

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**June 16, 1993**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I have a petition here to present this afternoon on behalf of the Saskatchewan residents. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

And in duty bound, your petitioners will ever pray.

Mr. Speaker, this petition comes from Turtleford and Mervin, Saskatchewan. I present it now.

**Mr. Toth:** — Mr. Speaker, as well I'd like to read the prayer of the petition that I'll be presenting to the Assembly:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

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

And, Mr. Speaker, these petitions are signed from individuals as well from the Turtleford and Mervin area. I so present them to the Assembly.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I too have petitions to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine NewGrade Energy Inc. corporate governance and financing arrangements.

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

These petitions, Mr. Speaker, come from the Turtleford and Saskatoon areas, and I would present them now.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy today to present a petition on behalf of the people of Saskatchewan with the prayer reading as such:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance

and financing arrangements.

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

From the city of Regina and the town of Lumsden. And I'll table it now, Mr. Speaker.

**Mr. Muirhead:** — Thank you, Mr. Speaker. It's again with pleasure for me to lay on the Table some petitions pertaining to the following. And I'll just read the prayer, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

As in duty bound, your petitioners will ever pray.

These, Mr. Speaker, this page is all from Melfort, Spalding, Kinistino. And the next page is all Saskatoon. It's a pleasure to lay these on the Table. Thank you, Mr. Speaker.

**Mr. Devine:** — Thank you, Mr. Speaker. I wish to present these petitions on behalf of people primarily from Swift Current, Herbert, Tompkins, Kenaston, and the city of Saskatoon. And the prayer is as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

As in duty bound, your petitioners will ever pray.

I'll table them now.

**Mr. Martens:** — Thank you, Mr. Speaker. I too have petitioners asking the government this. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

As in duty bound, your petitioners will ever pray.

And I have people here from Melfort, Regina, and Gronlid.

**Mr. Swenson:** — Thank you, Mr. Speaker. It's a pleasure for me today to stand in the Assembly and on behalf of Saskatchewan citizens bring their names forward today, Mr. Speaker. I'll read the prayer:

Wherefore your petitioners humbly pray that

your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

As in duty bound, your petitioners will ever pray.

Today, Mr. Speaker, I have citizens from the communities of Aberdeen, Hague, Osler, Langham, Martensville, Watrous, Saskatoon, Rosthern, and Swift Current. And it's my pleasure to table them on their behalf today, Mr. Speaker.

### READING AND RECEIVING PETITIONS

**Clerk:** — According to order, a petition regarding the construction of a 230 kV transmission line from Regina to Saskatoon presented on June 15 has been reviewed, pursuant to rule 11 and rule 6 and 7, and is found to be irregular and therefore cannot be read and received.

According to order, the following petitions have been reviewed, are in order, and pursuant to rule 11(7), they are hereby read and received.

Of citizens of the province praying that the Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy corporate governance and financing arrangements.

### PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

#### Standing Committee on Estimates

**Clerk Assistant:** — Mr. Kowalsky, chair of the Standing Committee on Estimates, presents the second report of the said committee which includes the main estimates for legislation, supplementary estimates for legislation, main estimates for the Provincial Auditor.

Your committee further recommends that upon concurrence of its report by the Assembly, the sums as reported and approved shall be included in the next Appropriation Bill for consideration by the Legislative Assembly.

**Mr. Kowalsky:** — Thank you, Mr. Speaker. At the end of my remarks, Mr. Speaker, I'll be moving a motion which moves the concurrence of the second report of the Standing Committee on Estimates.

Mr. Speaker, the mandate of the Committee on Estimates is to examine, to scrutinize, and to approve the estimates for the Legislative Assembly which is under the purview of Mr. Speaker, and also for the Provincial Auditor. It's my pleasure, Mr. Speaker, to note and to bring to your attention that despite the reduction of spending in all departments, save one, due to the pressures of the provincial economy and because there is an attempt on the part of government to show reductions across all agencies, the committee

approved the retention of the level of spending for the Provincial Auditor the same as it was in the previous year at 3.815 million.

The committee in its work asked the Provincial Auditor to identify his priorities. He stated that his priorities were, first of all, to present a summary of the financial statement for the entire province, recognizing the need for the Assembly and the public to know exactly where we stand financially. Three other priorities were to review the annual reports of all agencies, to work on improvements towards the budgetary process, and to examine the transition areas.

Mr. Speaker, the auditor is currently instituting changes, and some of these have partly been done. I'm pleased to say that he reported that his system is going from one of the weakest across Canada to one of the best in terms of being useful to the public. So in view of these, Mr. Speaker, the committee felt that the increases in the past three years from 3.050 million to 3.815 million, an increase of 25 per cent over the last three years, was quite justified.

I therefore move, Mr. Speaker, seconded by the member from Regina Albert North:

That the second report of the Standing Committee on Estimates be now concurred in.

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

**Mr. Muirhead:** — Thank you, Mr. Speaker. I've sat on the Committee of Estimates, and we've had quite a few hours at it this year — more than ever before. I was a little disturbed this morning, as I made the comment in estimates this morning, that it seems to be a tendency of the government members to question the auditor of his spending and his efficiencies. And this is absolutely wrong, Mr. Speaker, that they're wanting to cut back in every department and Crown corporation in government.

Now how are you going to scrutinize the government agencies, the Crowns in this province if you don't have an auditor doing it? They seem to want to cut back on the funding to the auditor instead of increasing.

I know of no other way — no other way, Mr. Speaker — of scrutinizing the departments and the Crowns without an auditor. Everybody in this Assembly knows — my colleagues, the government members — that everybody, every company from a church board to a big corporation to a little corporation is audited. And somehow or other, Mr. Speaker, this government, I've picked up this morning, does not want to audit the government. They want to cut back. And this is wrong, Mr. Speaker. And I leave this message with all people that this government does not want their departments to be audited or else they would not be cutting back on the auditor.

Now, Mr. Speaker, I heard the member say this morning very clearly that if we're going to have

cut-backs in this department, we're going to have cut-backs in that department, why not the auditor's department? That is not right. That is doing it backwards.

And I was the only member there that could vote and I couldn't outvote six, so there was no sense even in bringing a motion in. But I ask the people of the province of Saskatchewan to keep an eye on these people because that's exactly what they're going to do, is to cut back on auditing so the people of Saskatchewan won't know what they're doing. Thank you, Mr. Speaker.

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

**Mr. Martens:** — Thank you, Mr. Speaker. Further to the motion, I want to point out a number of other things that I think are important for the legislature to understand and the public of Saskatchewan to understand.

It is the responsibility of the Provincial Auditor, Mr. Speaker, to audit all of the books of the province of Saskatchewan. And under a typical audit, random sample, he goes through every department. What he has said to us on numerous occasions in different committees is that there is roughly a 40 per cent of the province's assets, books, and income that will not be audited for this year, Mr. Speaker.

And why? The reason is that his funds are not sufficient enough to do that. And yesterday or the day before the Finance minister said, well we've increased his budget by 25 per cent. But that, Mr. Speaker, is included in what he has as a 40 per cent deficiency in all of the bookkeeping that he has to do in relation to the audit.

And that, Mr. Speaker, is the problem that we on this side of the House want to have the public in Saskatchewan not only identify but understand that the government is not providing sufficient funds for providing efficiencies — as the member from Arm River has stated — providing efficiencies and a good, solid foundation for this government to be held accountable. And that, Mr. Speaker, is the reason why we feel that the auditor should be provided more funds in order for him to do his job. Thank you, Mr. Speaker.

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

**Mr. Upshall:** — I too sit on the Estimates Committee. And just for the record and for the information of the members opposite, the Estimates Committee is a committee of this legislature removed from the legislature but the same as the estimates for any other department.

Members opposite have gone through the majority of the estimates in this House asking questions of efficiencies and spending of the government. The same procedure applies to the auditor and to the Legislative Assembly estimates, where members can ask questions about efficiencies. In a time when we're

suffering from overspending for the last number of years, we have to become efficient. The members ask these tough questions of efficiency. The auditor answered very well, but that's the procedure.

Some of the questions, Mr. Speaker, were that comparison of Saskatchewan's to the rest of Canada. In Saskatchewan, we've had a 25 per cent increase over the last three years. In the other provinces of Canada, it's been less than 10 per cent; in fact some of them, 2 and 3 per cent increases over the number of years.

It's our job and responsibility as elected members to ensure that the taxpayers' dollars of this province — as the members opposite ask questions in estimates in this House — to ensure the taxpayers' dollars of this province are spent efficiently. That's the purpose. That's what we did, and I think that we had a very good exchange, and we gained a lot of knowledge and experience in doing that. As the member said, longer this year than has been done before.

The theory of writing a blank cheque and spending more money to try to save money is a legacy that was left in a \$16 billion result.

Thank you, Mr. Speaker.

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

**Mr. Cline:** — Well, Mr. Speaker, I find it passing strange that the members would make these comments, because if the members would read the *Report of the Provincial Auditor* for the year ending March 31, 1992, the members would see that the Provincial Auditor has said throughout his report that we are moving from the worst system of public accountability, which was created of course under the direction of the members opposite, to the best system of public accountability.

And I would encourage the members opposite to read what the Provincial Auditor has actually said. It has been noted that the Provincial Auditor's budget has been increased in the last few years by 25 per cent. And I just find it passing strange that members who were not able even to present a budget to this legislature in 1991 would complain about the system of public accountability we have in this province when the Provincial Auditor has noted that it is significantly improving, Mr. Speaker.

Thank you.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I took the opportunity, while I was not a member of the committee, to sit in on all their deliberations. And it was very enlightening to listen to the government members ask the questions on this committee.

One of the government members asked a question of whether or not the auditor was being funded properly or in a proper amount. And to quote the auditor, his

reply was that he was severely underfunded to perform the duties as outlined in legislation. And this is what the government is saying: no, no, he has to be more efficient. He is not receiving enough monies presently to carry out his mandate.

One of the members today has described the Committee of Estimates as comparable to the Committee of Finance and considerations of estimates. In Committee of Finance and the consideration of the estimates of the various departments, we get to talk about policy as being brought forward by those departments. We get to question the minister in charge about that policy.

However, in the Committee of Estimates when questions of policy arose, it was determined by the chairman at that time that we were not allowed to discuss the policy of the people involved.

So, Mr. Speaker, it is not the same as Committee of Finance within this Chamber because there we discussed policy; in the Committee of Estimates, we were not allowed to discuss the policy and the decisions being made by those representatives sitting there for the legislative accounts that we were considering.

And the question of the auditor, Mr. Speaker, is very clear. Throughout the government's moves in the Board of Internal Economy, Committee of Estimates, that they wish to restrict the access of the auditor to examine the books as they have built them, and this is why, Mr. Speaker, that they are limiting the amount of funds available to the auditor — to restrict his access.

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

Motion agreed to on division.

## INTRODUCTION OF GUESTS

**Mr. Whitmore:** — Thank you very much, Mr. Speaker. Through you and to members of the Assembly today, I would like to introduce my family who are down for a few days visiting in Regina. And in your gallery today is my spouse, Ruth, oldest son, Reece, age 6; Brianna, age 4; and Gavin, who will be 1 next Monday.

So I would like all members to welcome them here today.

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

**Ms. Hamilton:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly 23 grade 4 and 5 students in your gallery, Mr. Speaker.

The students come from Wilfred Hunt School in the constituency of Regina Wascana Plains. And they're here today with their teacher, Ms. Marjorie Burns, and chaperons Joanne Durst and Cheryl Wilk.

We've had an opportunity to get a picture taken

together. We've had . . .

