to tell the member opposite that I don't disagree. Pension plans are important. Income security in one's latter years are important. But we have to find the

best mechanisms in which to make sure that those guarantees or those security provisions are provided. I have the same interest in doing that as the government does and as the member from Kindersley indicates that he has. So that assurance we can provide.

Clause 1 agreed to.

Clauses 2 to 16 inclusive agreed to.

Clause 17

Mr. Boyd: — Thank you, Mr. Chairman. We have an amendment that we would like to make to clause 17 and amend it as following:

Amend clause 17 of the printed Bill by adding immediately after clause 21(1) (n.2) as being enacted therein the following clause:

“(n.3) requiring the minister to seek advice and provide a reasonable opportunity for receiving advance public consultations and recommendations on any proposed regulation or any proposed amendment to the regulation made under this section”.

Hon. Mr. Tchorzewski: — Mr. Chairman, all of the things that the member has here are provided for already. The implications of this may be such that I would want to fully understand what they are before I could agree to this amendment. At some other time we may want to consider it. The member had given it to me a day or two ago, and we'd had time to look at it. But for now I think we should not incorporate this amendment.

Clearly we're going to consult. As a matter of fact, when the board is appointed . . . right now there is a board of three people, two ministers and an official who is a member of the plan. But there is a provision in the Act and a third of the members of the board have to be participants in the Saskatchewan Pension Plan. So some of that is already covered over. But there will be no changes beyond what this Act does without the prior and full consultation.

So I think I will recommend to the House that for now we don't proceed with this amendment but we take a good look at bringing in an amendment at another time that we know what its full implications are. I don't argue with consultation. That's the way I prefer to operate as an individual and that is the way the government prefers to operate.

So I'm going to recommend to the House that we not approve this at this time, but I will guarantee to the members opposite I will take it under advisement and come back — if an appropriate thing can be worked out — at a future time.

Mr. Boyd: — Mr. Minister, we're wondering whether or not the people that you are appointing to the board, if we could as opposition have input into that decision of who is appointed to the board.

Hon. Mr. Tchorzewski: — I welcome suggestions from

anybody. And if members opposite have some, want some . . . make some recommendations, I would welcome them.

Mr. Boyd: — We would accept that then.

(1030)

Amendment negated on division.

Clause 17 agreed to.

Clauses 18 to 20 inclusive agreed to.

The committee agreed to report the Bill.

Mr. Boyd: — Thank you, Mr. Chairman. At this time I'd like to take the opportunity to thank the officials for coming in today, for coming in from Kindersley — it's a long ways, as I know. I certainly recognize that they've gone through a very difficult period of time since the budget. I think we all recognize that.

They've received literally hundreds of calls, if not thousands — I think they could probably confirm that — about changes in the pension plan. I think they've done an excellent job in fielding those questions for the plan members in Saskatchewan. And I can only say that I think that the pension plan in Kindersley has shown, clearly shown, that it's a good plan, and indeed the people of Saskatchewan support the plan and I believe will continue to support the plan. Thank you.

Hon. Mr. Tchorzewski: — Mr. Chairman, I too would like to thank my officials from the Saskatchewan Pension Plan and from the Department of Finance for their assistance in helping to provide the answers here today, but for all the work that they have done and continue to do in the public service. They do an outstanding job. We, I think, as all the people of Saskatchewan, are fortunate to have the quality of the people we have in our public service, and I'd like to join the member in thanking the officials.

Bill No. 93 — An Act respecting Labour Relations in the Construction Industry

The Chair: — I would ask the Minister of Labour to please introduce his officials.

Hon. Mr. Mitchell: — Yes, thank you, Mr. Chairman. With me today is Dave Argue, who is the executive director of the labour relations branch; and Susan McGillivray, who is a research officer in the department.

Clause 1

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, this Bill, as you well know, has caused a considerable amount of consternation throughout the province over the past few months among many, many people. The worries that were there of course originated from press releases about the potentials of the Bill as well as from private conversations that people said that they had with different officials throughout your department, throughout the industry, and of course even with ourselves.

We understand, having discussed the new Bill with some of the people that had the major concerns, that the original draft Bill has been overhauled considerably. We're going to ask you for a confirmation of that.

The understanding we have is that the entire thing was gone through basically line by line by all parties concerned and that there was basically a compromise position taken on the entire draft Bill and a new Bill was drawn from that. And this consultation that led to compromise is something that both sides apparently are not totally satisfied or happy with, but are saying that they can live with it in view of the fact that the other sides have got considerations that need to be met as well.

And out of the necessity to have the Bill put into place because of certain commitments that were made probably I guess back through the election, the parties have agreed that if you can't stop it, you may as well negotiate the best deal you can get and try to live with it.

So that seems to be the position of the parties involved. And as a member of the opposition, it is my duty I suppose to try to point out the problem areas and to try to get to negotiations and to try to get people to agree to some kind of a compromise that they can live with. And I believe that we have accomplished most of that from what I've been told.

But my job isn't quite finished because I think the general public needs to know exactly where these compromises are and how they will affect certain people.

So I want you to generally explain for the public how the original draft Bill has been changed, what those changes in general terms will mean, and how they will now affect both the unionized workers of the province and the people who will be employing them.

Hon. Mr. Mitchell: — Mr. Chairman, I appreciate the remarks of the member. This is an industry where labour relations have been very difficult historically. I've told the member before that during my years as the deputy minister of the department, this was the main focus of most of my work. I think I spent something like 25 per cent of my time as deputy minister on construction industry problems. Those were in the turbulent '70s where there were a lot of strikes and a very difficult bargaining atmosphere. And that wasn't just confined to Saskatchewan; this is a common problem throughout Canada.