**The Speaker:** — Order. Order. Order. It certainly shows a lot of discourtesy for a member in the House when she has the floor, when others are constantly interrupting.

**Ms. Hamilton:** — Thank you, Mr. Speaker. We did have an opportunity to get together in room 131 and ask questions and have a question-and-answer time. And I did mention to them that they would probably see one of the more rattier times of the day, and I didn't expect it to start this soon. But they are looking forward to question period and they've had an excellent tour. They're looking forward to going through the building with Arnold.

I'd ask all members to join with me in welcoming our students from grade 4 and 5 at Wilfred Hunt School.

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

**Mr. Solomon:** — Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce to you and to members of our Assembly this afternoon 30 grade 3 and 4 students from the high school . . . or I should say the elementary school of St. Jerome, which is located on Rink Avenue in the constituency of Regina North West. Mr. Speaker, they're seated in the west gallery and they're accompanied by their teacher, Stephanie Evans, as well as with five chaperons, Ms. Hrynuik, Ms. Rodrigue, Mr. Nielson, Ms. Fuentes, and Ms. Eirich.

I would look forward, Mr. Speaker, to meeting with them after question period to discuss what is happening during question period as well as to have some refreshments. And I would ask all members to join with me in welcoming these students and their teacher and chaperons to our Assembly this afternoon. Thank you.

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

**Mr. Carlson:** — Thank you, Mr. Speaker. I would like to introduce to you and to the rest of the members of the Assembly 33 grade 3 and 4 students from North Valley Elementary School in Neudorf. They are sitting in your gallery, Mr. Speaker.

Following question period I will be meeting with them and having drinks and a photo opportunity, and prepare to answer some questions and discuss some of the proceedings they've seen here this afternoon. And I'd like all members of the Assembly to welcome them here. And I wish them a good trip home.

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

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, I'm delighted to introduce to you and through you to my colleagues in the legislature 46 grade 4 students from Lumsden Elementary. They are seated in the west gallery. And they are accompanied by their teachers, Garth Asmundson and Carole Youck-Cousins, their chaperon Colleen Kraus, and their bus driver Al

Duncan.

Mr. Speaker, I've been invited out to Lumsden school on several occasions. And it's always a delight to visit with these very progressive students and their very enthused and inspired teachers. And I would ask all members here to join me in welcoming them to Regina this afternoon.

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

## ORAL QUESTIONS

### Compensation for Hemophiliacs

**Mr. Toth:** — Mr. Speaker, my question is to the Minister of Health. Madam Minister, this morning I had the opportunity to participate in a news conference in support of compensation for hemophiliacs who have contracted the HIV (human immunodeficiency virus) virus through the blood supply.

And it was certainly heart-warming to meet with a number of the members and specifically Jeff Lee and his wife who have four children — four young children; the oldest will be coming 11 shortly — and just to have the discussion and meet them and get a better understanding of the problems that they are facing.

Madam Minister, Mr. Lee and his family would like an answer to the questions that have been raised in the House, the question that was raised this morning at the news conference. They are tired of 19 months of stonewalling by your government, and they're certainly disappointed that their concerns are only now being taken seriously after they have gone openly and public with the media and raising it in the House and coming forward with the problems that they face.

Madam Minister, a simple question. Mr. Lee and other Saskatchewan hemophiliacs deserve a simple and straightforward answer. Will the government of Saskatchewan be providing a compensation package to hemophiliacs who have contracted HIV through the blood supply?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, in the absence of the Minister of Health, I want to respond to the question by the member and indicate to him that it's interesting the great concern that member has now, when at the time while he was on the government benches the arrangement was made by the then premier, the member from Estevan, that this was a federal responsibility. And a program was worked out by the federal government; I believe it was \$120,000 compensation spread over four years.

In fact we are reviewing it. And I say that's more than the previous minister or premier did when they were in office.

My understanding is there's a meeting at 2:30 which

will be attended by the deputy minister of Health to review with the association. So we will look forward to the results of that meeting.

But I want to say it's under review and that is certainly more than the previous administration did on this issue.

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

**Mr. Toth:** — Mr. Speaker, and to the minister. The minister talks about meetings and ongoing consultation. Madam Minister — and maybe the minister could remind the Madam Minister — when you made these same comments in the House the other day the people at the news conference were very confused. In fact what they said this morning is that there really hadn't been any consultation even though they've been trying to consult with government members, both now and while in opposition. They've been asking for a meeting with you since your government took office and you still haven't met with them.

They said the associate met . . . However, they did admit the associate minister met with them once. However, he refused to answer any questions. That's the same associate minister I believe who on a continuous basis raised the questions of the hemophiliacs and compensation while he was in opposition. They are looking for some answers.

Madam Minister, why do people with legitimate concerns have to hold news conferences before you start paying attention?

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

**Hon. Mr. Lingenfelter:** — In the absence of the minister, I want to indicate to the member that in some couple of minutes the meeting will be held between the deputy minister and the hemophiliacs society. And I want to say to the member that these discussions will go on as they have.

I say again that it seems passing strange that these are the members raising the issue when, while they were in government, they did nothing on this issue. In fact they said it was a federal responsibility and stuck with that until the day they were defeated.

So I just say that there is a meeting taking place on this important issue, and we hope that the meeting results in some resolve of this issue.

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

**Mr. Toth:** — Mr. Speaker, my question this time is to the Premier. And, Mr. Speaker, I trust the Premier will not follow the example of the Minister of Economic Development who has again reverted to the old tactics of blaming the former government.

Mr. Premier, we're supposedly in — I believe one of the ministers indicated that the other day — in a new era, in a dawn of a new age. And yet people are still

waiting for the sun to rise with this government. They're still looking and waiting for answers.

In fact, the concern they have and the confusion they have is the fact that on Monday last or Tuesday — I believe it was Monday — the Premier said this, and I quote: The Saskatchewan government is working on a compensation agreement for hemophiliacs infected with the AIDS (acquired immune deficiency syndrome) virus. Then we receive a letter today from the minister saying our position is that compensation extra to that already paid from the federal government would not be forthcoming from the province.

Basically, Mr. Premier, who is telling the truth? Were you being honest with the people of . . . the hemophiliacs and the people of Saskatchewan or was the minister? Who's telling the truth here? I wonder if you could respond to that, Mr. Premier.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to indicate again to the member opposite that he's going to have to be patient on this issue. There's a meeting taking place at 2:30. And coming out of that meeting we hope there will be some resolve of the issue. And I tell the member that this is a great deal more than was done by the previous administration.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Again to the minister. The minister indicates that there is a meeting taking place this afternoon, and we appreciate that and the hemophiliac association appreciated that as well.

They were disappointed however, Mr. Speaker, on the fact that neither the Minister nor the Associate Minister of Health were going to be attending the meeting. Now, Mr. Minister, it's fine to have the deputy minister and Health officials there, but the reality is the final decision is going to be made by the minister and by the cabinet members.

Mr. Minister, will you make a commitment today that you will sit down and look very seriously and compassionately at the request being forwarded by the hemophiliac association, bring it to your cabinet, and make a commitment to this association that you will listen to their concerns and put together a compensation package. Will you do that, Mr. Minister?

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

**Hon. Mr. Lingenfelter:** — Well, Mr. Speaker, I want to indicate to the member that that's exactly what the meeting is about, and they will be looking at the options, as is the responsibility of the deputy minister of Health, to meet with groups and individuals. The Minister of Health, I believe, is at an opening of a health centre in Eastend, and when she returns I am sure she will meet with her deputy and they will discuss this important issue; because as you have

indicated, and has been agreed to by this Assembly, it is a very important issue that we are dealing with.

I say again, that is much more than happened under the previous administration.

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

**Mr. Toth:** — Mr. Speaker, one further question to the minister who's responding, the Minister of Economic Development, answering the questions. I believe it was the member from Regina North West who made a comment — actually a particularly eloquent quote — a couple of years ago and I'd like to quote it: the true test of a society is not whether we had the abundance of those . . . not whether we add to the abundance of those who have much, but whether we provide enough to those who have little.

Mr. Minister, you've assured us that there's a meeting taking place this afternoon. You've assured us that the deputy minister of Health and Health officials will be attending the meeting. Mr. Minister, the hemophiliacs are looking for a commitment from your government to work out and look very favourably and compassionately at a compensation package for them in light of the fact that they had no control over the disease that they have now acquired.

Will you make a commitment in this House today to effectively work out a compassionate compensation package with the association in light of the discussion that is taking place later this afternoon? Will you do that, sir?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, for the fifth time I'll answer the same question. I don't know how long we want to repeat.

But we have made a commitment to meet with the society and to try to bring about some rational solution to this problem which isn't new and was in existence under the previous administration. You failed to deal with it. It's yet another problem that was left by the previous administration, and yes, we will be working on it and solving yet another problem left by the previous government.

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

### Cross-border Shopping

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, a few weeks ago members of the opposition asked the NDP (New Democratic Party) government about their backward tax policies and the effects that it's having on cross-border shopping in the community of Swift Current and area.

Small-business men, city councillors, chambers of commerce, and others have legitimate concerns about the out-migration of people in retail sales to the province of Alberta as a result of this government's tax policies, Mr. Speaker.

And as usual the member from Swift Current replied in the same vein that his Premier has, the hon. member from Riversdale, to the business community province wide. He says, in a condescending way, that we know better and you should be quiet and not bother.

My question, Mr. Speaker, is to the Minister of Finance. Madam Minister, the same situation is now occurring in north-west Saskatchewan. And I trust rather than being condescending, you will respond to these people in a proper manner.

We received correspondence from the town of St. Walburg, and they are saying that your tax grab is devastating their business community and devastating their livelihoods.

Now, Madam Minister, would you begin by recognizing the fact that there is a problem, that the same problem that occurs along our southern boundary occurs on the western borders of this province. And people are losing business because of your tax increases and your utility rate increases and, Madam Minister, they would like a response from you.

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, I'd be pleased to respond to that and I think I'd respond first of all by looking at some statistics. The members opposite have consistently questioned the budget estimates on retail sales, and I will say that we do have some figures in as of now. And the figures are that in January and February, the retail sales increased by 4 per cent in Saskatchewan, one month; 5 per cent another month. In March, retail sales in Saskatchewan increased by 3 per cent.

Now the members opposite talk a lot about cross-border shopping. In the same month, March, in which Saskatchewan's retail sales increased by 3 per cent, Alberta's retail sales declined by .3 per cent. So I think we might start by looking at some basic statistics.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Madam Minister, I am sure lots of people did buy things in March because they anticipated what you were going to do to the Saskatchewan economy in your budget. They went out and they stocked up.

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

**Mr. Swenson:** — Madam Minister, the people in St. Walburg, the 1993 tax equal committee, have written you about the situation. And in that letter I say, and I quote:

Your taxation system is killing rural Saskatchewan small towns and playing havoc on our larger centres. The citizens who use our education and health systems are taxed to the extent that they have no extra cash available

and are forced to shop where it's cheaper, where there is no E&H (education and health) tax.

That place, Madam Minister, is Alberta.

Now much like the businesses in Swift Current, the people of St. Walburg are saying your tax grabs are killing rural Saskatchewan. Madam Minister, are you planning to address this problem in a real way, or are you simply going to say to the 1993 tax equal committee, as your member from Swift Current did, get lost, get out of our hair, we don't believe you? Are you going to do that, Madam Minister?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, once again I know the members opposite often have an aversion to facts and statistics. But I will say that in March our sales went up 3 per cent; Alberta's declined by .3. Now there's a lot of factors involved there, I can see. But to say there's a rush of people across the border doesn't look valid.