And during those years the employers, with the assistance of the building trades, came up with the idea of employer organizations being accredited or certified by law to be the bargaining agent for employers so that you would have a structure on both sides of the table, and within that structure a collective bargaining would occur. And this is the basic scheme of the Act that we have presented.

Now the member will recall that there was a committee that I set up to inquire into a number of problems related to collective bargaining in the industry and to make recommendations, and indeed they did; and that the draft, first draft of any legislation was prepared by the

Department of Justice on the basis of the report of that committee. And I recall the member tabling that document in the House, and that was appropriate.

We had sent it out to various people. There was no big secret about it, but it did not reflect any instructions from the government or any instructions from me or the department. It was simply a rendering of the committee's report into legislative form so that people could see what it would look like if the committee's report were enacted in its original form. And consultations began on the basis of that document.

The process was long and involved and very intense, as the member knows, because I know that he was a contributor to that whole process. And I thank him for his assistance in bringing this matter to a conclusion.

This is the nature of that industry. They're tough bargainers all the way around. Nothing is easy. Nothing is ever easy in that industry, and it wasn't this time. My belief was that at the end of the day, however, in the spirit that the member referred to in the sense that something had to be done here and that, because something was going to be done, we would work together and try and come up with something that everybody could live with. And that indeed is what I expected to happen and that is what happened. And I'm very, very pleased with the end result. I think we have a piece of legislation that will serve the industry well.

I am pleased with the approach of the building trades who have compromised their best result . . . their best . . . their fondest hopes, both in the committee process and in the subsequent consultations. And also my thanks to the employers. I recognize that they had to swallow several times but at the end of the day they have a package that they're comfortable with.

And that's about the best that you'll ever get in this industry, is a piece of work that doesn't satisfy anybody fully but yet a piece of work that everyone can be comfortable with. And I hope that we have that here. I think it's an appropriate Bill having regard for the present realities in the province of Saskatchewan.

As to the areas where compromise occurred, there certainly were compromises around the idea of the spin-off problem and that was a major area of discussion on both sides. That seems to have been resolved satisfactorily.

Within that there's sort of the reverse spin-off where a non-union contractor creates another company for the purpose of undertaking a union project, and that is, as I understand what has been agreed here, doesn't compromise the non-union nature of the operation. And I think the Bill provides protection for the employer in those circumstances. The Bill has also clarified the status of the previous existing collective bargaining agreements and that was the third area of compromise.

Now there were other adjustments in wordings and that sort of thing, but I think I've identified the major areas of adjustment as the consultation process drew to a close. And I thank the member for his question.

Mr. Goohsen: — Well thank you, Mr. Minister. I'm taking it from your comments now that you believe that the problems related to changes to the spin-off company aspect that might have forced employers to go outside of the province to hire workers to come in or to perhaps tender outside of the province and bring work forces in to do jobs, that that no longer will be a problem?

Hon. Mr. Mitchell: — I think that will no longer be a problem, and I think the employers understand clearly . . . we all seem to be of one mind on how this is going to work. And I think you accurately reflect it.

(1045)

Mr. Goohsen: — Thank you, Mr. Minister. That certainly was one of our major concerns because if we were going to work on such a complicated issue, as you have termed it to be, and I agree with you fully that it probably is, wills are very fast and hard on both sides.

But in the final analysis, the bottom line has to be that we have to somehow encourage — maybe protect is not a good word, but we can use the word, encourage — the use of in-province labour force so that our own people in fact are the people that get the work that we have to do, for the most part. Obviously there have to be some exceptions to that.

And I would think, of course, back towards home where occasionally in the oil industry we have to bring some workers in from Medicine Hat or some place because they have the technology available very quickly and are able to go to work on the particular jobs that need to be done. But for the most part, I think we all want to see the lion's share of the work put into a position where we are competitive, to have that work done by our local folks.

So I'm happy to hear that that potential is there that this situation is resolved. Because of the very complexity of the nature of the industry and the nature of the fact that it's hard to get folks to agree, as you've pointed out, from the years of turmoil in the 1970s, it's very probable that we'll be back at some amendments to this Act at some future date.

And I expect that this is the kind of thing that is ongoing and that we'll likely see the need for change as we evolve as a nation and as a working industry-based people as we switch from one base of natural resource to a base of more diversification in our labour force, as we switch to industrialization — I suppose might be the greater word to use — as we start to process and manufacture more of our own goods, rather than ship them around the world perhaps, which might be a direction that we could go. We will see even more problems of course developing as those changes come. So I think we'll end up debating these issues back and forth.

And I'm quite aware of the minister's need to be on an airplane to do some very important meetings in our country very shortly, so I don't want to ramble on too long here. But I do want to ask you for a commitment. Because of the bit of a time constraint that I'm placing myself under in order to try to accommodate you, I will ask you for a

commitment that you would answer any questions that we might have, that we might miss today by shortening it up, that you might commit yourself to answering those questions for us as you get on with the constitutional debates and find yourself a little more free with time.

Hon. Mr. Mitchell: — Well I'm glad to do that. I invite the hon. member to submit questions to me and indeed to meet with me and the department people about the implementation of aspects of this Bill.

Before I end my remarks on this, I just want to draw to the House's attention the provisions respecting a jurisdictional assignment plan. This is a long-time goal of mine and of the industry to find a way to eliminate jurisdictional disputes, or at least a process for concluding them without any work stoppages or wobbles on the site. And in this respect, Saskatchewan is right at the forefront of developments in Canada. And I'm extremely pleased that the parties have agreed that this division should go into the Bill.

And I also want to make clear that we will continue to co-operate with all partners in the industry and with the hon. member in further developments under this Act.

Mr. Goohsen: — Thank you for that commitment, Mr. Minister. I have one more short question. And I've had quite a few inquiries from local governments throughout the province, and they want to know how this legislation will affect them. So just for the record for their needs, could you comment?

Hon. Mr. Mitchell: — This legislation affects only unionized contractors, and it does not affect the non-union, the unorganized sector of the industry at all. It would affect them if and when they become certified by one of the building trades unions. But for the unorganized part of the industry, this Bill just simply doesn't apply.

Mr. Goohsen: — Well thank you, Minister. I'm sure they'll be happy to hear that. The only thing that I have to add to this now for this moment is that in the event that this Act presents some problems and as the months go on now if we find that there are problems — I'm sure you'll do this; I can see no reason why you wouldn't — but I would like you, as you wrap up, to give us a commitment that you would come back and do other amendments to the Act to alleviate any problems that might come up.

And with that, I'll conclude my remarks here and thank your officials for coming in and thank yourself for your diligence in delivering this package.

Hon. Mr. Mitchell: — Mr. Chairman, we no doubt will be coming in with fine tuning to this Act in the future, and we will be following a similar consultative process that will involve the opposition.

I also want to thank my officials for all of the tremendous work that they've done here, in addition to the people who are here. The deputy minister Merran Proctor and Graham Mitchell, who the federal government was kind enough to second to us to assist us and who is an expert on the construction industry labour relations, was also available and did a lot of work. And I want to

acknowledge their participation in this.

Before sitting down, I also want to thank the opposition for the way in which they've accommodated me and my schedule in this and other matters before the House and tell them that I do appreciate it very much.

Clause 1 agreed to.

Clauses 2 to 38 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 91 — An Act to amend The Saskatchewan Oil and Gas Corporation Act, 1985

The Chair: — I would ask the Minister of Energy and Mines to please introduce the officials here with him.

Hon. Mr. Penner: — Thank you, Mr. Chairman. The official that we have with us this morning is Doug Karvonen, sitting to my left, and Doug is with the Crown Investments Corporation.

Clause 1

Mr. Britton: — Thank you, Mr. Chairman. Mr. Chairman, Mr. Minister, as I mentioned when we first looked at this Bill, we don't find a whole lot wrong with it. As a matter of fact, we think that it will probably be a very good Bill, and it is a very major step, I think, in a direction which we agree with, and that is where you'll allow foreign investment into Saskatchewan.

We also think, Mr. Minister, that some of the benefits from your amendment here would maybe increase the share value where people . . . it'll strengthen the value of shares because the base will be stronger. As we noticed, shares went from \$16 down to 5, and we think that this will probably bring it up. It should in fact be a benefit to the employees who are buying shares in the company.

I also think, Mr. Minister, that it is a major, major step from what we have been used to from your side of the House where you seem to have always wanted to control and keep the investment within Saskatchewan. We have always argued that the broader the base, the better the industry. And so we are saying here in this Bill you are doing the right thing. We congratulate you, sir. On more than one occasion, we found that your department is accepting change to what the old stand used to be, and we hope that that continues.

I myself, Mr. Minister, spent a lot of my time working in the oil industry, both as a worker in the oilfields and also as an agent for a major oil company, and we found that they make a contribution to the economy. And certainly with Saskoil having proved that they do have the management that's needed, and with this Bill they should then be able to attract the financial base that they also need to expand and grow, as we hope they should.

Mr. Chairman, Mr. Minister, at this point we don't have a lot of problems with this. I will say to you, sir, we will be watching how it evolves and maybe at the next session we may be talking to you a bit more about it. But at this

time I think that all of my colleagues have mentioned to me that they too feel that this is a step in the right direction, and we applaud you for it. Thank you very much, Mr. Chairman.

Hon. Mr. Penner: — Mr. Chairman, I guess there was no question so I don't have to respond at length. But we believe that this also a step in the right direction, was to develop the industry in Saskatchewan. And I think the member for his comments.

Clause 1 agreed to.

Pages 1 to 9 inclusive agreed to.

The committee agreed to report the Bill.

Mr. Britton: — I think I would like to thank the minister for bringing in his official even though there wasn't a lot of work. I appreciate that fact you brought your officials in, and I want to thank you for that too.

Hon. Mr. Penner: — Mr. Chairman, I would also like to thank the official for coming in. He waited for awhile out in the hallway, but I don't think that we overworked him today.

(1100)

Bill No. 72 — An Act to amend The Critical Wildlife Habitat Protection Act

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. With me today I have Doug Cressman who is the deputy minister and Hugh Hunt who is director of wildlife.

Clause 1

Mr. Neudorf: — Thank you very much, Mr. Chairman, and the minister, and welcome the officials here as well. I know the two officials. I know them a little bit by now and they're very capable officials indeed.

And I think that as an opening comment, Mr. Chairman, I should say to the minister that we have been consulting on this issue over the last little while. And to the minister's credit, I want to say that I believe quite sincerely that we have had a major, if not a disaster, a major occurrence particularly in the southern part of the province; but indeed across the province we have averted I believe a show-down.

Because the way the original Act, the amendment was intended, was certainly not being accepted, Mr. Chairman, by the people of this province, particularly cattle ranchers and farmers in the south and in the south-west area. And it had the potential of having disastrous effects throughout the province, particularly when these people were so upset with the possibility of losing control of their leased land and the ability to hand it down from generation to generation. That there was this possibility — not only a possibility — it was assured because there were already municipalities, complete municipalities who had barred and put up signs saying no hunting this year.

And I'm sure that many members of this legislature were feeling the impact of that, because it transmitted itself right across the province to all of the hunters, all of the people who were drawn, all of the people who finally had the ability at least, to go out and shoot that trophy mule deer, of which I was one, I have to admit.

And now we could see the spectre of all of this land being posted in protest by the people, by the ranchers, and by the farmers of this province. Mr. Minister, because of your action, that threat was averted. And I want to commend you on that.