I'll also say we do not have the breakdown on April statistics, but we do have the overall numbers in for April which is post-budget. And all that I can tell you is that our revenue projections are slightly above the target. So if you're talking about a mass out-flux of people, please, sir, provide some evidence.

Now with respect to our sensitivity regarding border communities, we did show sensitivity regarding border communities. We put in place an extended . . . a fuel-pricing system which allowed communities that are in a very tight competitive situation to have the fuel tax in Saskatchewan lowered, and we did it on both sides of the province, with respect to Alberta and with respect to Manitoba.

So once again, let's look at some facts. The facts are that statistically we don't see a massive out-flux of people from the province of Saskatchewan into Alberta. There are numbers here that do not suggest that's the case.

The second point is that we have responded to the situation in ways that are consistent with our budget problems.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Well unfortunately, Madam Minister, that's the answer that they expected from you. So they've written letters to other chambers and other communities all over north-west Saskatchewan. And in that letter they say, and I quote:

Our present E&H tax is increased to 9 per cent and yet we're still losing our hospitals and our education system is being eroded. By raising taxes the government is forcing an underground economy to expand, and they, the government, lose in the end.

Now, Madam Minister, all along the western side of our province, businesses, farm families, and communities are being devastated by your tax system. As of August 1, the business community in the town of St. Walburg will stop collecting the NDP PST (provincial sales tax).

Madam Minister, is that what people in this province have to do? Is it like the hemophiliacs had to do with your Premier to get an audience, that they have to stop collecting the tax in order for you to listen?

Madam Minister, they are proposing solutions. Business people are proposing solutions to your government every day. You refuse to listen. Why won't you talk to people that are contemplating breaking the law as of August 1, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Speaker, this government regularly consults with business people. I wish the member of Estevan would for once listen instead of talk.

The members opposite are enthralled with the Alberta situation, what's going on in Alberta. And I'm not surprised. I'm not surprised, because Alberta is really Saskatchewan in the 1980s. What I'm quoting from here is *The Globe and Mail*, a quote about a report done by the Alberta government on its own financial situation.

Once again the member from Estevan should learn to listen. What it said is this: within about three or four years the Alberta debt situation will be comparable to the Saskatchewan debt situation. It says that the debt situation in Alberta, and this is a quote from that report: is like a racing car going down a track into a wall. And it concludes by saying — again, I quote: we're the worst province in the country at the rate at which we are overspending.

So I'm not surprised that the members opposite consistently say, why couldn't we be like Alberta. Because Alberta is now like Saskatchewan was in the 1980s. And their day of reckoning will come as well.

**Mr. Swenson:** — Well, Mr. Speaker, if Madam Minister would answer the question of Saskatchewan business people rather than criticizing the newly elected Premier of Alberta and her own defunct party in Alberta.

Madam Minister, you have a business person in the town of St. Walburg who has already stopped collecting the PST. As of August 1, the rest of them stopped collecting the PST. One is already doing it, more are going to start on August 1. And they anticipate communities all over because they have to compete with Lloydminster where there is no provincial sales tax, Madam Minister. Contractors are losing contracts.

People all over the north-west want you to listen, Madam Minister. What are you going to do when they stop collecting the PST? Answer that then. August 1

they stop doing it. What are you going to do?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, this government regularly and consistently sits down with business groups and talks through problems. I'm sure things are difficult there. I'm sure things are difficult all across Canada, but let's be realistic here.

These members talk about the taxes that we placed on the electorate of Saskatchewan. What they failed to recognize, admit, concede, apologize for is the problems that we inherited from them. What they fail to admit is what they did to the province of Saskatchewan.

As my colleague quoted Les MacPherson saying, the most scandalous and most incompetent government in the history of Saskatchewan. And we are putting the pieces back together and turning around the province.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Madam Minister, these people want to pay their taxes. What they want from you is fairness. What they want from you is understanding. And what they want from you is non-partisanship.

Matter of fact, Madam Minister, one of the solutions that they suggest to you, because they want to pay their taxes, is that you add the PST to the GST (goods and services tax). But then you would have to deal with that H-word and we know that Madam Minister has a problem there.

Business people in the province of Saskatchewan in St. Walburg, Madam Minister, have written to you, and they want to pay their taxes. But your government won't listen, it is unfair, and you are driving them out of business.

The least you can do today, Madam Minister, is commit in this Assembly that before August 1 rolls around you will meet with the committee from St. Walburg, and that you will honestly look at all of the solutions they propose and put your political agenda aside. Will you commit to that today, Madam Minister?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, I'm sure that representatives of the government will meet with that particular group of people and any other group of people that would like to meet with the government.

It's interesting the opposition has another new idea about how to solve our financial problems. They have two new ideas — privatization and harmonization. And they would expect a rational, logical government, on the eve of a federal election, to say, wait, we're going to jump in now and change the tax system, when we have one party in Ottawa, at least, saying they wouldn't even have the GST, another



party saying, I'm not sure what.

And let's go back to harmonization. We opposed it because we had legitimate concerns. We don't believe in taxing books, for example. Harmonization means taxing kids' clothes.

So we had legitimate concerns in the past; we continue to have legitimate concerns. What we look forward to is a new government in Ottawa with a new mandate that will be really committed to tax reform and tax fairness.

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

#### **Sale of Saskoil Shares**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier. Mr. Premier, yesterday I noticed that you sold off all your Saskoil shares and raised \$24 million to pay down the deficit.

Now, Mr. Premier, that wasn't so hard, was it? You did a privatization. The sky didn't fall in. The world didn't come to an end, like you used to suggest it would happen any time the PCs (Progressive Conservative) did a privatization. In fact, for once you did something that may even be helpful to the province.

Mr. Premier, now that you've learned how to say the P-word, now that you know that it isn't so painful, will you consider selling \$360 million worth of Cameco shares and put that money towards paying down the deficit instead of driving business out of Saskatchewan?

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

**Hon. Mr. Anguish:** — Thank you, Mr. Speaker. To the hon. member's question, you're correct, we made a sale of some Saskoil shares. It has nothing to do with privatization. In fact, when you were decimating the economy of this province, it was always intended that those shares that were held by SaskPower would be sold.

And we made a good business decision and we will have funds available, either to reduce our borrowing demands because of the big debts that you've left us with or in fact to pay down some of the debt that you also left us with. So yes, we appreciate you recognize that we made a good business decision yesterday and it had nothing to do with privatization; that was your ball game.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Minister, you could have balanced the budget this year and you could have done it without raising taxes, without closing hospitals, and without destroying the drug plan. All you had to do was sell the government's shares in Cameco. But no, because of your ideological opposition to privatization, you had to inflict all kinds of hardship on the Saskatchewan people, just because you're too scared of the privatization word.

But you're learning now, aren't you, Mr. Minister? You've learned that you can take one small step and sell \$24 million worth of Saskoil shares. Why don't you do the same with your Cameco shares and use the money to lower taxes that are driving jobs and hope out of this province.

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

**Hon. Mr. Anguish:** — Well the hon. member I think needs to realize that it might be possible to do that. What will we do in following years? I mean you sold off virtually all the assets of the province of Saskatchewan and you left us with a \$15 billion debt. The province struggles every day to make ends meet.

And I think that the Minister of Finance and the Premier and the Executive Council and our government have done a good job of putting the pieces of Saskatchewan back together. And we won't take that kind of advice from you in the sanctimonious way that you stand up in this House, advising us how to put Saskatchewan back together. We're putting it back together by our methods, not the way that you wreaked havoc over this province.

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

**Mr. Swenson:** — Mr. Speaker, if I might have leave to offer a message of congratulations in the Assembly today.

Leave granted.

#### **ANNOUNCEMENTS**

##### **Election Results in Alberta**

**Mr. Swenson:** — Mr. Speaker, and thank you to all members of the Assembly for granting me leave.

Mr. Speaker, yesterday Alberta elected a new government, and I rise to offer the congratulations of this Assembly to the Premier of Alberta, the Hon. Ralph Klein.

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

**Mr. Swenson:** — Mr. Speaker, in the overwhelming move to free enterprise, another respected Canadian, Ray Martin, the leader of the NDP in Alberta, lost his seat with the rest of his colleagues.

And I think it is appropriate, Mr. Speaker, for this Assembly to recognize Mr. Martin's contribution to the national life of our country and offer him our best wishes in the future. I think Mr. Decore in Alberta also deserves a congratulations for coming from almost nowhere and forming a strong opposition. And it is our expectation that he will continue to contribute to Alberta.

Mr. Speaker, I think it was appropriate that I offer these congratulations to the new government of Alberta because that province has such a strong impact upon

our province. So many of the things that Albertans and Saskatchewan people do are the same, Mr. Speaker. There is the oil industry, the cattle industry, the grain industry. And we compete with Alberta in many regards.

Mr. Speaker, I hope that the new government in Alberta and the government in Saskatchewan can cooperate in these areas. And I'm sure that if this Assembly congratulates unanimously today, Mr. Klein, that it will set a precedent, Mr. Speaker, that will allow the cooperation that's absolutely necessary.

So I once again would say to the people of Saskatchewan and the members of this Assembly, congratulations to Mr. Klein who came from a long way back and obviously gained the hope and the confidence of his province in being the new Premier of that province.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 79

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Mitchell that **Bill No. 79 — An Act to Provide for the Division of Saskatchewan into Constituencies for the Election of Members of the Legislative Assembly** be now read a second time, and the amendment thereto moved by Mr. Swenson.

**Mr. Britton:** — Thank you, Mr. Speaker. Mr. Speaker, we have spent some time on Bill 79, and the question that we have on this is: why is this Bill presented now? Why at this time, Mr. Speaker, when it usually is in 10-year . . . a span of 10 years?

Mr. Speaker, we have put forward an alternate plan, but so far, Mr. Speaker, we've had no favourable response from the government opposite. Mr. Speaker, we will be discussing this quite extensively, I would think.

This is something, Mr. Speaker, that I believe we need to discuss at quite some length. This is a plan, Mr. Speaker, that will have an impact that will go on for many, many years, and I suggest we should not rush into this plan.

In our response to the plan, we put forward an alternate plan which we feel will not only save the Government of Saskatchewan money, it will save the Government of Saskatchewan time. And it will also, Mr. Speaker, give the people of Saskatchewan a feeling of fairness which, under the plan proposed by the now government, they don't have that feeling.

My own constituency, Mr. Speaker, feel very uncomfortable about this new plan, and it's simply because of the politics involved. The constituency of Wilkie have only elected an NDP member once in the history of the province, and that was only for one term.

And because they have no reason to trust the government, they have no reason to believe that they won't do anything in their power to maintain control of Saskatchewan. And I refer you to a couple of things very, very dramatically and that is the GRIP (gross revenue insurance program) Bill, Mr. Speaker, and also the upgrader Bill. Those Bills, if you look at them, remove any, any hope that anyone in Saskatchewan would have that there's any protection under the law for the people of Saskatchewan under this government we have.

And while we will be discussing this further, Mr. Speaker, we feel that we can address this in committee. We are still hopeful, Mr. Speaker, that the government will listen to some reasonable changes to be made to this Bill. We may be able to encourage them to make changes, listen. And indeed, Mr. Speaker, we are hoping that they will pull this Bill to another session till we have some time to look into it more deeply.

So, Mr. Speaker, with those few remarks I would suggest that we on this side are prepared to allow this to go to committee and we will then try and bring some common sense to the government at that time. Thank you.

I allow this to go to committee, Mr. Speaker.

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

The division bells rang from 2:58 p.m. until 3:02 p.m.

Amendment negated on the following recorded division.