I think, Mr. Minister — and I say that quite sincerely — I think what the . . . your willingness to co-operate with the opposition and your willingness to co-operate with the farmers of this province in recognizing the fact that what you were intending to do was not in the best interest of this province. And you listened to people, and you took seriously their concerns. And what we have before us now is an amended version of the amendment to the Act. And I know it's going to get complicated as we go through this process.

But I want to say, and I want to say to the Minister of Finance, that if you would have taken the route that your Minister of Natural Resources has taken and listened to people, many of the traumatic experiences that the people of this province are going through right now could have been averted. And I certainly say to you as far as the pension plan that we have just witnessed this morning — that shallow, hollow replica, it's not even a replica of the pension plan — that fiasco could have been avoided.

And I certainly say to the Minister of Agriculture, if he would have taken the example set by his colleague, many of the problems with the GRIP (gross revenue insurance program) Bill and many of the other fiascos, FeedGAP (feed grain adjustment program) and the livestock cash advance could have been averted.

And I say to the Minister of Health, if the Minister of Health would be listening to people and changing, being willing to change . . . not at our request of the opposition alone but because of what the people are asking. We could get into the chiropractors and the thousands and thousands of petitioners or into the optometrists or into diabetics. All of these areas could have averted the confrontational process that we are seeing taking place right now.

And so, Mr. Minister, I want to recognize the fact that you have been instrumental and that you have been helpful to the opposition in addressing the concerns that the folks out there have had. And I want to go on record as saying that.

But at the same time, Mr. Minister, I think I basically have one question for you before we get into the meat of the amending Bill itself. And that is that it is my understanding that you have agreed to meet with the lease holders this fall and that you are going to be pursuing a process whereby an appeal process can be set up. Could you bring me up to date of your intentions on that issue.

Hon. Mr. Cunningham: — Mr. Chairman, I thank the

opposition for that question, and I also would like to thank the opposition and the groups involved in helping us to get this Bill through. It's, I think, no argument that the Bill is far-sighted and a benefit to the province as a whole. There were some misunderstandings with the Bill and some concerns were expressed. And we were able to meet with the different groups involved, and with some co-operation from the opposition, co-operation and help from people like the member from Shaunavon who talked to the farmers and brought back their ideas, we were able to have amendments made to the Bill which will help to address those concerns.

The other problems, concerns that were raised were addressed, as you have mentioned. We in fact have been doing land review meetings across the province, talking to all our lessees about not only critical wildlife but oil and gas leases and community pastures and lease rates and a whole lot of things. And we have agreed that we will work to get some sort of appeal mechanism set up so that people who have problems with the critical wildlife Act or land, lessees who have problems will have some appeal procedures whereby they can be heard.

We have agreed to set that up. We have agreed to talk to them about regulations which were their concern. And they were looking for assurance that agriculture would continue to be a prime use of this land, and I think we've addressed those concerns and misunderstandings. And I think it's . . . this Bill is I think an example of the politics of the '90s.

It was a Bill that was started by the previous administration. It's a Bill that costs little now and has a potential for huge benefits which I think our children and our grandchildren will thank us for having the foresight to do this. It was started by one government, carried through by another government with co-operation from all the groups that were involved.

And I think that's the sort of thing that people are looking for from politicians, is co-operation to do things that are right for the province of Saskatchewan.

Mr. Neudorf: — Thank you very much, Mr. Minister. I just want to add one fact. You said this was the politics of the '90s when you go out for consultation. I submit to you, Mr. Minister, that the big difference here so far has been that we have heard a lot of lip-service being given to consultation. But the problem with most of your ministers in this government is that they don't listen to the people.

And my point was, sir, that you have done some consulting in retrospect, but more importantly you have listened to them. And that is why we are here today, and I think we can do away with this Bill in fairly short order here.

But before I turn it over to the amendments, the member for Maple Creek whose area is very, very dramatically impacted by this has a few questions.

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Minister, I want to echo my colleague's congratulations to you for the work that you are preparing now to go through to alleviate the concerns of many of the people of the

province, but in particular of interest to me, many of my constituents who obviously had a lot at stake in this process simply because of the geography of my constituency which contains not only The Great Sand Hills of Saskatchewan, but also the great Cypress Hills of Saskatchewan, two great geographical entities that in themselves are spectacular and tremendous, found only in one location basically in our province.

Each of those on its own merit of being almost totally different is spectacular to say the least, but presents certain kinds of problems for the folks that live there, and of course a lot of those problems generated by what happens in this Assembly.

Now the folks that we talked to and discussed things with — and they're the same people that you've been talking to through your officials and probably personally — have expressed that point of needing an appeal process. And I wanted to deal with that just for a minute, because I think it's very important that people feel comfortable that they have a place that they can go as a last recourse if something goes wrong, even if it's only in perception and not in reality; a place that they can deliberate their concerns where they feel that a third independent party or group not affected directly at the moment, not under any pressure to make any one-sided decision — that kind of a place to go to to vent your frustrations or to explain your problems and get a fair hearing, that's all important.

And that was illustrated so very well, Mr. Minister, in the years gone by in the relationship between property owners and the petroleum and gas industry. And as you will recall and know very well, The Surface Rights Acquisition and Compensation Act provided for the Surface Rights Arbitration Board.

That board has evolved into a very functional entity and one that has done a tremendous amount of good work in the province. It has solved many, many problems, and it has also in many cases provided that sounding board for people who just needed some place to go to get another opinion or a fresh view on how things should be happening or could be happening. And it has served very well.

And I want to make a suggestion to you and get your comments. The suggestion would be that you perhaps use that entity as a base to start this appeal process for those folks with problems in the habitat area or in the area of leased lands and that sort of thing. And I suggest what you could possibly do is work through that Act and provide an extension to that board that would in fact deal with these kinds of problems.

It might be that you would use different members on the board. The present board of course has people from both sides of the industry sit on the board and then it has a chairman that basically runs the thing. You could do that same type of thing here and you could appoint some people that represent the cattlemen of the province. You could have a few people that represent the wildlife federations and people that are involved with those kinds of things, and a couple of people that would represent the department's needs, and sit on that board and come up with decisions on an arbitrary kind of a basis after

listening to both sides of the story.

And it's not run like a court in that you don't have to hire lawyers. You don't have to spend a lot of money. You can go there and represent yourself. All you spend is your day's time and your travel expenses to get to the hearing. You make that application as an individual, if you want. You do have the choice to take legal counsel if you want, but you don't have to. And the same goes for the other side, if there is another side in a dispute. They can take legal counsel or they can represent themselves. And I think that's a very good vehicle and a very good plan. And I wonder if you might consider that.

Hon. Mr. Cunningham: — Mr. Chairman, in meeting with the stock growers and other lessees, we've committed to meeting with them to discuss this. We suggested September; and they said October would be better, after harvest. So we're committed to meeting with them to work out some sort of appeal mechanism. And certainly that's one of things that we could bring to the table, one suggestion we could bring to the table.

Our only concern is that we provide a fair appeal system that satisfies the lessees and doesn't create a huge bureaucracy that costs a lot of money. We haven't had . . . We've got 2.5 million acres under critical wildlife since the past number of years, and we are not finding large numbers of complaints. But we certainly do want to provide some sort of mechanism. We've committed to do that. And we'll take your suggestion to the table when we talk to the lessees.

(1115)

Mr. Goohsen: — I appreciate that, Mr. Minister, because it was my concern too that we not get into a bureaucracy that would be extremely expensive or hard to deal with or require an awful lot of legal expertise in order to resolve what most of the time would probably be reasonably easy questions to resolve. And this structure that I mentioned is already in place, so it might be easy to work from that foundation.

What we're talking about in this entire Bill of course was the changing of the position out in the country that was going to affect the very livelihoods of a lot of people. And I think that we needed to probably go through this process to get it sort of straightened out once and for all. With all fairness to you, Mr. Minister, I think you inherited something of a dilemma here, because the Act of course was in place. And I believe that a lot of the fears and concerns that were prevalent throughout the rural areas had started with that original Bill. The fact that you came to amend it meant of course that it came to a boiling point and people's frustrations with the whole thing were sort of catalyzed at this particular time.

So I'm glad that we are going to be able to take a shot at trying to alleviate a lot of these problems today. And without any further to-do about it, I'm going to turn it back to my colleague and yourselves to go on with the amendment so that we can get on and get the thing straightened out.

Mr. McPherson: — Thank you, Mr. Chairman. I too

would like to commend the minister on the changes that he's making to the Bill, and all the consultation that has been taking place recently with the players on this Bill.

I've been in contact with a lot of my constituents because there is so much of the area in the south-west that is affected by this Bill. And attending a meeting in Orkney, listening to their concerns here some weeks ago, I relayed those concerns on to the minister. And in a very positive way the minister has acted on this and I do commend him on that.

Clause 1 agreed to.

Clause 2

Mr. Neudorf: — Thank you, Mr. Chairman. We're going to go through this process now as effectively and efficiently as we can. We are observing a little bit of a problem because we have the original Act, which was going to be amended by An Act to amend The Critical Wildlife Habitat Protection Act which is about a hundred-page document or whatever, and at the same time we're going to now have amendments to the amending Act to the original Act. So we'll try to go through it as precisely as possible.

Mr. Chairman, clause 2 of the printed Bill . . . and I'm talking now about the amending Act to the original Act. Clause 2 of the printed Bill, I move that we make the following amendment, Mr. Chairman:

Add the following sections after section 2 of the printed Bill:

“New chapter number and long title

3 The chapter number and long title are repealed and the following substituted:

‘Chapter W-13.2

An Act respecting the Protection and Management of Crown Lands for Agriculture and Wildlife’.

“Section 1 amended

4 Section 1 is amended by striking out ‘Critical’.

Critical will no longer be in there.

“Section 2 amended

5 Section 2 is amended:

(a) by repealing clause (a); and

(b) by adding the following clause after clause (c):

Which will then become clause:

“(d) ‘wildlife habitat lands’ means Crown lands designated as wildlife habitat lands pursuant to section 3”.

And then, Mr. Chairman, further:

“Section 3 amended
6 Section 3 is amended by striking out ‘critical’ wherever
it occurs:

- (a) in subsection (1); and
- (b) in subsection (2)”.

I so move.

The Chair: — The Chair has a procedural difficulty with the amendment that has been proposed by the member for Rosthern. The amendment seeks to amend sections of the parent Act which are not in the Bill before the committee and are out of bounds and are out of the scope of the Bill that’s before us. However, with leave of the committee, I will allow the amendment to proceed. Is there agreement? That’s agreed.

Leave granted.

Amendment agreed to.

Clause 2 as amended agreed to.

Clause 3

Mr. Neudorf: — Thank you very much, Mr. Chairman. This clause also is somewhat complicated and I’m not quite sure whether this affects the original Bill, but if it does, we’ll seek leave for the adoption of this amendment as well.

Section 3 or clause 3 of the printed Bill:

Renumber existing section 3 of the printed Bill (that’s the amending Bill) as section 7.

And:

Add the following section after renumbered section 7:

“Section 5 amended
8 Section 5 is amended by striking out ‘critical’”.

And I don’t think that you should have the same problem here because it is referring to the printed Bill that is before us.

Amendment agreed to.

Clause 3 as amended agreed to.