#### Yeas — 7

Swenson  
Martens  
Boyd  
Toth

Britton  
D'Autremont  
Goohsen

#### Nays — 35

Van Mulligen  
Tchorzewski  
Lingenfelter  
Shillington  
Koskie  
Solomon  
Goulet  
Kowalsky  
Mitchell  
MacKinnon  
Penner  
Upshall  
Hagel  
Bradley  
Lorje

Murray  
Johnson  
Draper  
Whitmore  
Sonntag  
Flavel  
Roy  
Scott  
Wormsbecker  
Crofford  
Stanger  
Harper  
Keeping  
Carlson  
Renaud

Lyons  
Pringle  
Lautermilch

Jess  
Haverstock

Saskatchewan. And I would quote from that letter, Mr. Speaker. It is called: a call for action.

Never in the 65-year history of the Co-operative Retailing System have we been threatened to the extent that we are right now.

On May 31 the Government of Saskatchewan introduced . . .

**The Speaker:** — Order. Could we just have order, please, so we can get the results. Well let's have order.

The division bells rang from 3:05 p.m. until 3:06 p.m.

Motion agreed to on the following recorded division.

# **Yeas — 35**

Van Mulligen  
Tchorzewski  
Lingenfelter  
Shillington  
Koskie  
Solomon  
Goulet  
Kowalsky  
Mitchell  
MacKinnon  
Penner  
Upshall  
Hagel  
Bradley  
Lorje  
Lyons  
Pringle  
Lautermilch

Murray  
Johnson  
Draper  
Whitmore  
Sonntag  
Flavel  
Roy  
Scott  
Wormsbecker  
Crofford  
Stanger  
Harper  
Keeping  
Renaud  
Carlson  
Jess  
Haverstock

# **Nays — 7**

Swenson  
Martens  
Boyd  
Toth

Britton  
D'Autremont  
Goohsen

The Bill read a second time.

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

# **Bill No. 90**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Mitchell that **Bill No. 90 — An Act to protect the financial viability of NewGrade Energy Inc.** be now read a second time.

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, I can't say that I take any pleasure in rising in the Assembly to speak on this particular piece of legislation. In fact I find it an affront, Mr. Speaker, to the very basics of our society that a government would bring in legislation such as what we see here in Bill 90.

And I think, Mr. Speaker, a lot of people around the province of Saskatchewan have correctly identified, correctly identified what is wrong with what the government is doing in this proposed legislation. Mr. Speaker, on June 8, 1993, a letter was sent from Federated Co-operatives' headquarters to all retail cooperatives and general managers in the province of

# **Bill No. 79 (continued)**

**The Speaker:** — When shall the Bill be considered in committee?

**Hon. Mr. Lingenfelter:** — Mr. Speaker, with leave, later this day.

Referred to a Committee of the Whole later this day.

# **Bill No. 90 (continued)**

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, and I will continue quoting from the letter of June 8, 1993:

On May 31, the Government of Saskatchewan introduced legislation that gives the government the power to take all the earnings and assets of the Co-op Refinery to pay the government's debt on the NewGrade upgrader. This is legislation that you would expect in a totalitarian state, but never in a democratic country like Canada.

I have said many times that the earnings from the Co-op Refinery have built our Co-operative Retailing System. If ever there was a time to band together, it is now.

It's your refinery and your earnings at stake.

It's up to all of us as leaders of the Co-operative Retailing System to do all we can to protect the future of our system and our members' equity.

You have been provided with a number of communications tools — pamphlets, pro forma news releases, advertisements, and posters. Please use them and any other means you can

think of to carry our message to our co-op members, the general public, and politicians at the provincial and federal level.

(Signed) V.J. Leland, president.

Mr. Speaker, I would think it is most unusual for the president of the retailing system of cooperatives in western Canada to have to send such a letter out to the member retailing outlets of their association.

It is unusual, Mr. Speaker, that they would take out full-page newspaper ads in papers all over the province saying, it's your rights, your property, your business, and it is at risk. And they go through, Mr. Speaker, I think, a fairly well-defined litany of how the NewGrade upgrader deal was struck, how it was carried out, how it has performed up to present.

And I think the response, Mr. Speaker, has been indicative, indicative of the co-op movement's call for its members and the public to respond to this government — in their words, totalitarian government.

You have seen, Mr. Speaker, week after week, day after day in this Assembly, the petitions of thousands of co-op members — thousands of people across the province of Saskatchewan who have asked that their name be tabled in this Assembly so that they can express their displeasure at this NDP government.

Mr. Speaker, some of the headings in that co-op advertisement: a threat to democracy; CCRL (Consumers' Co-operative Refineries Ltd.) a treasured legacy; Estey confirmed co-op position; 50 million a year in benefits to the Government of Saskatchewan.

Mr. Speaker, the co-op movement has gone to great amounts of detail and expense to tell the side of the story which this government would not like to have exposed.

I think it's pretty sad, Mr. Speaker, when we see a Bill such as this, a Bill which contains clauses in it that says that the minister, the minister has absolute, unlimited power in dealing with the situation, that the minister is final and conclusive and not open to question or review in any court and no decision made and no certificate filed by the minister shall be restrained by injunction, prohibition, *mandamus*, *quo warranto*, *certiorari*, or other process or proceeding in any court or be removed by application for judicial review or otherwise in any court on any grounds whatsoever.

That the minister, Mr. Speaker, in this legislation is the equivalent of Adolf Hitler when it comes to the co-op movement in this province.

(1515)

**The Speaker:** — Order, order. I would ask the Leader of the Opposition to withdraw that statement of comparison to Adolf Hitler.

**Mr. Swenson:** — Mr. Speaker, I withdraw that reference to Adolf Hitler, and I will quote from another document instead.

Its threat of legislation to unilaterally amend the upgrader agreement is a totalitarian act unworthy of a democratically elected government.

And I'll let the public of Saskatchewan make their own conclusions from there, Mr. Speaker. I'm sure there are lots of individuals in the history of society that that particular reference would equate with quite admirably. And I will leave it up to the viewers and the taxpayers and the voters of this province to decide which person out of history that performed acts like this that they would attribute this government to. And I will leave them unnamed at this time, Mr. Speaker.

But the fact is, Mr. Speaker, that legislation such as this means that this government, this government is either so unsure of themselves in the process that they're going through, or they know that they're on some kind of a political agenda that they don't want questioned down the road, that they have to give the minister the absolute, unquestioned authority to take over the board of directors of NewGrade, to dip into the dividends of co-op members for years and years into the future without question.

In other words, Mr. Speaker, as we raised with the Premier in estimates yesterday, that if down the road co-op members question the legitimacy of the arguments put forward by this government, if something should come out about a political agenda or something should come out about the NDP friends of the Premier who were over at CIC (Crown Investments Corporation) in the way that they have handled these negotiations, the way they have handled the business of the province of Saskatchewan, if there should be some doubt, if there should be a half-truth, if there should be misleading statements somewhere in the process, Mr. Speaker, they are not open to questions, they are not open to litigation, they are not open to the basic rights of Canadians, Mr. Speaker.

It seems, Mr. Speaker, we have an unfortunate pattern developing in the province of Saskatchewan since the New Democrats got elected as the government, and that is the use of this Legislative Assembly to quash, quash rights which we as Canadians have taken as a birthright — rights which we have gone through war after war to defend, Mr. Speaker, that of the right of seeking redress.

And I reminded the Premier of our province that he was one of the key people in repatriation of the constitution back in 1981-82. And part of that repatriation process, Mr. Speaker, part of that process was the movement of the final authority of legislative assemblies in Canada to the court system; that the fundamentals of the British parliamentary system in our country were being changed. Because the Charter of Rights and Freedoms demanded that people have that ability to hold the executive branch of

government responsible through the court system.

Now whether you or I disagree with that, Mr. Speaker, the fact of life is that it is now in place in Canada and that it is considered the norm. In fact there is hardly a week go by in our country where a decision of the Supreme Court, based upon the charter, does not set new precedent whereby the rights of individuals, of groups in this country, are further protected.

But always, whether we agree or disagree, the right of access to the court system, Mr. Speaker, is guaranteed. Always the right of access to the court system is guaranteed. In the case of co-op members, Mr. Speaker, 230,000 strong in the province of Saskatchewan, that right is being stripped by this government.

I said to the Premier yesterday in his estimates, Mr. Speaker, you are a duly elected government. You have the right to bring in legislation. And you can use your majority to take this legislation through this Assembly in due course, and no one disagrees with that. But why do you need to bring in a Bill with clauses that not only take away from co-op members 65 years of progress, but also take away their fundamental rights as citizens?

And that is the part of this whole process, Mr. Speaker, that people find so heinous, that they just can't conceptualize a New Democratic Party government being part of. They just cannot conceptualize how New Democrats, the people that are supposed to stand up for the underdog, the people that backed the charter to the hilt, the people that said everybody should have their day in court, would bring in such legislation.

They thought that maybe GRIP was an aberration. Because the member from Rosetown-Elrose had got into so much trouble, that he had stumbled over his tongue so many times, that he had mucked up the agricultural situation so bad that they had to bring in face-saving legislation. And the only way to do that was to pass legislation saying that the minister did something that he didn't and that that couldn't be questioned in court.

Well the verbal screw-ups of the minister, the former minister from Rosetown-Elrose, Mr. Speaker, is one thing, and bringing in legislation to fix that, Mr. Speaker, is one thing. But to take away the right of 230,000 people to challenge a very large piece of legislation that fundamentally takes away the rights, Mr. Speaker, that is something else.

Mr. Speaker, co-op members all over the province of Saskatchewan have asked questions of this government and they haven't got answers. For instance, do you support the value added processing of Saskatchewan natural resources in Saskatchewan by Saskatchewan people? That's a legitimate question. Fifty-three thousand barrels of heavy crude oil a day being processed and value added to it.

Another question, Mr. Speaker. The Bi-Provincial

upgrader in Lloydminster cost \$1.6 billion; the NewGrade upgrader cost less than half that amount. That's a one-time saving of \$700 million. At 8 per cent interest that's a saving of \$56 million a year, Mr. Speaker, or \$153,000 a day, that the people of Saskatchewan didn't have to put up because the co-op movement put their refinery up.

The question to the government that hasn't been answered: do you agree that this is a substantial benefit to all the people of Saskatchewan? I think it is, Mr. Speaker. Yet the government refuses to recognize it or answer it.

Question no. 3 that the government doesn't want to answer but co-op members are posing to me each and every day: how much cash has the government been required to contribute to NewGrade Energy Inc. since September of 1990, September of 1990, Mr. Speaker? How much cash? They don't want to answer that question, Mr. Speaker, because it's virtually nil — virtually nil.

But they go around the province of Saskatchewan and they're telling people that there is a tremendous outlay of cash on almost a daily basis and that the upgrader is going to fail tomorrow. Why won't this government answer the questions of co-op members?

Question no. 4: what are the economics of the project if FCL (Federated Co-operatives Ltd.) is forced to walk away from the Co-op refinery? Who will buy the refined petroleum products manufactured by the Co-op refinery? What happens to the employees of the Co-op refinery?

Not only are co-op members asking this, I'm sure the mayor of Regina and city councillors and hundreds of people that are associated, because they're associated with spin-off activities of that refinery, would like to know the same thing. What will happen to the employees if they're forced to walk away from their refinery?

No. 5, Mr. Speaker: the Co-op refinery has been a part of Saskatchewan's history for more than 60 years. It is a major supplier of fuel to our agricultural industry. It has had a dramatic impact on rural communities by generating savings that are returned to local co-op through patronage refunds. Over the years it has been a competitive balance that has helped ensure that all farmers pay a fair price for their fuel. If the cooperative loses their investment in Co-op refinery, how will you compensate the co-ops and the communities they serve? Not one word out of this government. Not one word out of this bunch of new-found democrats here when co-op members ask those questions.