Clause 4

Mr. Neudorf: — Thank you very much, Mr. Chairman. I would move the following amendment of the printed Bill, the amending Bill:

Amend existing section 4 of the printed Bill:

- (a) by renumbering it as section 9;
- (b) by striking out subsection (1) and substituting

the following:

“(1) Subsection 6(1) is repealed and the following substituted:

“(1) Subject to subsections (4) and (5), no person shall grant or transfer freehold title to wildlife habitat lands.”;

(c) by adding the following subsection after subsection (1):

“(2) Subsection 6(2) is amended by striking out ‘critical’.”;

(d) by renumbering existing subsection (2) as subsection (3); and

(e) by striking out “Critical wildlife”:

(i) in subsection 6(4) of the Act, as being enacted by renumbered subsection 9(3) of the printed Bill; and

(ii) in subsection 6(5) of the Act, as being enacted by renumbered subsection 9(3) of the printed Bill;

and substituting “Wildlife”.

The Chair: — Again there is a reference to “subsection” which is not in the Bill before us. Therefore I would ask if there is leave for the amendment to proceed.

Leave granted.

Amendment agreed to.

Mr. Neudorf: — Mr. Chairman, if I could just ask leave of the Assembly for a one-minute consultation with the Clerk on a matter of procedure.

Thank you, Mr. Chairman. The following amendments that I wanted to make, it has been recommended that this is the proper, most appropriate time to make them. So, Mr. Chairman, I would move that we add the following sections after renumbered section 9 as follows:

Add the following sections after renumbered section 9:

“Section 7 amended
10 Subsection 7(1) is amended by striking out ‘critical’.

Section 8 amended
11 Subsection 8(1) is amended by striking out ‘critical’”.

The Chair: — Again this amendment proposes to amend items which are not in the Bill before us, although they are part of the parent Act. Therefore again I would ask for agreement of the committee to proceed to deal with this amendment. Is that agreed? That’s agreed.

Amendment agreed to.

Clause 4 as amended agreed to.

Clause 5

Mr. Neudorf: — Mr. Chairman, on clause 5 or sections 5, actually what I will be proposing here is an amendment that deals with both clause 5 and 6. And I propose that we:

renumber existing sections 5 and 6 of the printed Bill as sections 12 and 13.

And 13 simply is renumbering of “This Act comes into force on the day of assent” clause. So it’s a housekeeping chore.

Amendment agreed to.

Clause 5 as amended agreed to.

Clause 6 as amended agreed to.

The committee agreed to report the Bill as amended.

Mr. Neudorf: — Thank you very much, Mr. Chairman. I’d like to thank the minister for his co-operation in this. And normally what we do is thank the officials too, and the people who have been watching must be wondering why the officials are here because they haven’t done anything.

But I want to point out to the public that that’s not the case. There’s been a lot of work that has gone into the Bill by the officials behind the scenes, and I think we should recognize that because they are instrumental in coming up with the complicated amendments and making me look good in making them. And I want to recognize the fact that without them, it would not have been possible, and also the Legislative Law Clerk that has been very instrumental in making sure that this has been guided through the proper channels.

So I would take this opportunity to thank the officials and the minister.

Hon. Mr. Cunningham: — Mr. Chairman, I also would like to thank the officials for coming in and the co-operation from the opposition.

(1130)

Bill No. 57 — An Act to amend The Saskatchewan Farm Security Act

The Chair: — I would ask the Minister of Agriculture to please introduce his officials.

Hon. Mr. Wiens: — Mr. Chairman, it gives me pleasure to introduce on my right, Doug Moen from the Department of Justice; on his right and soon to be on my left, Darcy McGovern; and behind Doug, Terry Scott from the Department of Agriculture.

Clause 1

Mr. Martens: — Mr. Minister, what I would like you to do

is go through the Bill, not in a legal sense, but in a kind of a clause-by-clause basis that deals with the different items on your leaseback program and how it’s going to be handled, starting probably with 27.1 and going through. If I’ve got some questions after that, then we’ll kind of go through it clause by clause. But I’ve got some questions I want to ask.

But first of all, I want your view of the world in this one.

Hon. Mr. Wiens: — Mr. Chairman, I appreciate the opportunity to outline for the members opposite the major features of this legislation.

The piece by which it’s become known has been the six-year leaseback program. This is a provision through which farmers who lose title to their land following foreclosure, quitclaim, or judicial sale would have a lease offered to them for the property that they had previously owned. It would give them the opportunity to farm that land for an additional six years, provided they met the conditions of the lease that they would negotiate with the lenders with whom the agreement was made.

Lenders include chartered banks, credit unions, trust companies, Farm Credit Corporation, Ag Credit Corporation, and the provincial Crown.

The eligibility for leaseback is for farmers who are Canadian citizens and permanent residents of Saskatchewan who remain Saskatchewan residents for the period of the lease, who are legitimately farmers, and who are over 18 years of age. That right is assignable to spouse or child or the spouse of a child of that farmer.

There are exemptions with respect to who is eligible for the lease. Lenders may refuse to offer leases to farmers if the farmer has been dishonest in their dealings with the mortgagee, if deterioration of the farm land is occurring through the absence, neglect or wilful act of the farmer; if the farm land has been abandoned; or if the farmer had the ability to meet his or her obligations under the mortgage but did not do so.

The intent of the exemptions is to give the right of lease to farmers who are genuinely interested in pursuing farming and who are doing their best to make progress on their farms and to protect their interests so that they may overcome their short-term financial difficulties through the period of the lease.

If there is disagreement on the terms of the lease, then the farmers have access to a board which will be called the Farm Tenure Arbitration Board that will judge whether the . . . will hear the farmer and the lender with respect to the fairness of the offer, with respect to the adequacy of the discussions that have taken place till then.

In the event that farmers are offered leases, they have the option of leasing all of that land or any part of that land which they would choose under the lease program. There are some technical matters that you may wish to ask about that I will respond to then.

I will go then to the next significant point which is the maximum limits on land in the program. The maximum

amount of land that a farmer can lease back or assign for leaseback is the greater 1,280 acres or \$36,000 assessed value of land. There is another limitation that says in the event that some land is under the lease but a farmer owns other land, the total of the farm land owned and leased under the program may not exceed the greater of 2,560 acres or \$72,000 in assessed value.

This program applies only to new mortgage debt. The program does not apply to mortgages entered into after the coming into force of the program.

There has been concern expressed by some that this would have an impact on the future. It's not intended to. It's intended to provide stability for farmers who are in difficulty with their land mortgages as the result of the serious circumstances over the last number of years.

It's not intended to deal with people who from today on, or the day of the coming into force of the Act, get into difficulty as a result of the negotiations they make. It's meant to clear up a serious debt crisis in Saskatchewan that has accumulated over the last number of years; and to give stability to farmers as they deal with their debt difficulties.

The arbitration board that I talked about will be in place, but they can also . . . the farmer and the lender can take their disputes to the Court of Queen's Bench. The Farm Tenure Arbitration Board will be appointed by the Lieutenant Governor in Council after consultation with farm organizations and financial institutions.

The provincial government will assist in providing the financial institutions with compensation for the last four years of the leasing period. It's an understanding as a result of the consultation in the Farm Debt Advisory Committee process, that it is a matter of almost custom with financial institutions in renegotiating circumstances with farmers, that farmers having lost access to their land have been given two years of lease provision by the financial institutions.

It's recognized that financial institutions would want to continue that practice, and that for the last four years of the six-year period they would be compensated if there was a difference between their lease revenues and the value they could have gotten from their assets had they put them on the market. So there's compensation in that regard.

The program has a sunset clause to it. It does not apply to any land that is dealt with after June 1, 1997. So the final land that can enter the program will be on June 1, 1997. That will mean that the last land will exit the program six years . . . or the latest date it could, would be June 1, 2003.

There is a voluntary mediation process that farmers can access prior to actions, either of foreclosure or of voluntary transfer. And that's to facilitate discussions that have not taken place under present legislation, which requires that mediation take place only after notice of other actions against the debt have occurred.

Farmers will have the right to sign a waiver on their statutory exemption on specific assets. This will allow

farmers to use assets that presently are restricted under law, particularly in the credit union system, from being used as security. It will allow farmers to use those assets to acquire credit for purposes of their farming operations. That waiver will not apply to household or personal items.

Then there is a protection . . . there are redefined circumstances around home quarter protection. The determination of whether mortgaged land is a homestead will occur as of the date the mortgage is granted in the case of future mortgages. Existing farm land mortgages cannot obtain home quarter protection by virtue of creating a homestead where none existed prior to proclamation. So it prevents the creation of a homestead on property that has a mortgage against it. The purchase money mortgages and construction mortgages will be excluded from the current homestead waiver process.

Then there are several other Acts that we will be dealing with in a moment that are consequential to the amendments, to the implementation of the program.

Mr. Martens: — I know that we on this side of the House have had a great deal of representation from the credit union system regarding this Bill and the changes that you're making. And we've had significant amount of questions being raised from a number of areas. And I'd like to have your response to this from the perspective of the credit unions who have raised it with us.

They have said that what they feared was that the producers there would say to the credit union this. Well if you're going to offer me the lease on my mortgage and I am having a great deal of difficulty making my payments and if I renege on my payments for a year and then come back in and say I can't make these payments — and there are very innovative ways of doing that — then the credit union will have to say that I will not only lease this back to this individual when I foreclose on it, I will also have to have him have the right of first refusal at the conclusion of that six-year leaseback at a different volume of dollars.

(1145)

And I have had personally credit unions and board members and managers come to me and say, if that happens we're going to hit the deck; we're going to be broke in a short order because instead of dealing with the ones that they are dealing with in a traditional way, the others are going to come in and say, you're going to deal with mine too.

And so instead of having 10 quarters of land that they're working on, they get another additional 20 quarters of land that are in that risk area. And when that happens, then the next batch comes in and says, we're going to get ours done too. And it doesn't take long for people to understand where the whole trend is, once it starts to go.

And I'd like to have your view of how you intend to stabilize that credit union focus that has come. As a matter of fact, we've had some very, very strong representation from credit unions who have very, very serious financial difficulties at the point where they are today. And they don't need additional risk in order to get

them going down that slippery slope.

Hon. Mr. Wiens: — I appreciate the concerns brought forward by the member opposite, Mr. Chairman. We have also been in an ongoing discussion with the credit unions and the Canadian Bankers' Association with respect to the program.

I should say at the outset that this program is the consequence of probably one of the most open consultation processes that has happened around a tough issue in Saskatchewan in many, many years, where four representatives of financial institutions — one on behalf of Canadian Bankers' Association, one on behalf of Farm Credit Corporation, one on behalf of the credit union system, and one on behalf of ACS (Agricultural Credit Corporation of Saskatchewan) — sat at a table with farmers and officials to explore fair ways of dealing with the farm debt crisis. And it was they who proposed the solution that's here.

And one of the things that's clearly intended in the legislation is that there is a discipline about the regulations and about the processes by which people can access the program. It is no one's interest to open the province or the financial institutions to the risk you describe. And it is both in the description of the regulations, in the description in the Act of the exemptions, that people who do not play fair with the system will not have that right, and in the description of a very disciplined Farm Tenure Arbitration Board whose role it will be to make sure that people who try to use the system in their own interest but not in the public interest are prevented from doing that.

I want to say at the outset that that has been a common statement within the Farm Debt Advisory Committee and their presenting the report, and in all of the discussions that we've had with the financial institutions. And I might mention that the financial institutions have worked hand in glove with the officials from the Department of Justice in writing both the legislation and the regulation so that any concerns they might have could be identified.