No. 6, Mr. Speaker: how do you expect businesses, especially those considering making an investment in Saskatchewan, to react to the use of legislation to change a legal and binding contract?

Well, Mr. Speaker, I suspect you do like the Premier does. You go off to New York, Mr. Speaker, and you give a speech called: Saskatchewan, a great place to

invest. And you talk about corporations such as TRW, Digital, Monsanto, Ciba-Gigy. And you talk about national and international companies such as Cargill, Hitachi, IBM, Northern Telecom, Weyerhaeuser, to name a few that all have substantial projects in our province and are good corporate citizens.

I suspect that's what you do, Mr. Speaker. All of those things brought to this province by previous administrations. But then you come home and you give a speech in Harris, Saskatchewan, Mr. Speaker, where you absolutely condemn the same people.

I suspect that's why they don't want to answer the question no. 6 as posed by co-op members. Because this Premier runs off to New York and he praises Cargill and Weyerhaeuser and Hitachi and IBM. And then he comes back in this Assembly and he proposes legislation that takes away the fundamental rights of 230,000 of our citizens and says that his political friends over at CIC, Ching and Dombowsky and Banda and Hyde and the rest of them, with all the silly little political games that they play, are the ones that we should listen to and take advice from on this issue.

That all of the patronage appointments that he said he would never make — and has made — are the ones that dictate today that co-op members don't have recourse to the court, that co-op members can have their dividends taken, and that co-op members are advised by one of the accountants that this government likes to talk about so much, by Mr. Donald Gass and his firm of Deloitte Touche . . . advises co-op members that they might be better off to walk away from their refinery rather than put up with the political guff that this government proposes.

Mr. Speaker, question 7: FCL's operations span the four western provinces with a large percentage of its food volume generated in Alberta. If FCL should lose the Co-op refinery, would you expect it to maintain its home office in this province, and why should it? That is the question that's being asked of people around the province.

People in Saskatoon are asking me: what happens if this bunch over here with their political cronies at CIC dictating the government agenda, what happens if they mess this up irrevocably, Mr. Speaker? People in the city of Saskatoon are concerned. Because if the refinery is no longer in the hands of co-op members and they have to buy their petroleum products somewhere else, and most of the revenue from the food side of the retail system is generated in Alberta, what possible reason, what possible allegiance should co-op members have to this province? That is a question that members of this government simply refuse to answer, that they brush off.

Question no. 8: do you agree that the current upgrader agreement was designed to be revenue neutral for the Co-op refinery? That is, the refinery was to be in the same position with the upgrader as it had been without it. If that is the case, how can this government justify the allegations that FCL is receiving windfall profits from the upgrader? They

aren't, Mr. Speaker.

(1530)

Everyone knows that the agreement said that all of the government funding had to be paid out first. That the entire indebtedness of the NewGrade project had to be paid back to the proponents before there was any splitting of revenue. And yet this government has alleged that FCL is taking windfall profits from the upgrader.

The upgrader agreement was signed by three parties: the Government of Canada, the Government of Saskatchewan, and FCL. How could there be a so-called sweetheart deal between two of the parties when there was another one involved? Mr. Speaker, those are very legitimate questions which co-op members all around this province are asking members of the government and they are getting no answers on. They are getting no answers on.

Mr. Speaker, it is common knowledge in this province that members of the New Democratic Party were fully aware of the NewGrade arrangement and agreement through its entire evolution. The initial discussions took place with an NDP government in 1981. That right up to and through the 1986 election campaign members of the New Democratic Party, the member from Riversdale, Mr. Don Ching over at CIC, and others were fully aware of what was going on. In fact there is some speculation, Mr. Speaker, that they were the ones that were pushing FCL to be as difficult as possible because they wanted that agreement torpedoed for narrow political purposes.

Mr. Speaker, it was always understood, it was always understood that that particular project, the upgrading of Saskatchewan heavy crude oil, would not return a profit in this decade. Mr. Speaker, it would take time for things such as horizontal drilling to prove themselves in the heavy oil fields. It would take time, Mr. Speaker, for those syncrude products, those refined products, to find their place in the market-place. It would take time for the spin-offs in the oil patch in manufacturing and other areas to show their worth.

And today, Mr. Speaker, that upgrader, that refinery is producing more product than it was designed for. In the words of Justice Estey, it is a resounding operational success — 53,000 barrels of oil a day, which this government claims would have been processed anyway.

And, Mr. Speaker, that is an absolute fallacy, absolute fallacy. Mr. Speaker, anyone that is familiar with the oil business in this province, in western Canada, knows that our heavy oil for decades was sold below what it should have garnered in the market-place simply because we did not have the ability to upgrade; because we did not have the ability to upgrade that the asphalt market was the main outlet. And, Mr. Speaker, asphalt is only poured in North America for about five and a half months of the year. It is only used above the frost line in North America and

below that most of the highways are primarily concrete. Asphalt is used because it has the ability to give and take with frost in the fall and in the spring.

Well, Mr. Speaker, if you were dependent upon the asphalt market and any upgrading capability that exists is in the United States of America or eastern Canada, you can see that often the price of heavy oil was discounted against the WTI, the West Texas Intermediate price, which is the benchmark for oil prices in North America. And if one of those refiners or if one of those big asphalt operations decided to have a retrofit to do something different, then Saskatchewan heavy oil was shut in.

Mr. Speaker, the previous NDP administration of Allan Blakeney knew that. And I would suggest to you, Mr. Speaker, having been a part of a cabinet in that government that you're very familiar with some of the arguments that were made about upgrading Saskatchewan heavy crude.

We sit on an equivalent amount of oil as Saudi Arabia. Our problem has always been the technology to get it out of the ground and the technology to upgrade it sufficiently that it can be used. I have heard estimates as high as 365 billion barrels in place, Mr. Speaker.

Now certainly we will never hope to recover that amount of oil. But just think, Mr. Speaker, if 10 per cent of that became available. Even 10 per cent of that came available, what a boon, what a bonanza that would be to Saskatchewan long into the future. But it requires, Mr. Speaker, technology and cooperation, and that is what happened with the NewGrade project.

Mr. Speaker, no one involved in that project could foresee the differential would go as narrow as they have since the inception of that project. There wasn't one industry analyst out there that could predict that those differentials would shrink to \$3.50 at one period in time. No one would know, Mr. Speaker, about three major fires in the start-up phase of that refinery and upgrader.

Those cost overruns, those shrinking differentials have been very difficult for NewGrade to look after, Mr. Speaker. But that the fact that all of those problems and the operation today is an operational success, the fact that it pays the interest costs, that it pays the operational costs, and that it will not go broke tomorrow, Mr. Speaker, tells me that this government has been on more of a political agenda than an economic one.

Now, Mr. Speaker, I am not for one moment suggesting that there isn't an opportunity to renegotiate the basic tenets of this arrangement. And I don't think you would get any dispute from anyone, Mr. Speaker — co-op members, the executive directors, people in industry — that there is an opportunity to renegotiate an agreement. But it has to be by consent, Mr. Speaker, it has to be mutual; it does not have to have a political agenda tied to it in order to succeed.

We in the opposition have suggested, Mr. Speaker, to the Premier and to others, that perhaps if he would take it out of the hands of his political cronies and friends at Crown Investments Corporation, there might be less of a problem.

Justice Estey said he was very, very close to an agreement; another week, another 10 days, that perhaps it was there to be had.

Mr. Speaker, I for the life of me don't understand why this government, this New Democratic government, this bunch of new-found democrats, would want to have this type of legislation on their heads. Why in the world, Mr. Speaker, they would want to leave as a legacy to the people of Saskatchewan this particular Bill with all of its undemocratic — in the words of co-op members — totalitarian aspects about it, I don't know why any New Democrat would want to be associated with this.

Mr. Speaker, I believe that there is an opportunity for this government to show Saskatchewan people, co-op members, the business community, and potential investors, they have the opportunity to say to them, to show to them, that their political agenda can go on hold, that their political friends can go on hold, and that this piece of legislation can go on hold, and that it never see the light of third reading in this Legislative Assembly — that it never see the light of third reading. And the implications attached to it, the sulliness that will be there will never occur to this Legislative Assembly. And the conscience of every last New Democrat member of this government will not have to be, at some point, exercised because of them going ahead with this piece of legislation.

Yesterday, Mr. Speaker, the Premier challenged me in debate on his estimates to write a letter to a co-op member in Redvers, Saskatchewan, explaining the tenets of The Police Act that was brought in by my government, and how that was the same as taking away the rights that this Bill proposes to do in this Legislative Assembly.

Well, Mr. Speaker, I took the opportunity last evening to look at the clauses around The Police Act of 1990. And I would say to the Attorney General, to the Minister of Justice who's in the Assembly today, that I will swap the legislation in The Police Act of 1990 with what you have here today and let this Bill go ahead.

Because, Mr. Speaker, there are some fundamental rights that are always protected in that piece of legislation that aren't protected here; some fundamental rights that will allow co-op members in the future, if this legislation is passed, to hold this government accountable through the court system. That if there is politics at work here, if there is another agenda at work, if there is something untoward being done by this government, the co-op members will have recourse to the court.

And I make that offer to the government. Let's take The

Police Act of 1990, let's take out clause 16, throw it away, and put the sections that the Premier quoted yesterday in here. Because those sections have protection attached to them, protection that the Premier didn't want to talk about yesterday, the protection for individuals in our society. And I'd swap them gladly today and let this legislation proceed. Do away with section 16.

Let me write a letter to Mrs. Lemieux in Redvers, Saskatchewan, saying that the government has accepted that change. And down the road, if her suspicions are confirmed that she, as a co-op member and a citizen of this province, will have the ability to ask redress from this government, I would gladly swap that. And I make that offer to the government now and I'll make it to the Premier when once again he comes into this Assembly in his estimates, because those basic rights would be protected.

Better yet, Mr. Speaker, what we should have is a Bill that doesn't have any of section 16 in it, that simply the government, the New Democratic Party, bringing forward legislation to take over the board of directors of FCL, of the NewGrade project, of taxing the dividends of co-op members, and let the chips fall where they may.

If they've got clear consciences, if they don't have politics on their mind, they know that that legislation will be supported by Saskatchewan people and they don't have to worry about the court system. They will know that they are negotiating in an honest and upright manner.

They don't need section 16. If they can bring in the Bill and it will stand the test of political time, Mr. Speaker, they don't need to take away the right of the court. They simply bring in the legislation and say, here it is, folks, this is our agenda, this is what we're going to do, and we're prepared to live with the consequences. We don't have to hide, we don't have to hide from our own citizens.

(1545)

But no, this new-found bunch of democrats so far, Mr. Speaker, have said, I don't have the courage to do that. I don't have the courage. I've got to hide behind legislation that allows my ministers to be totalitarian in all aspects of this Bill.

It really makes you wonder, Mr. Speaker, when you recognize the promises made in the fall of 1991. It makes everyone in this province recognize, Mr. Speaker, where the truth lay in those promises.

There was no truth, Mr. Speaker, about an open, honest, accountable government. There was no truth in that at all. If there had been, section 16 wouldn't have been there. You don't have to hide from your own people, Mr. Speaker. You don't have to hide like this government wants to hide in this Bill.

Mr. Speaker, we are going to have many questions for the government in Committee of the Whole. And I

think the questions that I have posed today on behalf of co-op members by their thousands, the ones that have tabled their names in this Assembly, the ones that have called, the ones that have written letters, and the ones which in the days to come will bring their pressure to bear on the government members in this Assembly, will have questions — lots of questions — to ask this government, Mr. Speaker.