With respect to the credit union system in Saskatchewan, it is a strong system. It is a system oriented in the history of our province and it is in our common interest to make sure that a disciplined process is in place so that nothing changes in that regard.

With respect to impact of the program on the province, the farmer, the financial institutions, it is reasonable to assume that the program will stabilize land values. Because what will happen is that farmers who otherwise would have . . . because they could not provide capital to purchase land after having lost it or given it up, they will now retain the opportunity to farm that land for an additional six years or four, depending if they've been in the process before.

So that hopefully it creates both stability for the farmer, avoids a flood of land on the market as farmers are experiencing financial difficulty. And it's clearly in our common interest to support this kind of a program which results in stability both for the farmers and for the financial institutions in the province.

Mr. Martens: — I'm not sure whether you waylaid my concerns. Have you got the regulations written already? Have you just about got them concluded? I'm not sure what a process would be, since you have indicated that you've involved the lenders in the discussion on the regulations. Have you involved other agencies, farm organizations, in the discussions about those regulations, to see whether there has been a consistency in the approach, not only to protect the lenders but to assist those who really need the help in rural Saskatchewan?

Hon. Mr. Wiens: — Yes. With respect to the regulations, they are close to completion. They are working on fine detail, as discussions go on. But we have dealt with the western wheat growers, the National Farmers Union, the Sask Wheat Pool, and SARM (Saskatchewan Association of Rural Municipalities) with respect to consulting on the regulations for the program.

Mr. Martens: — On a matter that has arisen, not necessarily from the minister's point of view — and I'm talking the federal Minister of Agriculture — but Farm Credit Corporation clearly has a federal mandate. Bankers also have a federal mandate. Credit unions and individuals probably have the most serious implications in the province of Saskatchewan.

Putting that aside, do you have a consensus from Farm Credit Corporation that they're going to be involved in this? Or are they going to change their own program in order to accommodate this, or is it a combination of both? What have you received as a consolation in relation to that, understanding what the news have told us about where the federal Farm Credit Corporation is?

Hon. Mr. Wiens: — Mr. Chairman, appreciate the question. Unfortunately the Farm Credit Corporation . . . or there is nothing in writing from the minister, put it that way, that at this point confirms the federal government's commitment to co-operate. There is, however, there is a legal requirement for them to participate, both in previous versions of this Act and in this one.

I hope that within a short period of time we can come to a resolution of that with the federal government. The day we introduced the Bill — I believe it was that day, I won't say that for sure — but the president of the Farm Credit Corporation, Mr. Jim Hewitt, was here in the House. And I met with him in my office afterwards and he said it was their intention to follow this program.

It was several days later that the federal minister made comments different than that, and so it stands in that uncertainty with respect to their attitude towards it; but with respect to the legal requirement, there is a legal obligation on their behalf to participate.

In terms of the impact on Farm Credit Corporation, Farm Credit Corporation has been giving leases six years long and longer for a number of years on occasion — they're not always that long — and I think it would be safe to assume that it was their practice that probably influenced the committee to suggest this as a remedy, because they were at the table to share their own experience with that.

The only area then where there is a substantive difference between their practice in those cases where they offer six-year leases or longer, is that there will be a Farm Tenure Arbitration Board that will determine whether in negotiations with Farm Credit Corporation the farmers have been offered a deal that was fair and consistent with that that other people were receiving.

So it's fair to assume that this is not a major change for the way Farm Credit Corporation operates relative to . . . if one believes that farmers in fact ought to have the right to appeal to a fair and impartial body with respect to whether they've been treated fairly.

To give Mr. McKnight's comments on this — and I think it should be on public record — he has said to us that about 80 per cent of those whose land is taken back by Farm Credit Corporation do have leases offered. So there is only a 20 per cent where there may be a dispute. And so I think it's fair to assume that there should be able to be co-operation in the implementation of this program.

Mr. Martens: — This is going to be a very technical and probably a legal committee that you're going to be having to set up. But it's going to have to have some substantial credible people who are going to deal with this in a way that is going to be perceived to be fair, legally being fair, and all of things related to that.

And that leads me to an observation, and I would make this observation. And I'll do it by question: what are you planning on doing in establishing the committee, and who are you going to ask to have people on the committee and make representation to you?

Because I seriously think, for example in the old Land Bank Appeal Board, we had a lawyer chair that committee so that it would be done in a legal way and that you wouldn't run into a problem in dealing with it that way. And I think under the circumstances that we've got here, you're going to be dealing with contracts, you're going to be dealing with the legitimate and even some illegitimate reasons for wanting to have tenure on the lease. And so you're going to have to have a serious look at how it's going to react. And I think we need to take a serious look at it. If you want to talk about that after lunch, we'll do that.

The committee reported progress.

THIRD READINGS

Bill No. 79 — An Act to amend The Saskatchewan Pension Plan Act

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

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

Bill No. 93 — An Act respecting Labour Relations in the Construction Industry

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

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

Bill No. 91 — An Act to amend The Saskatchewan Oil and Gas Corporation Act, 1985

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

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

Bill No. 72 — An Act to amend The Critical Wildlife Habitat Protection Act

Hon. Mr. Cunningham: — Mr. Speaker, I move the amendments now be read a first and second time.

Motion agreed to.

Hon. Mr. Cunningham: — Mr. Speaker, by leave of the Assembly, I move the Bill now be read a third time and passed under its title.

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

Hon. Mr. Lingenfelter: — Mr. Speaker, just on a point of order, I believe we referred to the Bill as The Critical Wildlife. My understanding is there was an amendment to change the name of the Bill.

The Speaker: — I am instructed that it changed the name of the parent Act but not the Bill. So I think we are correct with that.

The Assembly recessed until 2 p.m.