Mr. Speaker, I think it's only right and fair that this new-found bunch of democrats take this opportunity to pull this legislation from the floor of this Assembly.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. I welcome the opportunity to rise in this House today and speak on Bill 90, An Act to protect the financial viability of NewGrade Energy Inc. And as I begin, I feel compelled to restate something that I've said in this Chamber a number of times, and that is, I do feel a tremendous responsibility to represent the middle ground. There are some, including many in the co-op movement, who say that I'm the only one who can speak with any credibility on this side of the House because the members of the official opposition must in part shoulder some of the blame for the very introduction of this legislation.

This Bill, these five brief pages, although relatively insignificant in their volume, have enormous significance in their content. This Bill carries on the recent trend by this government of establishing one form of justice for some people and another form of justice for others.

Governments have a responsibility to make an unfair and unjust world more fair and more just. This legislation is a complete and utter abrogation of that responsibility. And I find it very frightening because of the precedent it sets and the message that it sends.

My responsibility today is to provide a credible argument on behalf of people who are at the mercy of this legislation — directly, those people who are the actual owners of Federated Co-operatives, those hundreds of thousands of people in our province who through their memberships are all owners of FCL and thereby have a contractual agreement with the provincial government that is now being broken.

Indirectly however the list of people affected by this piece of legislation will be staggering. Every person and every company that ever has a contract with this province and the provincial government, could one day find themselves the victim of such measures as the ones contained in this Bill. Every business and every investor throughout Canada and indeed abroad who may be considering doing business in our province is going to be affected by this legislation as well.

And I don't think that this Bill is a dirty little secret that's being kept within the boundaries of Saskatchewan. I've had calls from people all over this country, people who are shocked by the enormity of this hard line approach by a supposedly democratic



government.

In fact one call from Ottawa ended up in the following, Mr. Speaker. They said, the Premier of the province of Saskatchewan has just given the Premier of New Brunswick an ace up his sleeve; everything is so competitive these days as far as economic development and investment is concerned that Mr. Frank McKenna must be delighted that the province of Saskatchewan is bringing in this kind of legislation.

This Bill and what it means really is extremely Draconian. It gives absolutely unlimited powers to the Crown Investments Corporation and to cabinet.

CIC has the power to submit questions to arbitration on behalf of NewGrade, but it is the government that decides if the arbitration is proceeding promptly and then tell the arbitrator how to conduct the dispute. There is nothing here that prevents cabinet from directing the arbitrator to make a finding or from constraining the arbitrator so that there could be only one finding.

For business people in this province or those considering entering this province, this legislation is a precedent that could be considered terrifying by some. The government is giving itself unilateral powers, such as deciding how much cash must be injected by CCRL. If CCRL fails to make this payment, the government can ask a court to enforce this order of payment from which there is no appeal anywhere, notwithstanding that CCRL had no input into that decision.

Now cabinet may amend the NewGrade agreement by order in council in a manner which it considers, and I quote directly, Mr. Speaker:

... necessary to protect the financial viability of NewGrade or to improve NewGrade's corporate governance.

Business interests should shudder at the lack of consultation and the total control imposed by this legislation. There is very little accountability required of CIC. The only accountability on the part of cabinet is to lay out before the legislature any order in council it passes amending the NewGrade agreement. However that accountability provision is diluted by not specifying a time requirement for this disclosure. Therefore there's not even the requirement of timely disclosure contained in this Bill.

CCRL has no recourse to any court and is completely at the mercy of the government. By stating that this Act prevails over everything with no recourse available to CCRL against the government, this government is effectively saying, Mr. Speaker, even though we are breaking the law, we are not breaking the law because we've passed a law that says that we are not breaking the law.

The Premier has been questioned extensively on this issue. Of all the hundreds of copies of the Estey report, Mr. Speaker, that have been printed and copied and

studied throughout the province of Saskatchewan, it is truly amazing to me that the Premier seems to have received the only copy in which a villain is identified and a legislated solution is recommended.

Again and again in this legislature his response to repeated questions about his attack against Federated Co-ops and his disregard for the legality of this contract have been to answer with a question, the question being, where do you stand on Estey? Or, do you support Estey?

Given the recent statements of the former Supreme Court Justice Estey, the question that seems more appropriate at this juncture is, where does Estey stand on Premier Romanow? Or does Estey support Premier Romanow's position?

**The Speaker:** — Order, order. I think the member should be aware by now she cannot use the proper names of people in this House. She should only refer to them by their position.

**Ms. Haverstock:** — Yes, I apologize, Mr. Speaker.

The Premier's other rehearsed answers are little more than blame laying on the former government. But I do not want to add to that blame laying now. Whether this is a fair deal, a sweetheart deal, a good deal, or a bad deal, is not for me to judge in this debate.

In a recent letter sent to the Premier of which I received a copy, a Regina resident very eloquently said, and I quote:

There was a time in our province when a handshake was most often as good as a written document. What will you tell your children and grandchildren about a deal or contract and what their word is worth?

And that, Mr. Speaker, is what this is all about. And it's shameful. Shameful that we have betrayed our ancestors whose hard work and decent values built this province.

If we cannot afford the financial consequences of the current deal, we certainly cannot afford the potential consequences of this particular piece of legislation. Those consequences are the loss of this province's integrity, the loss of our capacity to attract new investment, and the loss of trust — further loss of trust in government, an institution which unfortunately suffers from a great deal of mistrust by too many in our society.

Without integrity, Mr. Speaker, what have we to offer as a province? If we cannot demonstrate to the world that we have honour, and that we honour things so basic as legal and binding contracts, what hope do we have that anyone will want to live in our province, conduct their business here, and risk their monies here. We cannot afford to be bullies to threaten instead of negotiate, to legislate instead of placate.

Over the past few weeks in this House and in the

media, there have been many interferences . . . or inferences, pardon me, made about the reputations and the motives of the various players in this particular event. The motives and the reputations of the FCL officials have been questioned and they've been challenged. The motives and the reputations of the government's officials have been maligned and degraded. But I will not participate in that kind of action and name calling and character assassination.

These people are not responsible for this legislation. As business people and public servants, we owe them the benefit of the doubt, the assumption that they are doing their jobs the best they can, with professionalism and good business acumen. Ultimately this legislation is the choice, the choice of the minister in charge, the Associate Minister of Finance, and the Premier. Those three people must be answerable now and in the future for this action.

In a democracy, government is all about accountability. And the principle of accountability requires that power ultimately be vested in elected office holders. They must be accountable. They, Mr. Speaker, for each action that has been taken, each action that has occurred, to bring us to this point of debate today.

And let me tell the minister, the Associate Minister of Finance, and the Premier of the province that when the voters present them with their Bill for this legislation in a few short years, they are going to have to be willing to pay the price.

A competence for power is required by elected officials. This competence for power requires an understanding that wielding power over other human beings is a privilege, not a right. History books are full of examples of amateurism in this regard, illustrated by scandal after scandal in which power is and has been misused.

We as elected members in a democracy must realize that the opportunity to stride confidently down the corridors of power is only by virtue of occupying temporarily a public office.

I urge all members of this Assembly one last time to back off, to reconsider, and to make an honest effort, and I underline honest effort, to resolve this impasse without sacrificing so much of what all of us have been taught to hold dear — our heritage of honesty, our heritage of trust, and our heritage of integrity.

Thank you, Mr. Speaker.

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

(1600)

## COMMITTEE OF THE WHOLE

### Bill No. 59 — An Act to amend The Education Act (No. 2)

**Hon. Mr. Lingenfelter:** — Mr. Chairman, I'm pleased to introduce Michael Littlewood who is the director of the board and teachers' services branch of the Department of Education. And any questions the members have, I'll be doing this Bill on behalf of the Minister of Education. And if there are questions that the members are unable to receive right now, we'll get those answers very quickly for them.

#### Clause 1

**Mr. D'Autremont:** — Thank you, Mr. Chairman, Mr. Minister. Well since this Bill was presented to the House, we've had a change of minister, and at that time I wrote my questions up with Madam Minister, so I'll have to be careful when I check these. Mr. Minister, who did you consult with in the preparation of this Bill?

**Hon. Mr. Lingenfelter:** — I guess the Bill is based on a document that the members may or may not have, but basically called, "The Advisory Committee on Home-Based Education Program", and this committee was composed of members from the Saskatchewan School Trustees Association, the teachers' federation, the league of educational administrators, as well as members from the Saskatchewan home-based educators and other members at large, and I believe also the Saskatchewan independent schools had representation on the committee as well. So it was a consultation and fairly major review and discussion that went on and actually resulted in the document that I indicate here.

**Mr. D'Autremont:** — In the consultation, Mr. Minister, did you provide any mechanism for those people who are not represented by an association to have input into the Bill?

**Hon. Mr. Lingenfelter:** — It's my understanding that following the document and the study that went on through sort of the formal mechanism that I referred to earlier, following that submission to the minister there were actually regional meetings that were held throughout the province to which parents and families, as well as school officials who were interested in home-based schooling were able to come and put forward their views.

**Mr. D'Autremont:** — My concern there was, Mr. Minister, that there are a number of people who are not represented within official organizations, but yet wish to home school. And I was concerned that they had the proper opportunities to be part of this process.

When this proposal came forward with this legislation, is it not true that this Act will restrict significantly the teachings of parents who choose to home school their children, that you are restricting their ability to teach what they want with this Bill?

**Hon. Mr. Lingenfelter:** — The member will want to be aware that what is happening here is the attempt to have a balance where the students who might go through the home-based schooling would have the

tools so that they could compete on leaving the schooling process to be able to have a rounded education as it would compare to other students in Saskatchewan or Canada.

Parents could obviously add more to that. And so rather than talking about as a restrictive process, it restricts only in the sense that enabling the students to get the proper education so that they would be equipped to compete with other students upon completing that portion of their education.

There would also be some minor restrictions as it would relate to what is acceptable within Canadian society. But it's very, very broad as to what they might be able to teach in addition to the normal classes or the process of education within the regular school system. It's to ensure that the students who come through this system are equipped as other students in our society to meet the needs of getting a job and entering university or to enter the next level of school.

**Mr. D'Autremont:** — Well, Mr. Minister, everyone in the province wants the children as they progress through the school system to be put into the position where they can move out into the job market, that they do have the proper education. But those parents who wish to school their children outside of the normal process, you might say, do so for particular reasons, that they have some argument with the curriculum as laid out in either the public or the separate school system or now, within the francophone school system.

So if you tighten things up too much, if you're too heavy-handed, then there's no point in having home-based schooling if you've eliminated all the choices that parents could have. So this is the concern that I've received phone calls on, is to the amount that you are tightening it up. Have you given considerations to that?

**Hon. Mr. Lingenfelter:** — The member should be aware that in designing this kind of a program, not unlike designing the regular school system, that you're always going to find the system isn't perfect for everyone. But I think what we've arrived at here as a result of the extensive consultations, both with organized groups as well as with the regional meetings that were held throughout the province, is that we have a system that will meet the needs of the parents and the students.

And I think it's fair to say that there will be enough flexibility within the system and within the Act and within the regulations to allow for those parents who for conscientious reasons may want to use an alternate form of education, that they will be able to fit within the parameters of the legislation and regulation. And it's also fair to say that people within the department and within the education system will be working to make sure that the aspirations and needs of the parents and students are met.

Now having said that, obviously you're never going to have a Bill or a piece of legislation that meets the

needs of absolutely everyone 100 per cent of the time. But I think the department has done a pretty excellent job of balancing the needs of the students and parents along with what is needed by students when they leave that education process.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Because parents remove their children from the current system, based in a lot of cases on their personal lifestyle values that they support and because they feel that those values are not reinforced within the current system, they have some concerns about this.

If the curriculum . . . if the established policies, as you will define, do not meet their personal requirements, what type of an appeal mechanism will be put in place for them?

**Hon. Mr. Lingenfelter:** — To the hon. member, I want to say that this is obviously a concern whenever you have the potential for a dispute arising, and this has been considered. And basically what has been set in place is that there is a . . . each education region will be required to set up an appeal mechanism that will review and work with the family in order to resolve the dispute if one would arise.

The dispute-settling mechanism or panel would be made up of one individual appointed by the parent and one by the school district . . . region. And they would then try to work out the problem. And we believe that in the vast majority of cases that after discussion and consultation, that this review panel and dispute settling mechanism would resolve the majority of cases that might arise.

**Mr. D'Autremont:** — Okay. Thank you, Mr. Minister. Mr. Minister, I see where in Bill 59 you're amending clause 27(2)(b), that the Government of Canada under section 114 of the Indian Act no longer has to enter into an agreement regarding Indian reserve schools. Why is this?

(1615)

**Hon. Mr. Lingenfelter:** — I'm informed that the reason this is occurring, that many of the Indian bands are asking for and receiving the right and the privilege to manage their own school systems, and the federal government is agreeing with that and turning over control of administration to the local bands.

As that happens, the Department of Education has to have within its purview flexibility as well to work with the then new system or new situation that arises. And so this change to the Act will allow that kind of flexibility, so that we can work with the newly established school boards.

**Mr. D'Autremont:** — So you would do this either on the case of the whole reserve, or you could take portions of it and subdivide it. Would that be permissible and what impact would that have?

**Hon. Mr. Lingenfelter:** — It's my understanding that

that would be possible. For example, if one portion of a given reserve, the students in that part went to the public school, that then of course would set up a different situation on one part of the reserve as opposed to the other. Obviously this would be at the choice of the local government or the reserve council.

They would then, those students that would attend the public school, the parents of those children would have the right then to elect someone to the board within the non-reserve school district. And so you will see, or could see potentially the situation where as the transition occurs, that not all of the reserve would be changed at once. It could be done in such a way that it was done gradually where one part of the reserve would move and then over years the whole reserve might move into that situation.

**Mr. D'Autremont:** — One of the other changes we see in this Act, Mr. Minister, is the change to The Education Act regarding a sale of school property and buildings. In subsection 350(3) strikes out the existing cap of \$2,500 and replaces it with "the amount prescribed in the regulations." The same holds true in sections 352, 355, and 358. In every instance you have eliminated the cap on dollar amounts and replaced it with whatever regulations say.

Why have you eliminated these totals and made them subject to regulations, basically leaving it open to whatever the minister finds acceptable?

**Hon. Mr. Lingenfelter:** — As the member probably has assumed, the reason being is that the number 2,500 has been in the Act since 1978, and the SSTA or the Saskatchewan School Trustees Association has asked that the number be increased from something from the level of 2,500 to something higher than that.

And through consultation between the department and the SSTA, we've arrived at a plan whereby the number in fact would be increased and it would be put in regulation so that you wouldn't have the situation where the Act would have to be opened up in order to make this happen, but that any changes that would occur would occur as a result of serious consultation that would go on between the SSTA and the department. And it's a way and means of keeping current on what that amount might be as inflation forces you to change it from time to time.

**Mr. D'Autremont:** — Thank you, Mr. Minister. The reason I'm interested in this is because I've received a number of phone calls from the community of Buchanan dealing in particular with the sale of a school. And the minister, in estimates, at the time said she would look into that and get back to me with a response, and I have yet to receive that response.

But there the school board was selling the school buildings. As it turned out, they sold it to the local recreation authority, which would be the village in actual fact, and therefore it didn't need to be advertised for sale even though the value was over the \$2,500.

And a number of the people in the community were very upset about this because they felt that if the school was to be sold, that they should have had the ability to have some impact on that. In the first part, they didn't want the school to be sold, and they had hoped that they might be able to purchase it to use as a facility within the community.

So when you change this and allow it by regulation, you put it into a situation where it can go forward or backwards. And some of the people in the community I think would be concerned about that if the school facilities were being sold off at a price too low if it's being sold off for something that is not community facilities.

And so I think it needs to be done carefully, Mr. Minister. And it needs to be done in a manner such that the people in the general public know and understand what is happening. So what do you have in place that would allow that to happen?

**Hon. Mr. Lingenfelter:** — Yes, I want to say to the member that on the issue of Buchanan I want you to make sure that . . . maybe you could send me across the concern that you gave to the minister, just to make sure that this hasn't fallen between the cracks. And we'll take it up with the Department of Education and get you a response as quickly as we can. I would expect we get something back by the end of the week if we were to get it today.

The other point is on the sale of the school to the local government or to a local recreation board. It's been the policy of the government that on the sale of a school building, that if it were intended that it would go for some other community event or some other community purpose, that is a community building, a school, moving over to another area of community endeavour — let's say a recreational centre, I guess as in this case — that it was believed that the local board or the local people should be able to make that decision rather than put it out for bids where it may end up outside the purview as being a locally controlled building. And this has been the case for some time and basically that's the rationale, that it would continue to be a community building and used for such community purposes.

**Mr. D'Autremont:** — Well, Mr. Minister, in clause 4 of the Bill and in clause 5 deals with curriculum resource materials and recommended textbooks. I'm just wondering who makes the recommendation and who decides whether or not a textbook or resource materials are to be used within the home-based schooling, and what is acceptable and what is not.

**Hon. Mr. Lingenfelter:** — Just for the clarification of the member, clause 4 and 5 do not apply to home-based schooling. These would apply to the regular curriculum within the school system.

As it would relate to the home-based school program and textbooks that might be used there, what might happen here is that parents would apply to the local school board office with their plan of education along

with the textbooks that they would intend to use in that training program.

And there's a good deal of flexibility, as I understand, in what books might be used. And that would mean that it would not necessarily be restricted to the books that might be used in the regular public school system. But there would be a fair bit of flexibility that would reflect the conscientious situation of that family. And as long as it met the criteria, the basic criteria, both the plan of education as well as the textbooks, it would likely be allowed.

**Mr. D'Autremont:** — Well, Mr. Minister, I think in that particular case there needs to be a whole lot of flexibility because in a good many cases the reason people are using the home-based system is because they don't agree with what's in the textbooks under the public and separate systems.

Also in clause 5, it talks of, subject to regulations, making grants for the provision and enhancement of language education programs within the home-based schooling system, I'm wondering what grants are these and what languages are involved?

**Hon. Mr. Lingenfelter:** — Here again the member will know that these grants do not refer to home-based schooling, but special grants for special arrangements within the school system, such as French language grants or heritage language grants, that kind of thing. And it is just the clause that will make this system more workable within the regular school system.

**Mr. D'Autremont:** — Thank you, Minister. Clause 39 of the Bill deals with section 365 of the Act, and I'm just wondering why is this clause being placed where it is. In my mind, it does not bear a lot of relationship to section 365 of the Act. I'm just wondering if you could explain that for me please.

**Hon. Mr. Lingenfelter:** — Maybe if I could, I'm just going to ask my official to check into that. But if you have a problem relating to Buchanan, if you have it with it you, if you could just jot it on a piece of paper, send it across, I'll then send it out and see what we can do here quickly for you.

**Mr. D'Autremont:** — Mr. Minister, the section deals with some fines of up to \$50. And while the amendment in this particular case also deals with fines, to me the two subjects involved are totally unrelated. So I'm just wondering why it's being placed where it's being placed.

(1630)

**Hon. Mr. Lingenfelter:** — Here I'm a little bit . . . Well I just want to say that if you look at 365, 366, 367, and 368, you'll find that they're all fines or penalties that would relate to an Act. It's a simple matter of drafting; that when Justice reviewed the Act and was in the process of writing the Bill, this is where they chose to put these particular sections in. And I guess it might be argued they should be somewhere else. But this is where the drafters decided to put it.

Clause 1 agreed to.

Clauses 2 to 42 inclusive agreed to.

The committee agreed to report the Bill.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I'd like to thank the minister and his officials for coming in today and answering our questions. We basically supported the Bill so that's why there was very little questions. And we feel it will serve the people well.

**Hon. Mr. Lingenfelter:** — Yes, I just wanted to join with the member from Souris-Cannington in thanking my official who's here today and also the member for Souris-Cannington for his questions. I also make the commitment to get back to you as quickly as we can with the issue of Buchanan.

**Bill No. 1 — An Act respecting the Conduct of Members of the Legislative Assembly and Members of the Executive Council, respecting Conflicts of Interest and to enact Consequential Amendments resulting from the enactment of this Act**

**The Chair:** — At this time I would like to ask the Minister of Justice to please introduce his official to the committee.

**Hon. Mr. Mitchell:** — Thank you, Mr. Chair. With me today is Mr. Doug Moen, the coordinator of legislative services in the Department of Justice.

**Clause 1**

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Chairman, as you are aware and the members of the Assembly are aware, the minister is certainly aware of the fact that it's the reason for such a Bill to come forward is the fact that the public at large and in general certainly have over the past number of years had a lot of questions. And the integrity of members of the Legislative Assembly and people in general involved in public life is in question.

I believe the idea of the Bill as presented by the minister is to try and clarify some of the demands on members, and clarify the rules and the guidelines, trying to make them more open, trying to be more accountable while at the same time recognizing the responsibility of members to certainly conduct themselves in a way that gains public favour and public trust and not leave themselves open to the public mistrust. And in fact we're all going to be scrutinized by the members of the public.

I'm wondering if the minister would take a moment just to lay out some of the significant portions of the Bill. It would appear to me, Mr. Chairman, and Mr. Minister, as we've already discussed, that regardless of the guidelines and the rules that we would lay out, even as they're being proposed in Bill No. 1, there will probably always . . . someone in the public's mind or in the public or even on the media side who would feel at the end of the day that possibly every area

hasn't been addressed or hasn't been totally addressed. And when you set out rules, there's always bound to be someone that may find a way to get around the rules.

And I don't know if we're really intending or we're trying to set rules in such a way that we're so binding on people that we're going to make it more difficult, in fact close the doors to a lot of individuals who might look at public life but because of the rules and the restrictiveness of the guidelines would say, well I'm not really interested in serving the public. I've got a business to contend with, a business that's doing well, and I'm not willing to sacrifice, make those sacrifices just to open myself up.

Because it seems to me with what we've had laid out and in our discussions, basically a person being asked or getting involving, putting their name forward and getting involved in public life and being an elected representative, is basically laying their soul bare to the public for scrutiny, and at the end they still may be accused of not laying it bare enough. And I wonder if the minister at least could give us some of the major points that the Bill is trying to address.

**Hon. Mr. Mitchell:** — Yes, Mr. Chair, I'll be glad to do that. Of course we've had legislation like this covering many of the points covered in Bill No. 1 for some years now in Saskatchewan. I believe the existing Act was passed in 1979.

One of the problems with the existing Act is that there is no place that members of this Assembly can go in order to resolve any questions that they have under the Act. For example, there is no place that members can go to get a ruling as to whether or not certain interests have to be laid out in the disclosure statements, so that the present Act was deficient in that respect. And under this Act, the legislature will have a conflicts of interest commissioner who will sort out these questions and help us to determine what parts of our lives have to be laid out in the statement that the member was referring to and what parts do not.

As well, the commissioner will be dealing with whether or not we are ever in conflict of interest with respect to any of our activities in relation to our personal lives and personal interests.

So that's the first thing the Act does, is provide for a commissioner, and I think that's a welcome improvement to the legislation and one which all members will appreciate as they try and determine what their responsibilities are under this legislation.

That leads me to the second point, which is the requirement in this Bill for a broader disclosure of our personal assets and the assets of our families and our associates, and that's much broader than is the present Bill.

As the member has noted, the public demands this, and we are simply in this Bill trying in this legislature to respond to the legitimate public demand that we make it clear when we would be in a conflict of

interest situation by disclosing in a public way what our personal interests are. And the member is quite right, that's something that not many members of our society have to do in relation to their employment or their offices; but it, I think, is something that we simply can't avoid. We're elected to serve a particular function, and in the exercise of that function, the public is requiring that we disclose any conflicts of interest that we may have, any opportunity we may have to personally benefit from any of the things that we do in this House. So that's the second thing.

The third item that I would mention in response to the member's question is that the Bill will prevent cabinet ministers from being involved in businesses or other activities which constitute a conflict of interest, a conflict between their former role as a cabinet minister and the contacts and influence that they have in the public service in relation to contracts during a period of one year after they cease being a cabinet minister. And I think that's a useful thing.

The Bill specifically prohibits using insider information as it's known: information gained as a result of being an elected member or cabinet minister for the advancement of personal interests.

The next item that I would mention is a prohibition against accepting a fee, gift, or a personal benefit other than as a matter of protocol or social obligation. Where a gift is acceptable as a matter of protocol or social obligation and such gift exceeds \$200 in value, the gift must be disclosed. The fact of the gift must be disclosed to the conflict commissioner.

So those are the highlights of the Bill. There are, of course, very complex provisions respecting disclosure, but I think I've responded to the member's question with that answer.

**Mr. Toth:** — Thank you, Mr. Minister . . . or Mr. Chairman. I guess one of the major concerns is when we start talking of disclosing information and we ask ourselves, how far do we go and who all do we cover by it. Now if I understand it correctly, right now when the member signs . . . we do have a conflict of interest form we sign that basically we lay out what are the assets we hold and what, if any, shares we may have in the company, and just laying out what we personally have as an individual.

I believe what this Bill does is goes beyond that and requires that even our spouse . . . we've got to release that type of information other than it doesn't get into, say, a child, if I'm not mistaken.

I'm wondering, Mr. Minister, if you could just let us know exactly how far it goes and what must be declared. Like I think there are small investments that are made or people . . . whether every savings account that you've got is to be declared. How far or what is brought forward and required of in this Bill?

(1645)

**Hon. Mr. Mitchell:** — What is required to be

disclosed, Mr. Chair, are the following: the name and the address of the registered office of each corporation in which the member holds shares, share warrants, or share purchase options. Now when I use the term "member," I am including the member and the member's family when I give this information to the House.

Secondly, we must disclose the name and address of each business from which the member or the member's family receives remuneration for services as an employee, officer, director, trustee, partner, or owner.

Third, the names and addresses of proprietorships or partnerships in which the member or the member's family has an interest.

Fourthly, the identity of bonds and debentures with a value greater than \$2,000 held by the member, other than treasury bills and bonds issued by the Government of Canada or any provincial government or any municipal government, but all other bonds and debentures having a value greater than \$2,000 have to be disclosed.

A fifth, the identity of investment funds, mutual funds, investment trusts, or similar securities again exceeding \$2,000, other than the retirement — RRSP (registered retirement savings plan) — and RHOP (registered home owners' plan) and their registered education plans. But apart from those exceptions, all investment and mutual funds have to be disclosed if they exceed \$2,000. Real property which we own inside or outside Saskatchewan.

The next one is the identity of and the extent of the member's participation in any government contract. And that includes the member's family as well as the member, of course.

The identity and the extent of any gift or benefit received by the member or the member's family. The identity of any grant or subsidy from the Crown that was received by the member or the member's family, other than certain grants that are paid pursuant to government contracts or pursuant to (a) an Act or regulation where there's no discretion in the giving of the grant, where the grant is a standard type of grant that are objective in nature and don't depend upon our individual situation.

So those are, in a quick summary way, the kinds of information that we have to disclose to the commissioner pursuant to this Act.

**Mr. Toth:** — Mr. Minister, one of the concerns that certainly arises and crops up from time to time is when elected members are involved and the decisions are made by caucus or made by the Legislative Assembly.

And in particular let me just use the example of a person's involved in the agricultural field. And I guess the concern and the question that arises is a person whose background is a farmer and is still actively involved in the farm other than possibly they've got . . .

hiring someone to manage the farm for them, run the farm for them, or they've leased out some of their land or the . . . because of the fact that they don't have the time to work.

When we look at this Bill, are we basically asking members if the agriculture is their main occupation that they should refrain from being involved in any major discussions or decisions by caucus or Executive Council or of cabinet on any question that would relate, like, say to agriculture or in the legal community or even in the business community, some of these questions that are raised there.

It seems to me that that's an area that concern has been raised time and time again. And I would think that when you're elected to represent your constituency, even if your background is agriculture and the area you're representing is agriculture, it would be important that you're there speaking on their behalf. And I don't know if it's sure that the Bill is all that clear whether you should be removing yourself from some major discussion of that aspect. I wonder if you could make a comment on that.

**Hon. Mr. Mitchell:** — Yes I can, Mr. Chair. That specific situation was very much in our mind when we drafted this Bill. In section 3 of the Bill it is stated that a member has a conflict of interest when the member makes a decision or participates in a decision and at the same time knows that in making that decision there is the opportunity to further his or her private interest or his or her family's private interest.

Then we have included a definition of private interest, at least one of those sort of "does not include" definitions:

**"private interest"** does not include an interest in a decision:

- (i) that is of general public application;
- (ii) that affects a person as one of a broad class of persons;

And those are the two relevant exceptions to the situation posed by the member.

So that in the case of a farmer who gets elected to this Assembly and is participating in decisions that are of a general public application like the crop insurance or GRIP and that affects the member but only as one of a broad class of persons, namely farmers in Saskatchewan, then that decision would not be considered one that would further the member's private interest. That's how we got around that.

Now you could think of other analogies, too, but certainly farmers are the predominant one because there are so many farmers in this Assembly. And if we asked all of the farmers to step aside when we're making some decisions, we would have a hard time making decisions in this Assembly. So we have sought to get around it in that way.

**Mr. Toth:** — Thank you, Mr. Minister. Mr. Chairman,

Mr. Minister, I guess when it comes to people with an agricultural background, and we're waiting with a belated breath for the Boundaries Commission to drop their boundaries, and we're just wondering how many people from the agricultural field will still be involved in the Legislative Assembly to maybe form a conflict regarding agricultural issues. But time will tell.

What I'm wondering is, what are you specifically meaning by broad class of person. You say that affects a person as one of a broad class of persons. What specifically are you referring to in that . . .

**Hon. Mr. Mitchell:** — Well the best example I can give I've already given. Obviously farmers are a broad class of persons. And you could say in connection with my own situation, lawyers are a broad class of persons, and doctors and, you know, I could dredge up other ones. But the words themselves I think point the way. It's very difficult to be precise about these things and specifically exclude certain occupations or classifications.

But if you read the two ideas together there, a general public application or one of a broad class of persons, I think that the commissioner will get the drift that this is intended to cover programs that are available generally to the public that is eligible. Crop insurance available to farmers who are eligible because they're farmers. Or members of the Law Society who are covered because they are lawyers and not as individuals. The program is not intended to be for the benefit of specific individuals, but rather for a broad class. Then I think the member would get an understanding at what we're trying to arrive at here.

**Mr. Toth:** — Thank you, Mr. Minister. Mr. Chairman, I understand the Bill is also proposing that we have a commissioner put in place. And if I read it carefully, the commissioner will be appointed by the Legislative Assembly.

The responsibility of this commissioner is to, I guess, be a contact for members to . . . first of all, I guess, if I understand it correctly, the commissioner is going to have the responsibility of administering the Act and knowing in detail what the questions and the type of material that a member would have to submit in his conflict of interest form.

It would seem to me just from what we've been reviewing and discussing right now and looking at the Bill that there's going to be a number of areas that I think it's going to be fairly . . . take a fair bit of work for the commissioner to really come up with some of the guidelines and understanding so that they can relate their understanding of what the Bill means to members so that at the end of the day we can be comfortable that we have certainly laid out ourselves as clearly as we can and as comfortably.

And the other thing I'm just wondering about, this commissioner is available or is going to be there to provide assistance. The commissioner also will be making decisions as to whether members have fulfilled their responsibilities to the code to provide

the proper information and if indeed they've followed the guidelines.

Is that correct? Actually there's about three questions there, about the appointment of the commissioner and the responsibilities and the areas of jurisdiction that they will cover.

**Hon. Mr. Mitchell:** — Yes, Mr. Chair, the member understands the office quite clearly. It will be a difficult job, particularly when the Act is being implemented, and it will also be difficult following each general election because there'll be a new flood of members into the House after each election — at least that's our general experience in this province. So there'll be quite a process that will have to be gone through.

We think it will take some time before we will be ready to proclaim this Act. We will need a commissioner working with all of us individually to sort out these questions before we will be in a position to proclaim the Act. So it will be a very complex matter. But the answer to each of the member's questions is yes, your understanding is correct.

**Mr. Toth:** — Mr. Minister, is there a process whereby if — I guess I'll use the term conflict; not conflict of interest, but a person, whether they be a member or . . . I'll use the term member — if the member feels that maybe there's more being required of them than they really feel is necessary and they feel that the commissioner is being a little more demanding, is there a process in place that is set up to help clarify some of the matters where there's a conflict between the commissioner and a member? Or is the member just subject to whatever the commissioner's interpretation of the Bill is?

Because I think at the end of the day, the commissioner will be . . . it'll be a challenge to take this Bill and really get a sound understanding so that everyone is aware of the demands and the principles of the Bill before us, this conflict of interest.

**Hon. Mr. Mitchell:** — Mr. Chairman, and to the member, there is no procedure in the Bill for appealing or reviewing any position that the commissioner takes. We will be in the hands of the commissioner with respect to these questions. This is the approach taken in other provinces where this legislation is in effect and it has worked in those provinces, and so we're optimistic here.

As the member knows, the selection of the commissioner is one that requires some care and some considerable thought because we need someone in whom we all have confidence in this House.

And let me answer it this way, Mr. Chair. If we got into a situation where the commissioner was, in the view of the members of this House, not interpreting the Bill correctly, we have the main option. We have the main alternative of amending the Bill so that it will accurately reflect what we meant. And ultimately of



course, although you'd probably never get in this situation, we do have the power to remove the commissioner and substitute another one. But there is no appeal mechanism as such.

(1700)

**Mr. Toth:** — Mr. Minister, I guess another question that I would like to just bring to your attention is the fact of . . . and I think you touched upon it a bit in your last response when you mentioned that there will be a process of time.

And it's certainly . . . just even just passing this Bill and receiving Royal Assent, and I think it is . . . some of the discussion with some of your officials as well as to when this Bill will be implemented because it seems to me there are a number of complicated matters to bring forward here. And I would just wonder if we have a time period we're looking at as to when members are going to be forced — I shouldn't use the the word forced because I think we all want to be as open and forward with the public — to be put in a position of complying with the conflict of interest form we have today.

The committee reported progress.

### THIRD READINGS

#### **Bill No. 59 — An Act to amend The Education Act (No. 2)**

**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.

The Assembly adjourned at 5:04 p.m.